



La vie ensemble

Life together

Universal registration document including
the annual financial report **2021**

*Creating spaces
that bring
people together*



CONTENTS

LIFE TOGETHER 2

1 INTRODUCTION OF THE GROUP

(AFR) 5

1.1	An integrated real estate operator model, unique in France	7
1.2	Market environment	11
1.3	A confirmed services platform strategy	15
1.4	2021 Group performance	20
1.5	Residential Real Estate Development	25
1.6	Commercial Real Estate Development	31
1.7	Services	36
1.8	A broad spectrum of clients	42
1.9	Investments, innovation and intellectual property	43
1.10	Legal and regulatory environment	45
1.11	Material contracts	46

2 RISK MANAGEMENT 47

2.1	Risk management and internal control system	48
2.2	Specific risk factors and their management	56
2.3	Business ethics and regulatory compliance	72
2.4	Fraud prevention system	74
2.5	Legal and arbitration proceedings	75
2.6	Procedures relating to the preparation and processing of accounting and financial information	75

3 STATEMENT OF NON-FINANCIAL PERFORMANCE (AFR) 77

3.1	CSR, an integral part of Nexity group's strategy	78
3.2	Meeting the environmental challenge	91
3.3	Making cities more inclusive	110
3.4	Developing human capital	115
3.5	Cross-cutting issues: governance and ethics, client satisfaction, responsible supplier relations, innovation	135
3.6	Summary table of CSR indicators	142
3.7	Summary tables of main CSR objectives	146
3.8	Notes on methodology pertaining to disclosure of workforce, environmental and societal information	147

3.9	Report of the independent third-party on the verification of the consolidated non-financial statement included in the Group management report	149
3.10	Cross-reference table with Decree no. 2017-1265 of 9 August 2017 relating to the publication of non-financial information	152

4 CORPORATE GOVERNANCE REPORT (AFR) 153

4.1	Administrative and Executive Management bodies	155
4.2	Preparation and organisation of the Board of Directors' work	178
4.3	Related-party transactions	189
4.4	Remuneration and benefits for the executive company officers	194
4.5	Pensions and other benefits	224
4.6	Stakes held by executive company officers and the members of the Board of Directors in the Company	225
4.7	Transactions in securities	226
4.8	Stock options and free shares awarded to the executive company officers	226
4.9	Main shareholders	227
4.10	Information on the share capital	230
4.11	Statutory provisions	235

5 FINANCIAL REPORT (AFR) 241

5.1	Consolidated financial statements at 31 December 2021	242
5.2	Parent company financial statements at 31 December 2021	298
5.3	Additional items	326
5.4	Items under operational reporting	329
5.5	Trends	332

6 INFORMATION ABOUT THE ISSUER 335

6.1	General information	336
6.2	History of the Company	336
6.3	Organisation structure	337
6.4	Shareholder information	340
6.5	Persons responsible for the Universal registration document	341
6.6	Statutory Auditors	341
6.7	Cross-reference tables	342



A French *société anonyme* with share capital of €280,648,620

Registered office: 19, rue de Vienne – TSA 50029 – F-75801 Paris Cedex 08

444 346 795 RCS Paris

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

2021



This Universal registration document was filed with the French Financial Markets Authority (Autorité des marchés financiers – AMF) on 6 April 2022, as the competent authority under Regulation (EU) No. 2017/1129, without prior approval under Article 9 of the said regulation.

The Universal registration document can be used for a public offering of securities or for the admission of securities for trading on a regulated market if it is supplemented by a prospectus and, as the case may be, a summary and all the amendments made to the Universal registration document. The whole is then approved by AMF in accordance with Regulation (EU) No. 2017/1129.

In accordance with Article 19 of Regulation (EU) No. 2017/1129, the following information is included in this Universal registration document:

- The management report, the consolidated financial statements for the 2020 financial year and the corresponding Statutory Auditors' report, set out on pages 281 to 301, 305 to 354 and 355 to 359 of the Universal registration document filed with the AMF on 9 April 2021 under number D.21-0283, and
- The management report, the consolidated financial statements for the 2019 financial year and the corresponding Statutory Auditors' report, set out on pages 243 to 259, 262 to 306, and 307 to 310 of the Registration Document filed with the AMF on 9 April 2020 under number D.20-0280 and modified by an amendment filed with the AMF on 28 April 2020.

This document is a free translation into English of the original French Document d'enregistrement Universel, referred to as the "Universal Registration Document". It is not a bidding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Copies of this Universal registration document may be obtained free of charge from Nexity, 19 rue de Vienne – TSA 50029 – 75801 Paris Cedex 08, and on the websites of Nexity (www.nexity.fr) and AMF (www.amf-france.org).

Life *together*

Places in themselves hold no meaning – their meaning comes from the life that is lived there. We need the places we inhabit to fulfil our most fundamental aspirations – to live amongst the people we love, to study and work, to grow up and grow old, to meet and enjoy being with others. We need places where we can forge connections, over and over again. That's why we call our corporate purpose Life Together.

Life *together* is **commitment**

Because we believe that a place to live is a pillar of human dignity, we work with social housing partners to facilitate access to decent homes for everyone, whatever their age, situation or life path. But it's about more than housing – all the people and places under the Nexity umbrella share the same concern: we want to make places where human beings feel at home, where they come together with others, where they feel connected to their city and to the environment.



None of us can meet these immense challenges on our own. We each have a role to play, skills and ideas to bring to the table, and contribute to this project that we can only achieve together.

Life **together** is **connection**

Our services exist to facilitate or create this Life Together, spanning the whole gamut from a single flat, building, or office to a whole street or neighbourhood. By forging close relations with the people who've put their trust in us over the years – private and institutional clients, CEOs, retailers, elected officials, residents – we see first-hand how people live, how they use their buildings, and what daily concerns or occasional tribulations they face. This has informed our thinking across the board and prompted us to push the envelope, rethink our role, and reinvent ourselves many times already. Now, changing aspirations are causing a shift in the way people relate to each other and to the spaces around them – whether public or private, in the workplace or at home. We're adapting as we go along, confident that we'll be reinventing ourselves over and over again.



Life **together** is **inspiration**

Springing from a dual awareness of our responsibility to the cities, regions, and wider society on one hand, and of our company's history on the other, our corporate purpose drives everything we do. Both our staff and external partners share this *raison d'être*, which translates into five pledges:

- We create places that foster connection through services and innovation;
- We strive to really know our clients;
- We act in unison to tackle environmental challenges;
- We work with our partners to further social solidarity;
- We harness our common culture for everyone's benefit.



Introduction of the Group



1.1	AN INTEGRATED REAL ESTATE OPERATOR MODEL, UNIQUE IN FRANCE	7	1.5	RESIDENTIAL REAL ESTATE DEVELOPMENT	25
1.1.1	A VALUE-CREATING MODEL	10	1.5.1	MARKET AND COMPETITIVE ENVIRONMENT	25
1.1.2	A LOW-CAPITAL-INTENSIVE FLOW MODEL	10	1.5.2	DESCRIPTION OF BUSINESS ACTIVITIES	26
1.1.3	A PEOPLE-ORIENTED MODEL	11	1.5.3	2021 PERFORMANCE	29
1.2	MARKET ENVIRONMENT	11	1.6	COMMERCIAL REAL ESTATE DEVELOPMENT	31
1.2.1	DEMOGRAPHIC TRENDS	11	1.6.1	MARKET ENVIRONMENT AND COMPETITION	31
1.2.2	THE STRUCTURAL TREND OF METROPOLISATION AND DENSIFICATION	12	1.6.2	DESCRIPTION OF BUSINESS ACTIVITIES	32
1.2.3	NEW EXPECTATIONS, NEW USES	12	1.6.3	2021 PERFORMANCE	34
1.2.4	BETTER USE OF RESOURCES	13	1.7	SERVICES	36
1.2.5	LAND ISSUES	14	1.7.1	MARKET ENVIRONMENT AND COMPETITION	36
1.3	A CONFIRMED SERVICES PLATFORM STRATEGY	15	1.7.2	DESCRIPTION OF BUSINESS ACTIVITIES	39
1.3.1	GROUP STRATEGY	15	1.7.3	2021 PERFORMANCE	41
1.3.1	INDIVIDUAL CLIENTS STRATEGY	17	1.8	A BROAD SPECTRUM OF CLIENTS	42
1.3.2	COMMERCIAL CLIENTS STRATEGY	18	1.8.1	INSTITUTIONAL CLIENTS MANAGEMENT	42
1.3.3	INSTITUTIONAL CLIENTS STRATEGY	19	1.8.2	LOCAL AUTHORITY CLIENTS MANAGEMENT	42
1.3.4	LOCAL AUTHORITY CLIENTS STRATEGY	20	1.9	INVESTMENTS, INNOVATION AND INTELLECTUAL PROPERTY	43
1.3.5	MEDIUM-TERM AMBITIONS	20	1.9.1	INVESTMENTS	43
1.4	2021 GROUP PERFORMANCE	20	1.9.2	INNOVATION	43
1.4.1	2021 FINANCIAL ITEMS – OPERATIONAL REPORTING	21	1.9.3	INVESTMENTS IN REAL ESTATE FUNDS	44
1.4.2	2021 CASH FLOWS AND BALANCE SHEET – OPERATIONAL REPORTING	23	1.9.4	INTELLECTUAL PROPERTY	44
			1.10	LEGAL AND REGULATORY ENVIRONMENT	45
			1.10.1	REGULATIONS PROMOTING REAL ESTATE PURCHASES	45
			1.10.2	REGULATIONS APPLICABLE TO NEXITY	45
			1.11	MATERIAL CONTRACTS	46

1.1 AN INTEGRATED REAL ESTATE OPERATOR MODEL, UNIQUE IN FRANCE

Nexity⁽¹⁾ is the leading real estate group in France, operating both in the development and services sectors, for all client segments: individual, commercial, institutional and local authority.

The Group is faced with a changing environment. It must face environmental and social challenges as well as a

change in the uses of its clients amplified by the health crisis. This is why Nexity, beyond its historical core business in real estate development, has successively extended its skills to new services – all of which maintain a link with real estate, the basis of its expertise and its legitimacy – thus offering each of its clients a range of offers unparalleled on the market.

	Individual Clients	Commercial Clients	Institutional Clients	Local authority Clients
DEVELOPMENT	• Apartment blocks • Social housing • Residences for seniors, students, co-living, tourism, etc. • Single-family houses • Rehabilitation of residential assets	• Bespoke offices • Newly-constructed speculative office building (without buyer at the start of works) • Refurbishment • Ground-floor retail • Coworking spaces	• Office building • Social, intermediate or free housing • Serviced residences • Mixed-used programmes	• Large urban projects and mixed-used programmes • Refurbishment of assets in city-entrances and city-centres • Ground-floor retail • Public buildings • Brownfields transformation
SERVICES	• Condominium management • Rental management • Real estate transactions • Consulting / wealth management • Real estate research (Bien'ICI) • Credit brokerage and Real estate insurance • Services to residents (concierge services, home automation, etc.)	• Real estate consulting and support in changing working methods • Interior design • Property Management • Building services management platform • Company concierge service • Access to coworking spaces	• Advisory services & financial structuring • Land sourcing and acquisition • Asset performance management • Asset management arbitration	• Advisory services / PMA • Interior design • Building services management platform

The platform places each of the Group's clients at the heart of an attentive and close relationship, and supports them on a daily basis and as their needs and practices change. It relies on both the efficiency of digital technology and the density of its network of more than 400 locations nationwide.

Nexity's commitment is also expressed through a very demanding CSR policy, which relies on a large ecosystem,

with no single player able to provide all the answers to the environmental and climate challenge and societal changes.

Consistent with the Group's corporate purpose, "life together", the platform serves everyone and a city where people live better and together, a city that is both more welcoming and affordable, a sustainable city, respectful of people, the collective and the planet.

1) Hereinafter also referred to as "the Company" or "the Group".

Core strengths

CHANGES IN SOCIETY AND ENVIRONMENTAL CHALLENGES

Demographic trends – Urbanisation and increasing urban density
New expectations and new uses – Climate and biodiversity conservation

➤ Amplified by the public health crisis ➤

HUMAN CAPITAL AND STRONG TIES

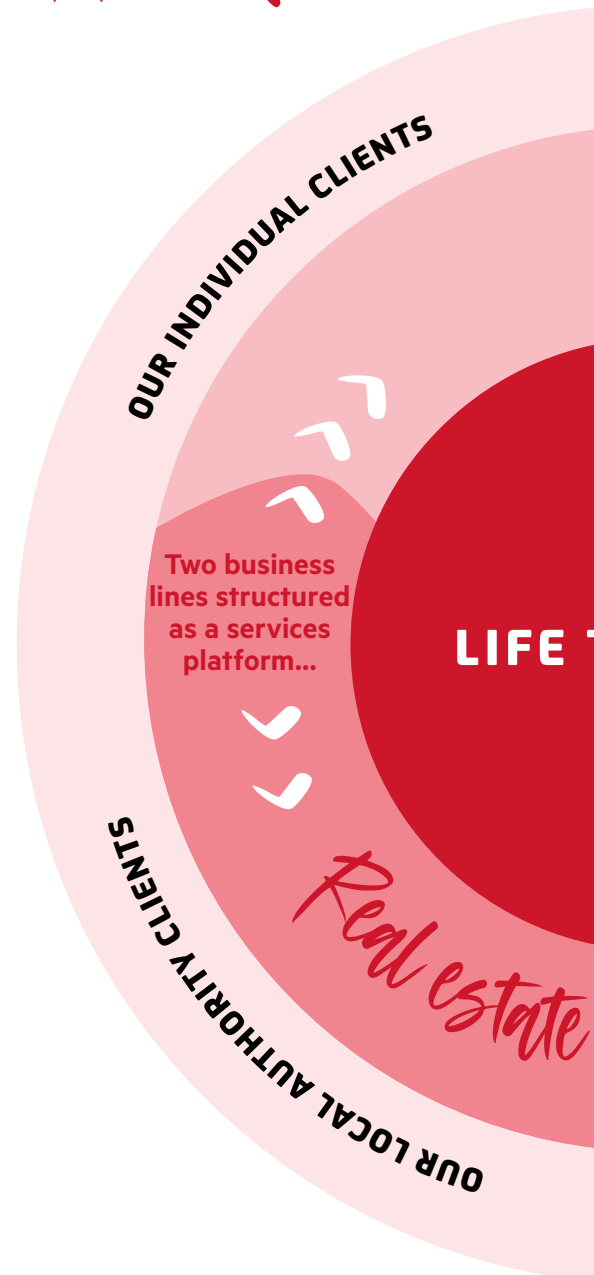
- Around **8,000** employees
- **~15%** of the share capital owned by Group employees and managers
- **80%** of employees are shareholders in the Group
- **>1m** clients
- **>400** locations across France
- **18m** monthly visitors to Nexity's sites

ROBUST MODEL IN TIMES OF CRISIS

- Asset-light, non-capital-intensive model geared toward flows, based on limited land ownership
- Balanced presence across all cycles (short-, medium- and long-term)
- Pooling of resources and processes to achieve economies of scale

FIRMLY ESTABLISHED, AMBITIOUS CLIMATE AND BIODIVERSITY STRATEGY

- Low-carbon trajectory certified by the SBTi initiative as aligned with the Paris Agreement (and a new trajectory that aims to be certified as aligned with the 1.5°C target)
- Involvement in Act4nature International and Biodiversity Impulsion Group initiatives



Value creation



OUR STRATEGIC AMBITION

To be mindful of how each individual occupies spaces and makes them their own, and to respond to new lifestyles and behaviours, to develop inclusive, low-carbon and biodiversity-friendly towns and cities.

SOLID FINANCIAL STRUCTURE

- **€4.6bn** in revenue
- **8%** current operating margin
- Solid balance sheet: Net debt **<€600m**
- Dividend of **€2.50⁽¹⁾**

PARTNER OF CHOICE FOR OUR CLIENTS

- The only comprehensive platform that offers solutions that meet all our clients' real estate needs
- **1.6%** increase in average client satisfaction in Residential Real Estate (CSAT indicator)
- **7th** in the HCG customer relationship ranking

REDUCED ENVIRONMENTAL IMPACT

- Reduction in carbon emissions in 2021⁽²⁾ :
 - **4%** in Residential Real Estate
 - **13%** in Commercial Real Estate
- **No. 1** BBCA developer by number of projects started since 2016
- **63%** of office building floor space delivered using timber-frame construction

EMPLOYEE ENGAGEMENT

- Bloomberg Gender-Equality Index, recognising the best companies in terms of gender equality
- Nexity recognised as one of France and Europe's Best Workplaces in 2021 in the category for companies with over 2,500 employees

SUSTAINABLE SOCIETAL COMMITMENT

- Establishment of an apprentice training centre
- Nexity delivers 1 in 15 new social housing units in France
- 1,220 housing units in family shelters and emergency accommodation centres completed, in progress or planned

(1) Submit to the approval of the Shareholders' Meeting to be held on 18 May 2022.

(2) Per sq.m delivered, compared to 2019.

1.1.1 A value-creating model

Nexity's unique service platform model creates strong value for the Group's clients: whatever their real estate needs and issues, Nexity is able to provide an appropriate solution. Combined with a strong commitment to continually improving the client experience and client satisfaction, the service platform enables the Group to be present at every stage of the real estate life of its clients. The Group also creates value for the local economy, according to the study of the socio-economic footprint in the regions carried out in 2019, for each direct job within the Group, 10.3 additional jobs are supported in the French economy.

At the same time, this model creates strong and resilient value for the Group:

- **Synergies impacting revenue:** cross-selling and business contribution between business lines (e.g. private investors in new buildings with rental management needs, Commercial Clients wishing to change their working methods and the layout of their spaces, Institutional Clients seeking to develop a differentiating service offering for tenants of its buildings, etc.), roll-out of a real estate challenge applied to all Group employees;

- **Synergies improving business line productivity:** pooling between subsidiaries (e.g. sharing of real estate within the same region, intra-group subcontracting, etc.), economies of scale (e.g. centralisation of purchases, implementation of framework contracts and negotiated rates with partners, etc.), optimisation of processes and sharing of skills across the business lines (establishment of a call centre and client satisfaction management processes throughout the Group, increased mobility between business lines, etc.); and
- **Proposal of customised solutions across the entire value chain:** development of mixed programmes, support for major urban projects, marketing of packaged offerings (e.g. new housing and home insurance, Pinel investment and rental management, office building and property management, etc.), transformation of offices into housing, refurbishment of buildings.

It is therefore a virtuous and resilient model: the value created for clients is reflected in the value created for the Group, which in turn generates additional value for clients.

1.1.2 A low-capital-intensive flow model

In addition to its service platform model, the second characteristic of Nexity's strategic model is that it is a flow model (a lightly-capitalised service company) rather than an inventory model (a highly-capitalised real estate or asset holding company: the model used by some of its peers and competitors, and which is predominant abroad). The VEFA off-plan sales contract model is presented in paragraphs 1.10.2 "Regulations applicable to Nexity" and 2.1 "Risk management and internal control system" of this Universal registration document).

The Group capitalises on the specific aspects of French housing development regulations, i.e. the off-plan sales contract model (*Vente en l'état futur d'achèvement* – VEFA) and the Land Bank model (land management based on options rather than unconditional acquisitions). Nexity is therefore not involved in the long-term holding of assets, except under rare circumstances where it may speculatively hold some high-potential land or assets for future

development, notably as part of the Villes & Projets (urban regeneration) business. At the same time, Nexity is developing a policy of partnerships to enable the Group to develop real estate properties over a longer period without impacting its statement of financial position.

This strategic approach – which is reviewed on a regular basis – has until now proven successful, with the following advantages:

- An asset-light and less capital-intensive model;
- Lower exposure to the risk of interest rate fluctuations;
- Increased flexibility and responsiveness; and lastly
- Prevention of conflicts of interest between real estate development and property ownership, to the benefit of clients and Nexity's institutional investors in particular (not in competition with a Group REIT).

1.1.3 A people-oriented model

In a model involving little land and financial capital and intellectual property (little fundamental research, a lot of innovation, but generally not patentable), Nexity relies primarily on human capital, which the Group preserves and develops. For example:

- Nexity has been an entrepreneurial company from the outset. It follows a largely decentralised model for operational and commercial decisions, relying on an open architecture and multiple brands, as well as subsidiaries whose founders may also be non-controlling shareholders, alongside Nexity;
- Again in 2022 Nexity is again ranked in the Bloomberg Gender-Equality Index, among the 418 global companies, including 13 French, committed to gender equality and the promotion of gender equity, thus recognising the actions undertaken by Nexity;
- After obtaining the Great Place to Work certification in 2020, Nexity became the first real estate company with more than 2,500 employees in the 2021 Best Workplaces To Work, Great Place to Work® awards, which constitutes the highest level of recognition of a company's quality of life at work;

- Nexity's employees and managers are very well represented in its shareholding. At 31 December 2021, approximately 15% of its capital was owned by Group employees; 80% of Group employees are shareholders;
- Nexity regularly awards free shares, either specifically to members of the management team (linked to demanding performance criteria), or *via* plans open to all employees. This has increased employee shareholding and helped improve the alignment of interests; and
- Since the start of the health crisis, the Group has invested heavily in setting up appropriate remote working conditions: deployment of adapted IT solutions, establishment of a management unit attentive to employee needs, training on remote management, etc.

Through its unique approach, the platform is a decisive advantage for Nexity, to accelerate its development, consolidate its leadership status and continue to nurture its client relationships and its regional roots.

1.2 MARKET ENVIRONMENT

All of Nexity's business lines show significant medium- and long-term growth potential, taking account of the demographic, economic, social and environmental trends of its underlying markets. The Covid-19 crisis has accelerated some of these trends, particularly in the evolution of the

uses of customers looking for serviced real estate. The market environments specific to each of the Group's business lines are presented in paragraphs 1.5.1.1, 1.6.1.1 and 1.7.1.1 "Market environment" of this chapter.

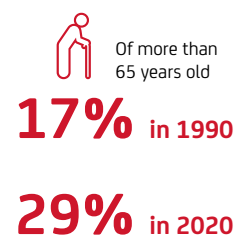
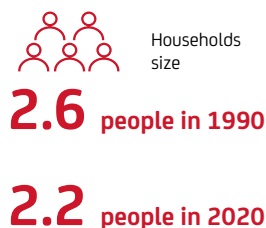
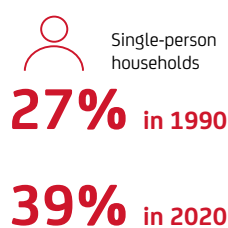
1.2.1 Demographic trends

On 1 January 2021, France's population was 67.4 million. In France, demographic changes have led to a structural need for new homes, due to population growth, smaller households and insufficient building in recent decades.

Many factors influence growth in the number of households and changes in their structure: the ageing population, the fact that people are waiting longer before living together as a couple, more fragile marriages and increasing numbers of people living alone and single parents.

This housing requirement is estimated at around 400,000 new homes per year.

Aside from the opportunities stemming from population growth, Nexity pays close attention to current and upcoming demographic and sociological changes (insufficient student accommodation, shortage of appropriate housing for single parents and/or blended families, etc.). Nexity has therefore gradually expanded into student, senior and co-living residences.



* Source: INSEE, French Economic Tables, 2022.

1.2.2 The structural trend of metropolisation and densification

Metropolisation, which brings together populations and activities, is a long-term structural trend. At the beginning of 2020, 1 in 6 people in France lived in the Paris urban unit and 1 in 4 in an urban unit with more than 200,000 inhabitants (excluding Paris). Long considered the gateway to the region, the city-centre of the metropolis has tended, for several years now, to depend on the quality of its peripheral spaces, with higher migration flows in the suburbs in more than a third of major French cities. Emerging in this context of recomposition of intraregional balances, the health crisis has helped to direct residential trajectories towards the most peripheral areas, and to a lesser extent towards adjacent regions and the wider hinterland, without calling into question background trends.

The future of cities depends in part on the quality of urban projects, their attractiveness and their ability to adapt to needs, particularly in terms of housing, and new uses. Partnerships between local authorities and private real estate operators, at least those of operators who, like Nexity, have the benefit of size, resources, expertise,

capacity for innovation, and a very broad range of products, help to offer new answers. The new ways of living, working and consuming, as well as the climate injunction and the relationship with nature in the city are embodied in mixed projects, with an increasing hybridisation of urban functions. Nexity's know-how, combining its ability to operate in an upstream-downstream spectrum (from urban planning to the operation and management of real estate assets) and expertise in the development of residential, tertiary and service projects, give it a differentiating ability to intervene in major cities.

In addition, the Group's particularly dense and extensive network makes it possible to respond to the renewed appeal of medium-sized and smaller cities. While the population flows observed as a result of the crisis are low, new arrivals, including young households, make it possible to revitalise well-connected regions of the Paris region (Chartres, Orléans, Reims, Amiens, Rouen, etc.), the coast and municipalities near major cities by promoting their intrinsic assets.

+9 million

New inhabitants in urban areas for the past 30 years¹

51%

Of new housing built in urban extensions in the 15 largest metropolises²

* Sources: 1/ Insee, Tableaux de l'économie française, 2017 ; 2/ 2019 Economic and Social Council opinion.

1.2.3 New expectations, new uses

The shift from a "product" approach to a "usage" approach is illustrated by:

- The widespread use of teleworking and nomadic work, which implies an increased need for modularity and flexibility for both housing and office buildings;
- A growing need for local services (concierge services, serviced residences for seniors, students and mixed generations, etc.) and flexible real estate, based on use rather than long-term ownership (subletting, short-term rentals, shared office space, division of property ownership, etc.);
- A strong trend for the development of shared-use solutions (co-living, coworking, co-design, car-sharing, etc.);
- The emergence of digital real estate management solutions based on open platforms ("smart home", "smart building", "smart city", etc.);
- Increased expectations in terms of carbon and biodiversity;
- The development of new, increasingly digital methods of communication with end-clients and the restructuring of value chains with a focus on platform-type services such as real estate portals, "matching" platforms (e.g. for short-term rentals) and the digitisation of data and documents; and
- The prospect of new data-based business models (e.g. real estate value estimators).

10x

Number of coworking spaces
in France since 2012¹

* Sources: 1/ Bureaux à partager ; 2/ Press kit 2019 Participatory housing movement.

This dimension has emerged strengthened by the health and economic crisis, illustrated in particular by the increased consumption of products and services at home (deliveries of all kinds, remote medical consultations, etc.),

>600

Participative housing projects
underway in France in 2019²

solidarity actions/cooperation between neighbours (services at home), or the need for more comfortable, healthy and connected housing (which require adapted services).

1.2.4 Better use of resources

The mitigation of climate change and preserving biodiversity are two major environmental challenges to which Nexity aims to rise through its service platform.

23%

of French greenhouse gas (GHG) emissions¹
come from the building sector

* Sources: 1/ Ministère de la Transition Ecologique (French Ministry); 2/ Obsoco Study for Nexity 2020.

80%

of French people
express a sense of
environmental urgency²

Indeed, these issues require the consideration of key contextual factors for the Group's business model:

- A priori sustainable dynamic of standardisation (issuance of more demanding standards, increase in the requirement of labels often imposed by investors and partners, changes in national regulations such as the implementation of the 2020 Environmental Regulation from 1 January 2022 for residential and 1 July 2022 for tertiary buildings) which leads to raising the standards of business practice to meet the new legal thresholds but also to define product ranges based on low-carbon specifications, whether in terms of energy performance or materials or construction processes used in operations;
- A desire by large local authorities and cities to appropriate this dimension to enhance their attractiveness and resilience, resulting in a growing tendency to make it a key element in their processes for decision-making and selecting their partner real estate operators; this approach is particularly taken into account in the Group's major development projects or urban regeneration mixed-use programmes, for example with zero-carbon neighbourhoods, facilities that promote soft mobility, and impact analyses on heat islands etc.;
- Reconciling the artificialisation of the land and the need for housing by taking into account the desire of certain elected officials to limit the artificialisation of soils,

while ensuring quality and affordable housing for their fellow citizens. This problem could be addressed by the heightening of buildings or the construction of high-rise buildings in supply-constrained areas, the urban density fully meeting the economic and ecological constraints of the city's production (valuation of land costs through a better constructability; limitation of urban sprawl, and therefore of the artificialisation of land and the use of cars in cities); and

- With regard to existing real estate (residential or tertiary), the obsolescence of part of the portfolio (energy performance diagnosis F and G in particular) opens up development opportunities from which the Group is already benefiting (condominium renovations). It also creates an expectation among institutional investors for solutions to guarantee the liquidity of their portfolio over time. This has led the Group to innovate and propose reversible, scalable and flexible real estate solutions that go beyond lower carbon.

The health crisis has resulted in more of our fellow citizens expressing a need for nature close to their homes. In response to this trend, Nexity has set itself the ambition of including plantings in all of its developments. These plantings are subject to quality requirements to promote biodiversity. The increased importance given to residential and tertiary buildings with a controlled carbon footprint over their life cycle and to developments that contribute to the climate resilience of cities, is an important factor in the Group's development and differentiation.

1.2.5 Land issues

Although land in and of itself is an abundant resource nationally, the portion that can be built on depends on the issuance of building permits by local elected officials.

Several trends can be observed, affecting the land that can be built upon:

- Regulations that have numerous possibilities of appeal, resulting in longer permit issuance lead times;
- Reluctance on the part of some elected officials to issue building permits for new buildings, giving in to pressure from residents asking for less density; and
- Difficulty for some cities to finance the facilities needed for new residents.

In this environment, Nexity is particularly well equipped to differentiate itself from the competition, particularly from smaller players, thanks to:

- The diversity of its residential products targeting two types of individual and institutional customers: traditional residences, with services, senior residences, student residences, co-living, etc.;
- Its dense regional network ensures it has a perfect knowledge of local issues in connection with the community;
- Its development division (Villes & Projets (urban regeneration) and Foncier Conseil), covering all regions and dense suburban areas;

- Its know-how in the transformation of brownfield sites, and its expertise in decontamination; and
- Its service platform to meet the needs of tenants and owners in terms of housing, local services and workplaces.

The Group:

- Is above all an integrated real estate player operating across the entire value chain, from development to services for individuals and institutional investors, companies and local authorities;
- Supports local authorities in their urban construction and renovation projects with innovative solutions in terms of social and functional diversity and low-carbon buildings incorporating biodiversity issues; and
- Is the leading developer of wooden housing, making it the leader in low-carbon construction in France.

Nexity's business lines are therefore based on macro-trends that the Group has clearly identified and on which it wishes to build, within a sector supported by the State and which is attractive to individual and institutional investors.

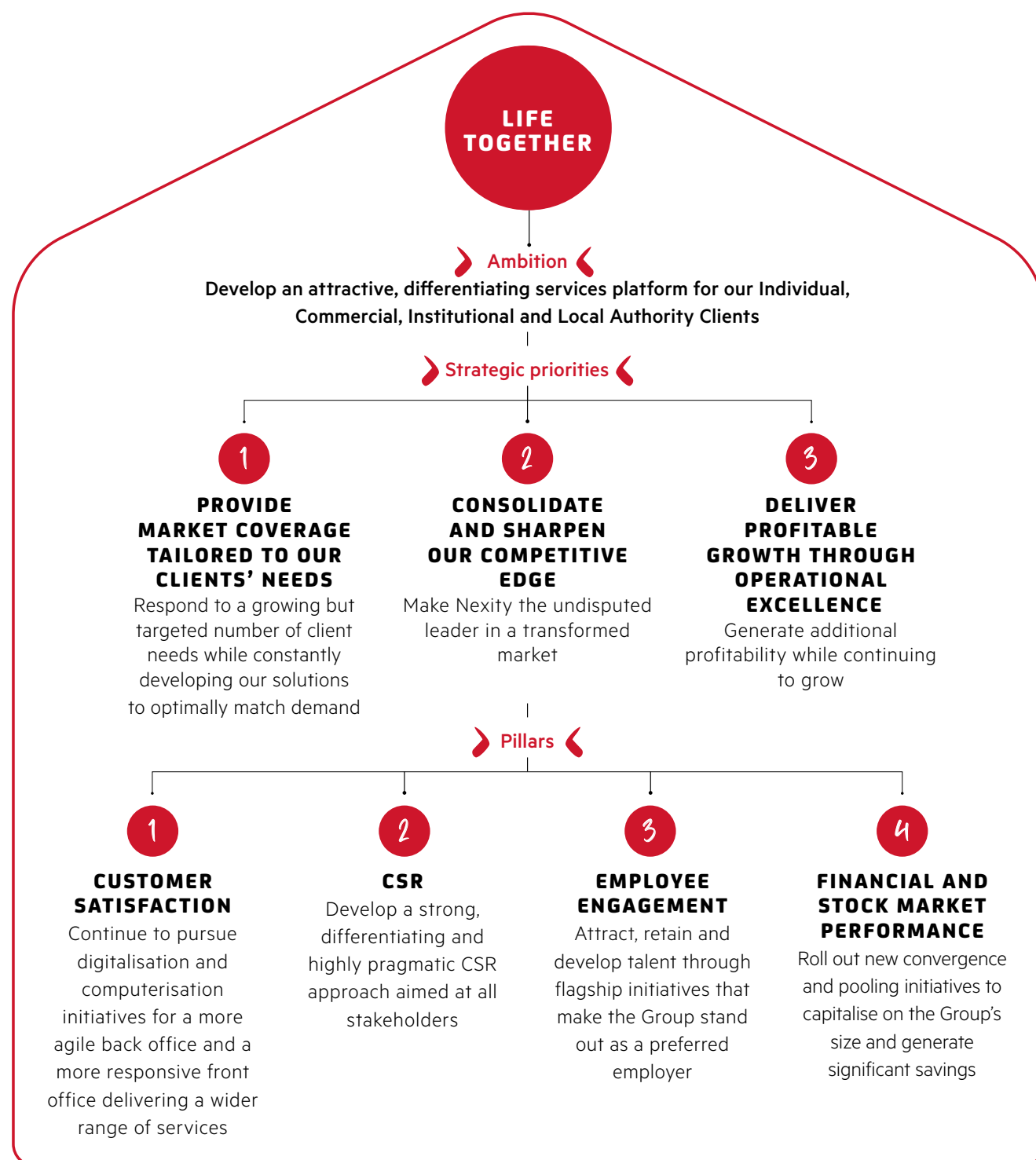
Nevertheless, Nexity is fully aware of the risks associated with the markets in which it operates (see Chapter 2 "Risk management" of this Universal registration document), as well as the fragility of the French economy.

1.3 A CONFIRMED SERVICES PLATFORM STRATEGY

1.3.1 Group strategy

The health crisis has proven the resilience of Nexity's model: constant demand for housing (basic necessities) regardless of environmental disturbances (which accumulate during a supply freeze), capacity of services to switch to digital, diversification in terms of clients and product offerings to quickly redirect the business to growth segments.

The Group's profitable and responsible growth strategy, updated in 2020 and including an operational improvement component and priority areas for its client strategy, was rolled out in the 2021 financial year.



Nexity aims to promote and embody “life together” within its activities, which takes the form of the deployment and continuous enhancement of its platform of services for its Individual, Commercial, Institutional and Local Authority Clients based on the following pillars:

- Client satisfaction, which creates repeat custom, without which the service platform is a futile ambition; and
- Corporate Social Responsibility, a key condition for the Group's longevity;
- Employee commitment, because Group employees are Nexity's main asset;
- Financial and stock market performance, enabling the Group to have the resources to fulfil its growth and transformation ambitions.

In 2021, Nexity followed three major strategic areas, each of them embodied in several operational projects, the result of an in-depth analysis of client needs, the market environment, the competitive environment and the Group's strengths and weaknesses. These areas cover all Individual, Commercial, Institutional and Local Authority Client segments.

Area No.1 – Link the market as close as possible to client needs: the Group's objective is to meet a growing but targeted number of client needs, while constantly evolving its offering to adapt it as closely as possible to demand. The main projects to meet this objective are as follows:

- Develop a dedicated offering for institutional investors;
- Deployment of the “Post-Covid Housing” and “Post-Covid Office” offerings by Nexity, capitalising on the transformation of client demand (individuals, companies, institutions and local authorities) accelerated by the current period;
- Geographic expansion, into cities areas where Nexity's market share remains below its national average;
- Digitisation and client satisfaction, through pioneering projects on the market, creating high added value for clients and recurring revenue for the Group; and
- A partnership approach with local authorities, capitalising on a shift in needs towards more support and public-private partnerships.

Area No.2 – Consolidate and accentuate the Group's competitive advantages: because competition is fierce and the market environment is undergoing rapid change, various strong projects aim to make Nexity the undisputed leader in a transformed market. The main projects to meet this objective are as follows:

- Multiplication of land sources, by capitalising on the power of the Group, its networks and its various business lines;
- A strong CSR and low-carbon strategy, to become Europe's leading low-carbon developer; and
- Reinforcement of the distribution model, capitalising on the additional revenue growth and profitability improvement potential in Nexity's already extensive network.

Area No.3 – Operational excellence for profitable growth: although growth has been given priority in recent years, the groundwork for generating additional profitability while continuing to grow is now in place. The main projects to meet this objective are as follows:

- Savings and pooling, in order to capitalise on the Group's size and business model similarities;
- IT and business transformation, with Nexity keen to stand out through more agility and automation of low value-added tasks in the back office, and more responsiveness and services in the front office;
- Simplification and agility, through organisational and process adjustments.

Strategy implementation

Nexity's ambition is to deploy its service platform in its four client segments, *i.e.*, for each of them, to cover all their real estate needs as accurately as possible (with a few rare exceptions which are always the result of deliberate choices), consistent with Nexity's purpose of “life together” and based on its four pillars: client satisfaction, Corporate Social Responsibility (CSR), employee commitment and financial and stock market performance. In particular, client satisfaction is a priority for Nexity, which was shown in 2021 by the 7th place in the Client Relations ranking established by Les Échos-The Human Consulting Group (HCG), an increase of 20 ranking places in one year.

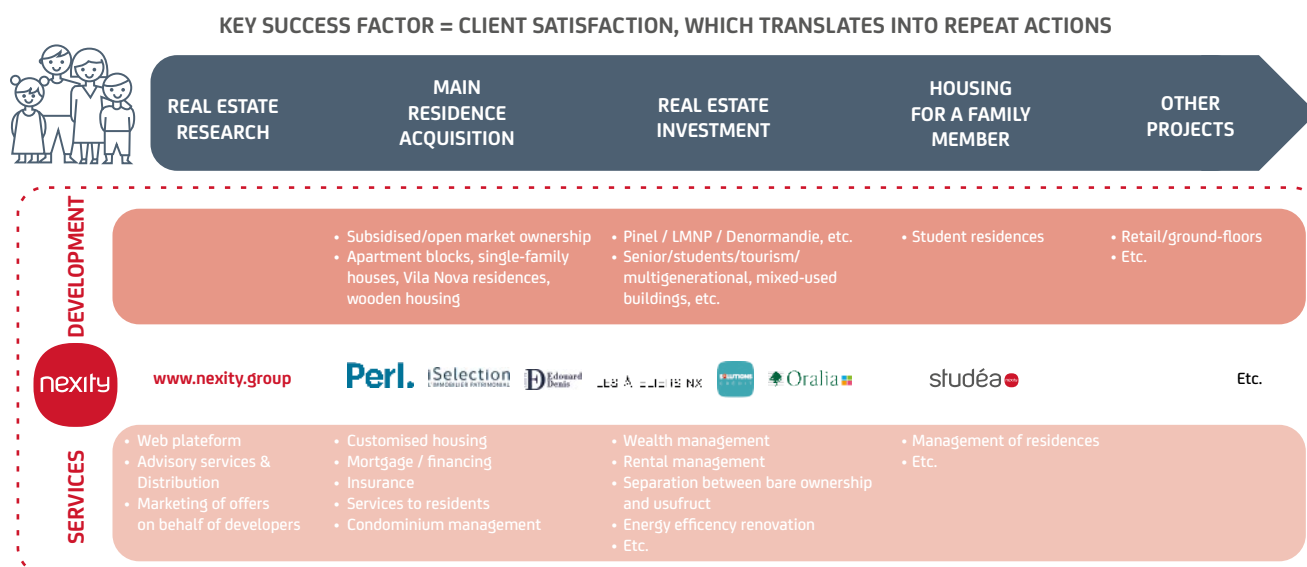
The implementation of the Group's CSR strategy is presented in Chapter 3 – Statement of non-financial performance of this Universal registration document.

1.3.1 Individual Clients strategy

Over the years, Nexity has developed a wide range of products and services for Individual Clients, corresponding to each stage of their life journey. These offerings are

packaged and marketed under the Group's various brands, each with its own identity while retaining the Group's values, strategy and operating rules.

The diagram below illustrates the Nexity services platform for Individual Clients:



Thus, Nexity offers a wide range of home ownership and rental investment housing, a diversified range of building plots, and a comprehensive range of services (property management, condominium management, rental management, transaction and leasing, marketing of residential properties for rental investment as furnished or unfurnished rentals or bare ownership, operation of serviced residences). This offering also meets the expectations of elected representatives, in line with their housing objectives for all categories of the population.

Nexity is constantly innovating to enrich its offering and meet the precise needs and expectations of its clients, particularly through the following initiatives:

- **Deployment of “Post-Covid Housing by Nexity”:** as a precursor and very quickly after the onset of the health crisis, the Group defined a range of healthier housing, open to the outside world, modular and connected, meeting the new requirements and aspirations of its clients. At the same time, the Group wants to intensify its development in serviced residences, for which demand is growing;
- **Deployment of the “New R” transformation plan in services to private individuals:** this plan is based on four strategic pillars: the customer experience (local service, agility of the teams, segmentation of a service offering for all of the Group's customers, customer relations at the centre of development and organisation), Group synergies, the sustainable city (becoming the leader in energy efficiency renovation) and phygital (strengthening physical branch networks while continuing their digital transformation) to make them meeting places in city centres for all Group customers;

- **Geographic expansion:** Nexity has identified several cities/geographical areas in which the Group's market share remains relatively low. The Group therefore wants to implement ambitious development plans for each of these areas, adapted to local demand and competition, and generating additional revenue in the short and medium/long term;
- **Digitisation:** For several years, Nexity has been investing heavily in digitisation and structuring of its client satisfaction process. For example, it is now possible to digitise the end-to-end sale process for a new property (video-conferencing appointments, Solidarity and Urban Regeneration Act (SRU) electronic reservation contracts and emails, etc.). The Group intends to maintain this strong management in the coming years in order to offer more and more innovations and services to its clients;
- **Client satisfaction:** The aim of the Group, which believes that client satisfaction is a strategic issue for, is to become a brand of choice in all real estate services;
- **Cross-selling and synergies:** the overlap between the real estate development and services business lines has proven to be a vector for creating value. Nexity has intensified cross-selling between the different business lines and will continue to further develop these in the future; and

1

INTRODUCTION OF THE GROUP

A confirmed services platform strategy

- **Multiplication of land sources:** because land that can be built upon (*i.e.* with administrative building permits) is the raw material for development and is a limited resource, the Group has developed a strategy to activate all of these channels in order to multiply its sourcing (see Section 1.2.5 “Land issues” in this chapter).

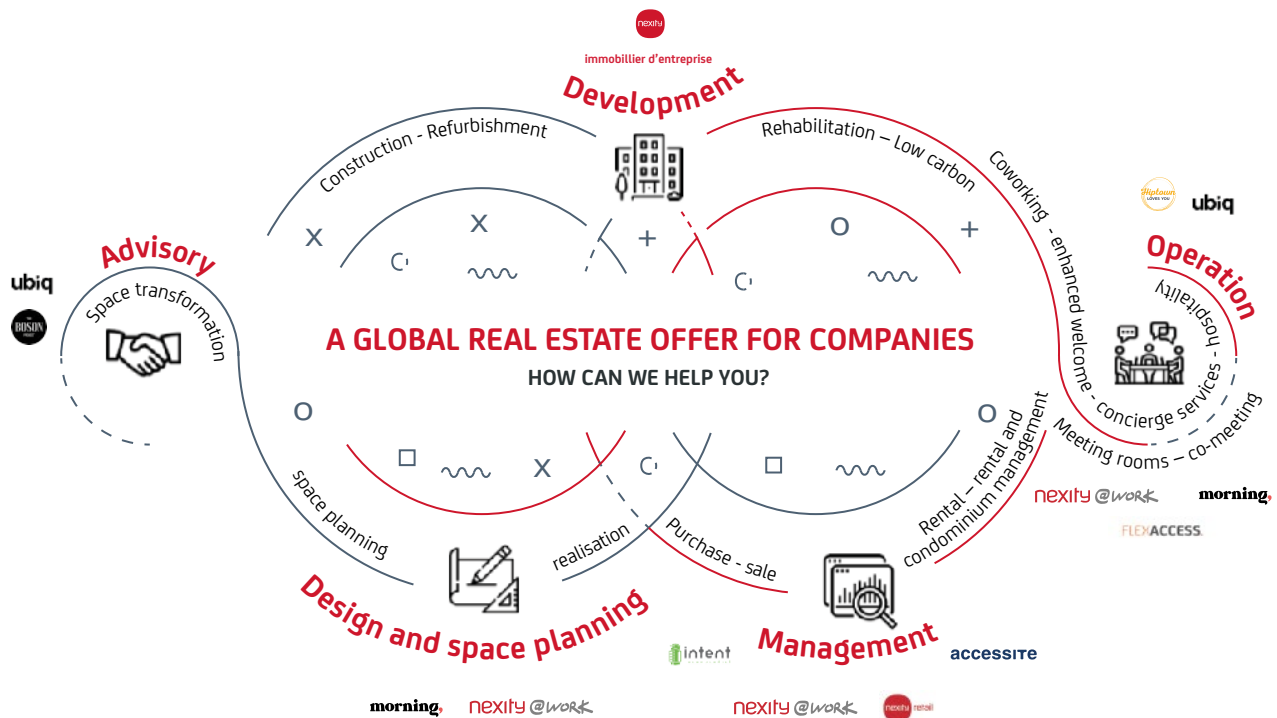
Nexity introduced an individual client-focused organisational structure, with a single management team – the Individual Clients Committee – providing integrated oversight of the Residential Real Estate and services to individuals business lines.

1.3.2 Commercial Clients strategy

Nexity is developing a platform called Nexity Entreprises. Its purpose is to support companies in their search for premises and new ways of working. To do this, it develops tailor-made and innovative offers in terms of property development, consulting, management and operations. It is aimed at both investor clients looking to improve the management of their assets, and user clients for whom tertiary real estate can be used as a tool for transforming their organisation, rolling out their strategies and sharing their purpose with their stakeholders, not to mention as a means for attracting talent.

Commercial Real Estate is being transformed in the wake of the digital revolution and new trends. The Commercial Client development strategy is based on analysis of these societal changes, drawing on the strength of its historical business lines – real estate development and management. It now incorporates new services to provide a complete offering from design to operation. It guarantees more flexible real estate with turnkey solutions and real-time management tools.

The diagram below shows the services offered by the service platform for Commercial Clients:



Nexity intends to continue to develop its property development activities, taking into account the changes induced and/or accelerated by the health and economic crisis:

- Increased remote working and renegotiation of leases/ reduction of surface areas used;

- Emergence of multi-site, popular with employees (reduction of transport times and health risks) and facilitated by new technologies (*Any Time, Anywhere, Any Device*);

- Enhancing the role of operator, the service dimension strengthening and accelerating the consumption of À la carte workspaces. The operator's know-how will also be called upon to optimise the balance between needs and spaces and to put in place the necessary arrangements for health and safety; and
- Improved office identity: the fragmented use of offices will strengthen their function as the "beating heart" of professional communities.

1.3.3 Institutional Clients strategy

The changes impacting the office real estate market (huge increase in remote working, renegotiation of leases/reduction in used space, expected fall in rental values and an increase in vacancies) have accelerated the return of institutional investors to the residential market. This trend concerns all types of institutional investors (real estate companies, insurance companies/banks, pension funds, portfolio management companies, etc.) of all nationalities, attracted by the security of the investment and the return on capital.

As the market leader, Nexity has received a large number of requests since the start of the crisis, and has entered into partnerships with major market players (see Section 1.11 "Material contracts" of this chapter).

Thus, from the start of the health crisis, Nexity set up a comprehensive and adapted office offering – based on its investments in the coworking companies Morning and Hiptown – which the Group intends to fully deploy in the coming years. Offerings were also put together to help clients organise workspaces in accordance with public health requirements, reorganise zoning and space, and provide real estate strategy advice. Nexity thus intends to position itself as a key player in transforming real estate and working arrangements.

These market changes have led Nexity to anticipate the needs of institutional investors and to develop a specific approach dedicated to them, by singling out the activity previously included within Commercial Clients and by developing packaged offers adapted to the various segments of institutional investors combining:

- products (offices, managed or free residential);
- services (consulting, property management);
- know-how (environmental excellence, land optimisation).

This segment represents a very strong growth driver for the Group, as demand – current and expected – is strong and sustainable, and Nexity, as the market leader, positioning itself as the player best able to respond to the many requirements of Institutional Clients.

1.3.4 Local Authority Clients strategy

As a key player in urban and suburban development, Nexity is establishing special, long-term partnerships with Local Authority Clients across France. Local authorities can rely on the Group's national network, extensive know-how and expertise to provide them with comprehensive and sustainable regional solutions tailored to the needs of their municipalities and regions.

Thus, Nexity's Villes & Projets (urban regeneration) and Foncier Conseil subsidiaries, merged into a Land Use Planning division, have positioned themselves as an urban and peri-urban regional developer: They provide advice on regional strategy and initiates discussions on the definition of the project in line with the needs of local authorities, provides concrete responses to the transformation of the city and changes in uses and coordinates all of the Group's know-how, ultimately assembling and managing the entire value chain of regional projects. A player committed to the transition towards a more sustainable urban fabric, Villes & Projets has also developed specific expertise in the clean-up and redevelopment of former industrial sites. Nexity's service platform is thus an attractive and differentiating asset (no other market player has such a comprehensive range of offerings), making it a privileged contact for local authorities.

This original positioning that conveys both value and meaning for local authorities is extended by Nexity group's leadership role in designing responses to major calls for urban projects. Promoting creativity, innovation and environmental excellence, Villes & Projets won some particularly emblematic tenders, such as the future Athletes' Village for the 2024 Olympic Games and the redevelopment of Porte de Montreuil, reinforcing both its brand image and its experience in this market segment.

The health and economic crisis of 2020 accelerated several pre-existing trends: cities want to be greener (increased soft mobility, planting, etc.), more resilient (long-term buildings and uses), more refocused (on its neighbourhood shops, its local activity, etc.) and generates more ties (solidarity between neighbours, etc.). Facing a reduction in their financial and human resources, local authorities are increasingly looking for expert and efficient partners to support them on these issues.

In this context, Nexity's objectives are to:

- Continue rebuilding the city on itself, to limit the consumption of new spaces and fight against land take;

- Support the transformation of cities in the urban redevelopment of brownfield sites and the revitalisation of medium-sized towns; and
- Conquer mixed-use projects *via* the service platform (housing, offices, shops, residences, etc.), sources of social links and revitalisation of neighbourhoods.

These ambitions are based on three strategic priorities:

- Deploy all of the Group's urban design know-how: studies, consulting, project ownership, etc.;

- Develop a strong Retail offering (conversion of retail sites generally at the entrance to towns, revitalisation of retail districts, etc.) by creating a Retail property company and setting up a dedicated organisation; and
- Strengthen the Group's positioning in suburban areas, in particular through the introduction of a "Cœur de Ville" offering incorporating know-how on the revitalisation of ground-floor retail outlets, services adapted to local businesses and refurbishment work.

1.3.5 Medium-term ambitions

In an environment undergoing complete transformation, it is essential for the Group to always be ahead of its market, by serving all its clients and employees, for sustainable growth.

To do this, Nexity reviewed its organization in 2021 to be able to meet the changing expectations of each of its Individual, Commercial, Institutional and Local Authority Clients. Operational projects with a significant impact on the Group's financial and non-financial results have been identified and implemented.

For the 2022 financial year, the Group has announced the following objectives:

- A market share of over 14% in a slightly growing new home market (approximately 150,000 units); and
- Margin level maintained at around 8%, with current operating profit of at least €380 million.

1.4 2021 GROUP PERFORMANCE

The segment information presented in this chapter reflects Nexity's operational reporting, with joint ventures proportionately consolidated.

Given the disposals of Ægide-Domitys and Century 21 in the first half of 2021, the Group presents its accounts according to the "new scope", isolating the activities sold on a separate line in the income statement and balance sheet.

The years 2019 and 2020 have been restated in the same way for better comparability. In addition, the 2020 income statement and balance sheet have been restated to reflect the IFRS IC decisions published in 2021. The IFRS consolidated financial statements are included in Chapter 5 of this Universal registration document under section 5.4 "Items under operational reporting".

Delivering profitable growth through the resilient model of a fully integrated real estate operator

- Around 21,000 reservations for the third year in a row despite the health crisis
- Revenue of €4.6bn (+5% compared to 2020) with a strong rebound in Services (+11%)
- Record high current operating profit (€371m) implying an 8% margin
- €20.7bn pipeline providing high visibility (equivalent to 5 years of activity)

Preparing a new growth cycle for Nexity

- Refocused portfolio; record high group net profit of €325m, including a €137m non-recurring contribution
- Strong balance-sheet: decrease in net debt (€598m, down 35% compared to 2019) and leverage ratio (1.5x EBITDA)
- ESG ambition confirmed with tangible results delivered: reduction in carbon emissions in 2021 in line with 2030 trajectory

Outlook: further growth expected in 2022

- Targeted market share above 14% in a new home market expected to grow slightly (c.150,000 units)
- Growth investments focused on France
- Maintaining operating margin at around 8%, with a current operating profit of at least €380m

Business activity

	2021		Change ⁽¹⁾
New home reservation in France			
Volume	20,838	Units	+1%
Value	4,315	€m	-3%
Commercial Real Estate			
Order intake	421	€m	
Development Outlook			
Backlog	6,629	€m	stable

(1) Change on a like-for-like basis, calculated on the basis of the New Scope, i.e. without the contribution of Ægide-Domitys.

Financial results

New scope (€m)	2021	2020 ⁽²⁾	2019	21 vs 20	21 vs 19
Revenue	4,625	4,421	4,026	+5%	+15%
Current operating profit	371	281	340	+32%	+9%
Operating margin (% of revenue)	8.0%	6.3%	8.5%		
REPORTED DATA (€m)	2021	2020⁽²⁾	2019	21 vs 20	21 vs 19
Net profit – Group share	325	113	161	x 2,9	x 2,0
Net debt ⁽¹⁾	598	655	918	-9%	-35%
x EBITDA after leases	1.5x	1.9x	2.3x		

(1) Net debt before lease liabilities and application of IFRS 5.

(2) 2020 figures restated following the IFRS IC decision of March 2021 on the accounting treatment of software costs used in SaaS mode.

1.4.1 2021 financial items – Operational reporting

<i>in € million</i>	2021	2020 restated*	2019	2021/2020 change	2021/2019 change
Revenue new scope	4,625	4,421	4,026	+5%	+15%
Revenue from disposed activities	211	434	473	-51%	-55%
Revenue	4,837	4,855	4,499	-0%	+8%
Current operating profit new scope	371	281	340	+32%	+9%
% of revenue	8.0%	6.3%	8.5%		
Non-recurring operating profit	157	(2)	13		
Operating profit	528	279	353	+89%	+49%
Net financial income/(expense)	(87)	(86)	(80)	-2%	-9%
Income tax	(102)	(72)	(104)		
Share of profit/(loss) from equity-accounted investments	(2)	(2)	0		
Net profit	336	119	169	x 2,8	x 2,0
Non-controlling interests	(12)	(6)	(9)		
Net profit attributable to equity holders of the parent company	325	113	161	x 2,9	x 2,0
Of which net income from non-current items and disposed activities	137	(21)	(19)		
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY, NEW SCOPE	188	134	179	+40%	+5%
<i>(in euros)</i>					
Net earnings per share	5.85 €	2.05 €	2.90 €		
Net earnings per share, new scope	3.38 €	2.43 €	3.23 €		

* 2020 figures restated following the IFRS IC decision of March 2021 on the accounting treatment of software costs used in SaaS mode.

INTRODUCTION OF THE GROUP

2021 Group performance

Revenue

Reported revenue was €4,837 million, consisting of :

- Revenue from new scope of €4,625 million, up 5% compared to 2020 and up 15% compared to 2019; and
- Revenue from disposed activities in H1 2021 (Ægide-Domitys and Century 21) for €211 million.

<i>in € million</i>	2021	2020	2019	2021 vs 2020 Change	2021 vs 2019 Change
Development	3,771	3,654	3,218	+ 3%	+ 17%
Residential Real Estate Development	3,279	2,759	2,842	+ 19%	+ 15%
Commercial Real Estate Development	492	895	376	- 45%	+ 31%
Services	853	767	807	+ 11%	+ 6%
Other Activities	1	0	1	ns	ns
REVENUE NEW SCOPE	4,625	4,421	4,026	+ 5%	+ 15%
Revenue from disposed activities ⁽¹⁾	211	434	473	- 51%	- 55%
REVENUE	4,837	4,855	4,499	- 0,4%	+ 8%

(1) The new scope of consolidation corresponds to the scope of business excluding the contribution of disposed activities (Century 21 and Ægide-Domitys) and the capital gains on disposal. The activities sold are consolidated until 31 March for Century 21 and until 30 June for Ægide-Domitys. In 2019, they include the disposal of Guy Hoquet l'Immobilier.

Note: Revenue generated by the development businesses from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of all inventoriable costs.

Operating profit

Reported current operating profit amounted to €528 million, and is broken down into :

- €371 million in current operating profit on the new scope representing a 8.0% operating margin ; and
- €157 million in non-recurring operating profit.

<i>In € million</i>	2021		2020 restated*		2019	
	Operating profit	Margin rate	Operating profit	Margin rate	Operating profit	Margin rate
Development	330	8.7%	275	7.5%	295	9.1%
Residential Real Estate Development	271	8.3%	203	7.3%	252	8.9%
Commercial Real Estate Development	59	11.9%	72	8.1%	43	11.4%
Services	74	8.7%	41	5.3%	81	10.0%
Other Activities	(33)	ns	(35)	ns	(35)	ns
CURRENT OPERATING PROFIT NEW SCOPE	371	8.0%	281	6.3%	340	8.5%
Non-recurring operating profit	157		(2)		139	
OPERATING PROFIT	528	10.9%	279	5.7%	353	7.9%

* 2020 figures restated following the IFRS IC decision of March 2021 on the accounting treatment of software costs used in SaaS mode.

The current operating profit for the new scope increased by 32% compared to 2020 to reach €371 million. After a year 2020 impacted by the health crisis, the current operating margin increased in all divisions and reached 8.0%, thus returning to a level close to that of 2019.

Non-recurring operating profit amounted to €157 million in 2021. It includes the results of the Century 21 and Ægide-Domitys businesses until their disposal (€41 million), the related capital gains (€177 million) and the impairment loss on the goodwill of the German activities (-€61 million).

Other income statement items

Financial expense was -€87 million in 2021, stable compared to 2020. The cost of net financial debt (excluding IFRS 16) amounted to -€46 million (compared to -€51 million in 2020), reflecting the Group's deleveraging during the year. The average cost of financing (drawn down) remained low at 2.1%.

Tax expense (including the Cotisation sur la Valeur Ajoutée des Entreprises, CVAE) increased to -€102 million due to the increase in taxable income. The current effective tax rate (excluding CVAE and capital gains on disposals) was 31% in 2021 (compared to 30% in 2020).

Net profit Group's share for the year 2021 was €325 million (compared to €113 million in 2020). Restated from non-recurring items (disposals and loss on goodwill impairment) it amounted to €188 million, up 40% compared to 2020 and up 5% compared to 2019

1.4.2 2021 Cash flows and balance sheet – Operational Reporting

Cash flows

Cash flow from operating activities after lease payments but before interest and tax expenses was €358 million at the end of December 2021 (compared to €319 million at the end of 2020).

Operating working capital (excluding tax) rose by €405 million and mainly considered the consumption of advances paid on major orders signed at the end of 2020 in Commercial Real Estate (reversal of the improvement recorded in 2020: -€394 million) and the landbank increase (+€100 million).

Nexity's free cash-flow was a net outflow of €219 million at the end of December 2021 (compared with a positive inflow of €559 million in 2020). Given the reversal of the change in WCR between 2021 and 2020, the average level over 2 years is more representative of annual cash generation (€170 million per year).

<i>In € million</i>	2021	2020 restated*
Cash flow from operating activities before interest and tax expenses	541	525
Repayment of lease liabilities	(183)	(207)
Cash flow from operating activities after lease payments but before interest and tax expenses	358	319
Change in operating working capital	(405)	394
Interest and tax paid	(118)	(87)
Net cash from/(used in) operating activities	(165)	625
Net cash from/(used in) operating investments	(53)	(67)
Free cash-flow	(219)	559
Net cash from/(used in) financial investments	191	(48)
IFRS 5 reclassification	-	(62)
Dividends paid by Nexity SA	(111)	(110)
Net cash from/(used in) financing activities, excluding dividends	(51)	(91)
CHANGE IN CASH AND CASH EQUIVALENTS	(189)	248

* 2020 figures restated following the IFRS IC decision of March 2021 on the accounting treatment of software costs used in SaaS mode.

Net cash from/(used in) financial investments totalled €191 million at end-2021, which mainly included the sale of 100% of Century 21 and 45% of Aegide for €208 million.

Net cash flow from/(used in) financing activities totalled €51 million (compared to €91 million at end-2020), reflecting the impact of net repayment of financing during the year as well as a €20 million ESG share buyback programme.

Working Capital Requirement

In € million	31 December 2021	31 December 2020	31 December 2019
Development	1,053	718	963
Residential Real Estate Development	1,029	985	876
Commercial Real Estate Development	24	(267)	87
Services	75	49	69
Other Activities	(7)	(63)	17
Total WCR excluding tax	1,121	705	1,049
Corporate income tax	(2)	(22)	(30)
WORKING CAPITAL REQUIREMENT (WCR)	1,119	682	1,019

Working capital requirement (WCR) reached €1,119 million at end December 2021, i.e. €437 million increase compared to 31 December 2020 already recognized in H1 accounts (normalisation of the working capital requirement of the Commercial real estate division, which was exceptionally negative at end-2020 given the advances paid by investors when they placed major orders in late

2020). The level of WCR has been stable overall (+€38 million) since 30 June. Landbank commitments represented around €280 million at 31 December 2021, up by around €100 million over the year. This increase reflects the Group's positions on unauthorised land with a high identified potential.

Balance sheet and financial structure

Nexity's consolidated equity (attributable to equity holders of the parent company) was €1,929 million at end-2021 (compared to €1,725 million at end-2020).

Net debt excluding lease liabilities remained very low (€598 million at end-2021) representing a leverage ratio of

1.5x EBITDA after lease payment. The Group has a solid financial situation as of 31 December 2021, with a total cash position of €1,163 million, to which are added €600 million of confirmed and undrawn credit lines, giving it a strong capacity for future investment.

In € million	31 December 2021	31 December 2020	Change
Bond issues and others	994	1,333	(339)
Bank debt and commercial papers	768	581	194
Net cash and cash equivalents	(1,163)	(1,364)	194
Net financial debt before lease liabilities	598	550	48
Elimination of IFRS 5 debt reclassification	-	105	(105)
NET FINANCIAL DEBT BEFORE LEASE LIABILITIES AND IFRS 5	598	655	(57)

Nexity's financial structure was strengthened during the first half of the year with the extension to 2028 of €240 million of debt through the issuance on 19 April of an OCEANE (bonds convertible into new shares and/or exchangeable for existing shares) maturing in April 2028 at a low coupon (0.875% per annum), and the concomitant buyback of the OCEANE 2023 issued for €270 million. At 31 December 2021, the average debt maturity was 3.1 years (compared with 2.7 years at end-2020).

The reduction in debt resulting from the sale of Ægide-Domitys and Century 21 has enabled the Group to reduce its outstanding bonds and other debt from €1,333 million to €994 million, with the repayment at maturity in May 2021 of a €146 million Euro PP and the cancellation of the commitment to buy out the minority shareholders in Ægide (€108 million).

At 31 December 2021, the gross debt structure is balanced between long-term (56% of gross debt) and short and medium-term debt.

Lease liabilities rose by €160 million in 2021, to reach €625 million, reflecting the growth in the managed student residences and coworking office spaces. Net debt including lease liabilities was €1,224 million at 31 December 2021, compared to €1,015 million at 31 December 2020.

At 31 December 2021, Nexity was in compliance with all of its contractual commitments with respect to its bond debt and corporate credit lines.

Pipeline

The development pipeline represents €20.7 billion in revenue at the end of 2021, corresponding to more than 5 years of business activity. This figure includes (i) the backlog, which

remains at its highest historical levels at €6.5 billion, and the business potential for €14.2 billion, which illustrates the Group's ability to prepare for future growth.

1.5 RESIDENTIAL REAL ESTATE DEVELOPMENT

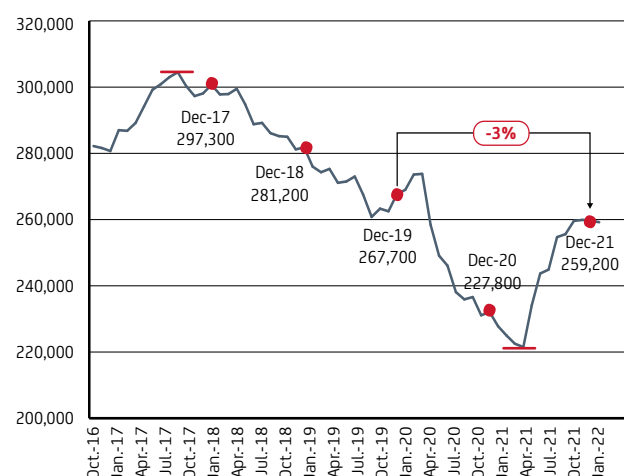
1.5.1 Market and competitive environment

1.5.1.1 Market environment

Demographic changes are generating a structural need for new housing in France due to population growth, the increase in the number of households (children moving out) and migration phenomena, in addition to other macro-trends described in Section 1.2 “Market environment” of this chapter. Faced with this demand, the construction effort remains insufficient, making access to housing more complex.

In a context marked by the health crisis and economic uncertainties, the French new home sales market experienced an increased supply deficit, notably due to the review of local urban planning policies following the shift in power that took place after the 2020 local elections in France, resulting in building permits taking longer to be obtained.

Authorised apartment building permits (rolling 12 months, December 2021)



To analyse the national residential real estate development market, Nexity relies on the figures of the Observatory of the FPI (Fédération des Promoteurs Immobiliers) which is based on the information reported by the various regional observatories of the FPI and which covers around 90% of the real estate development market. It records net sales of retail housing (occupants and individual investors) and block sales (institutional investors, social housing and residence operators).

After a sharp contraction in 2020, the market recovered in 2021 and stood at 147,112 reservations, with growth in the Retail sales segment (+18% compared to 2020) but still down compared to 2019 (-17%). Bulk sales declined in 2021 (-8%) but increased by 6% compared to their 2019 level reflecting institutional investor appetite for residential property.

1.5.1.2 Competitive landscape

On the new-home development market, there are numerous developers active at national and regional level. Nexity's major national competitors on the new housing

market include Altarea Cogedim, Bouygues Immobilier, Alila Vinci Immobilier and Kaufman & Broad.

The following table shows the net number of housing reservations for France's leading residential property developers:

Housing	2020	2019	2018
Nexity	21,077	21,837	19,609
Altarea Cogedim	11,929	12,128	11,782
Bouygues Immobilier	8,700	11,297	13,403
Alila	6,918	Not published	Not published
Vinci Immobilier	6,798	7,312	6,340
Kaufman & Broad	6,305	8,222	9,122
Pichet (group)	5,630	5,480	5,173
Procvivis	5,559	3,977	3,883
Icade Promotion	5,338	5,067	4,938
Eiffage Immobilier	4,273	5,095	4,694
Bassac (formerly LNC)	3,165	4,323	4,229

Source: Ranking of Innovapresse developers.

Through its subdivision business (Site development and subdivisions), the Group is one of the leaders in this market. Other national players notably include Capelli, Procviv Immobilier, Francelot, Angelotti and Ataraxia. The Site development and subdivisions market is highly fragmented.

1.5.2 Description of business activities

The organisation of Residential Real Estate is based on a strategy of local presence with a presence in the main French metropolitan areas.

1.5.2.1 Products

Access to housing for all is central to Nexity's concerns whose offer focuses on affordable housing. Nexity has the ability to cover the entire range of housing on the market and is working on sustainable offers in order to offer high-performance and affordable products to all, to develop low-carbon products designed for each stage of life.

As a real estate operator, Nexity is conscious of its need to help facilitate access to housing for all and today offers the following product lines:

- **Apartment blocks:** development of new homes in France and abroad (in Europe); housing benefiting from optimized construction processes to address the issues of first-time buyers through its Access design product; wood-frame housing to meet environmental requirements. Some programmes may be co-developed with local or national developers;
- **Social housing:** each year, Nexity's social housing production exceeds the 20% threshold set by the SRU Act (Article 55 of the Act of 13 December 2000). In addition to this legal obligation, Nexity has made the strategic choice since 2005 to meet the needs of social housing players in terms of urban planning, social cohesion and sustainable development, in particular through its subsidiary Nexity Non Profit (production of family shelters, management of vacant housing units with solidarity leases, and emergency accommodation);
- **Intermediate housing rental:** since 1 January 2014, two tax incentives for intermediate housing rental were introduced by the Government (Order No. 2014-159 of 20 February 2014), exclusively for buyers who are legal entities: VAT rate reduced to 10% and exemption from property tax on built properties for the term of ownership of the buildings, up to a limit of 20 years;
- **Residences:**
 - *Student residences:* production of housing for students to be operated by Nexity under the Studéa brand,

The remaining players not mentioned above are either regional or local, with average annual new business volumes of fewer than 100 subdivision lots, or public operators such as semi-public companies (*sociétés d'économie mixte*).

The Group's operating subsidiaries are responsible for the entire real estate project and are staffed with specialists. Specific service companies common to the entire Group may also assist the operating subsidiaries by setting up specialised operations or providing marketing or technical support.

- *Serviced senior residences:* production of serviced senior residences to be operated by Ægide-Domitys as part of the partnership signed in 2021 with AG2R La Mondiale,
- *Social senior residences:* they are an appropriate response to the housing problems of seniors, who often end up alone in oversized, poorly-insulated homes. Usually built as rented and social housing, they guarantee access to a large population including seniors, people with disabilities and younger working people eligible for social housing. This "inclusive living" concept (within the meaning of the Housing Act (ELAN Act) of 23 November 2018) creates shared living spaces and provides a solution to the risk of isolation for seniors, and
- **COMPLICITY® Multigenerational Residences:** they are a response for housing adapted to the demographic transition, encouraging social cohesion. COMPLICITY® is an "inclusive living" solution that includes social events at the residences to support senior residents in tailored accommodation and residential spaces, and to facilitate connection and harmonious co-living among all residents. There is a "social and shared living project" for every residence. This ambitious project, approved by elected officials, is the result of a joint development with the municipality, the social housing operator, the condominium managing agent (in the case of programmes in the freely available housing sector) and the social and shared life manager, by involving local community and economic players.
- **Rehabilitation of real estate assets:** A player committed to a sustainable and affordable city, Nexity develops projects to rehabilitate and reconvert existing assets throughout the country. The Group develops, in synergy with local authorities, urban and financial solutions to rehabilitate residential real estate assets and to transform office buildings, commercial buildings or car parks, into mixed-use programmes (housing and offices) which are predominantly residential; and

- **Site development and subdivisions:** develops and subdivides sites, rendering the land suitable for construction and dividing the land into plots. The Group sells the plots primarily to private individuals who then have their own houses built on the plots, as well as occasionally to residential real estate developers who

then develop groups of houses or collective dwellings on the land. For local authorities, the subsidiary develops neighbourhoods that integrate economic, social and environmental issues.

1.5.2.2 Clients

Nexity is a major player in the development of new housing and subdivisions (development of plots of land to be built), and operates throughout France. For several years, Nexity has also been present in Europe (Italy, Poland, Belgium, Portugal and Germany).

Nexity's Residential Real Estate Development clients are:

- first-time buyers (of homes or plots of land);

- Other buyers (who already own their main residence) purchasing a new residential home (or a plot of land);
- Individual investors purchasing a buy-to-let home (whether furnished, unfurnished or under a division of property ownership known as "*démembrement*"); and
- Professional landlords purchasing an entire building to generate rental income (social, intermediate or freely available housing).

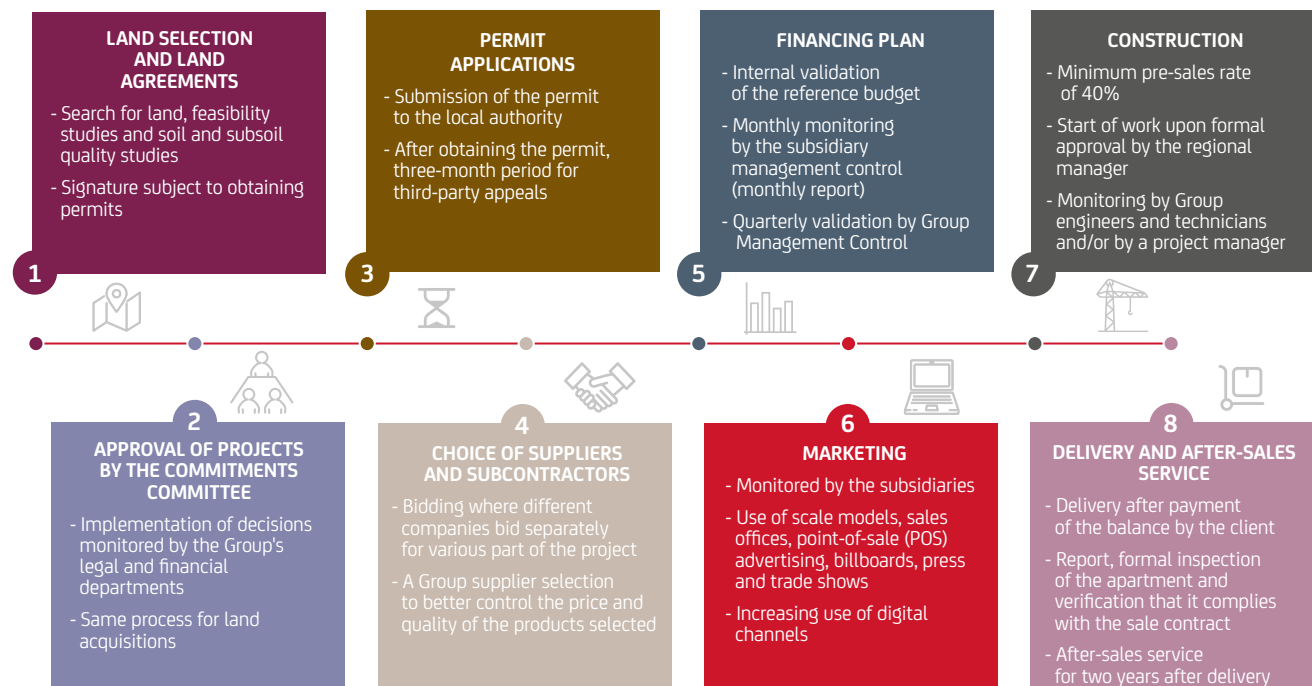
1.5.2.3 Project development

The Group markets its housing units and subdivisions under the VEFA off-plan sales regime (see Section 1.10.2 "Regulations applicable to Nexity" of this chapter).

Construction feasibility and the project's potential profitability are essential criteria. Except when special opportunities arise, the Group's Residential Real Estate strategy does not include buying land to create a real estate portfolio or as a speculative investment.

In order to provide the best possible response to the current scarcity for land facing the Group, Nexity has been developing Nexity Solutions Foncières since 2020 to simplify access to all of the Group's real estate and business expertise for land owners, whether they are individuals or professionals. Its mission is to create value from the real estate assets of its clients, thanks to its service platform and its wide range of products (residential, office, managed residence, refurbishment, fixtures and fittings, retail, etc.).

The development of a new housing programme generally takes place in several stages:



Nexity pays particular attention to client satisfaction. It focuses its efforts on the quality of services offered to clients in order to increase client satisfaction. To achieve this, Nexity created a single Client Satisfaction Department for all the Individual Clients business lines at the end of

Characteristics of a subdivision project

The process of a subdivision project is similar to that of a housing project (administrative authorisations, margin generation criteria).

Clients with subdivisions benefit from professional advisors, a website and a toll-free number, which helps the client to

2018. Each business line now has the tools, reporting and management methods to help them improve their client relationships (see Section 3.5.3 "Improving client satisfaction and boosting client support" in this Universal registration document).

define his/her project on the land to be acquired, to complete a financing plan and to develop a timetable for the work. The Group also provides its clients with a financial guarantee covering work not yet carried out, which is mandatory to sign the final sales contract

Characteristics of housing projects outside of France

Housing developments outside of France can differ in certain respects from those in France. In particular, land may be purchased before the required final building permits have been obtained and ownership may not be transferred until construction is complete, leading to a higher working capital requirement. The development and

marketing processes for these projects are adapted to the legal and economic characteristics of each country, with the aim of maintaining a controlled risk profile in each of these local contexts (see Section 2.2.2.1 "Strategic risks / Difficulties in the management and control of subsidiaries" of this Universal registration document).

Project costs

The following table presents the distribution of the average cost of projects by type of cost, for programmes delivered during the 2019-2021 period:

<i>(as % of total cost price)</i>	2021	2020	2019
Land costs	22.4	21.3	21.3
Roads & miscellaneous infrastructure (land development)	3.5	3.9	4.0
Construction works	51.3	51.9	51.5
Fees and insurance ⁽¹⁾	14.8	14.5	15.2
Financial expense	1.3	0.9	0.9
Marketing and advertising ⁽¹⁾	6.7	7.5	7.1
TOTAL	100.0	100.0	100.0

(1) Including intra-Group fees, which are generally around 10% of the total.

Controlling construction costs

The Group supports operational teams in reducing costs through optimisation in the following areas:

- Providing regional development teams with innovative construction methods aimed at offering clients affordable housing (Access Design);
- The entire available range is based on industrialised construction processes that make substantial use of wood;
- Promoting home ownership with very competitive selling prices while meeting the quality requirements of projects and meeting delivery deadlines, all in a high-performance environmental approach (FSC or PEFC accreditation, priority on materials sourced from France, the hygroscopic properties of wood, etc.);
- Listing of finishing products and centralised purchasing. This approach aims to optimise the cost and quality of procurement and propose services suited to the various target categories of clients while controlling construction costs;
- Development and consolidation of best practices, development and dissemination of common tools.

Warranties given by the Group

For sales of new homes under the VEFA system, the Group is required by law to provide certain warranties to its clients:

- A warranty against visible defects (*garantie des vices apparents*), covering visible construction defects reported by the buyer within one month of the buyer taking possession of the home;
- A completion warranty (*garantie de parfait achèvement*) covering all problems or faults relating to non-compliance of the home with the description given at the time of sale (valid for one year from date of delivery);
- A proper operation warranty (*garantie de bon fonctionnement*) covering malfunctions of items of equipment separate from the construction itself (valid for two years from date of delivery); and
- A ten-year warranty (*garantie décennale*) covering problems relating to the structural soundness of the construction or the suitability of the structure for its intended purpose (valid for ten years from date of delivery).

1.5.3 2021 performance

1.5.3.1 Business activity

Solid business activity: in a market up by 10% in 2021 compared to 2020 at approximately 147,000 units⁽¹⁾ but still down by 12% compared to 2019 (167,000 units), Nexity demonstrated the strength of its business activity in

2021 and confirmed its leading position in new housing in France with nearly 21,000 home reservations (20,838 units) for the third consecutive year.

(in number of units)	2021			2020			2019		
	12M	H2	H1	12M	H2	H1	12M	H2	H1
New homes (France)	20,101	11,750	8,351	19,999	11,147	8,852	20,351	11,507	8,844
Subdivisions	1,916	1,139	777	1,561	904	657	2,088	1,271	817
International	1,116	463	653	935	696	239	641	468	173
Total new scope	23,133	13,352	9,781	22,495	12,747	9,748	23,080	13,246	9,834
Reservations carried out directly by Ægide	737		737	1,078	479	599	1,486	844	642
Total number of reservations	23,870	13,352	10,518	23,573	13,226	10,347	24,566	14,090	10,476

(in number of units)	2021			2020			2019		
	12M	H2	H1	12M	H2	H1	12M	H2	H1
New homes (France)	4,140	2,292	1,848	4,281	2,390	1,892	4,031	2,239	1,793
Subdivisions	159	88	71	131	76	55	177	111	66
International	193	79	113	156	120	36	100	84	16
Total new scope	4,492	2,460	2,032	4,568	2,585	1,983	4,308	2,433	1,875
Reservations carried out directly by Ægide	175		175	233	102	131	330	200	131
Total number of reservations	4,667	2,460	2,207	4,802	2,687	2,115	4,639	2,633	2,006

Supply for sale growing again: the sharp slowdown in the issuance of building permits continued to exert a strong constraint on supply, which recovered slightly from the 3rd quarter thanks to the slow recovery in obtaining building permits. After falling by almost 20% in 2020, Nexity's supply for sale started to grow in 2021 (+6%). This trend is expected to continue in the coming months given the number of permits obtained by Nexity and the volume of permits currently being reviewed.

The return of individuals and social housing operators: demand in France for housing remained strong in 2021, both for individuals, benefiting from financing conditions that remain very attractive, and for institutional investors, still attracted by the defensive and resilient nature of this asset class. Nexity's new home reservations in France were up 1% on a like-for-like basis in volume, but down 3% in value due to contrasting trends depending on the client and geographical mix.

1) According to Nexity's market estimate calculated by the FPI (retail sales + bulk sales)

Retail sales represent 55% of the number of reservations in 2021, closer to the 2019 level. They increased by 11% in volume and 14% in value, driven by sales in medium-sized regional cities (+23%) whose appeal is growing. The increase in value reflects a difference in the increase in the average price per square metre of sales to individuals (+2% in the Paris region and +3% in the regions).

Block sales were down by 13% in volume terms taking into account the exceptional base effect in 2020 of sales to CDC Habitat (approximately 5,000 reservations in 2020, compared to approximately 1,500 reservations in 2021) but

increased by 20% compared to 2019. The share of social housing operators (whose average sales price is less than that of intermediate or free housing) was 29%, slightly above the level of the SRU Act (minimum of 25%) due to the postponement of block sales planned in 2020 and postponed to 2021 due to the health crisis.

A very dynamic 4th quarter: the 4th quarter was particularly dynamic, with reservations up 5% on a like-for-like basis in volume and -6% in value, with the share of bulk sales concentrated in the 4th quarter (60% of reservations in the quarter).

Breakdown of new home reservations by client – France

(in number of units)	2021		2020		2019	
Homebuyers	3,355	16%	3,163	15%	4,248	19%
o/w: First-time buyers	2,863	14%	2,703	13%	3,654	17%
o/w: Other homebuyers	492	2%	460	2%	594	3%
Individual investors	8,044	39%	7,086	34%	9,719	45%
Professional landlords	9,439	45%	10,828	51%	7,870	36%
o/w: Institutional investors	3,365	16%	6,545	31%	2,833	13%
o/w: Social housing operators	6,074	29%	4,283	20%	5,037	23%
TOTAL	20,838	100%	21,077	100%	21,837	100%

Geographical breakdown

The Group's new home reservations in the regions stood at 14,706 homes in 2021, i.e. 71% of the total number of reservations, an increase compared to 2020 (68% of the

total). In the Paris region, Nexity completed 6,132 reservations (29% of the total).

1.5.3.2 Results

Strong growth in earnings, profitability intact: consolidated revenue for the 2021 financial year increased by +19% compared to the end of 2020 to €3,279 million, and operating profits by +34% to €271 million. The operating margin rate increased by 100 basis points to

8.3%, thus returning close to the level seen in 2019 and demonstrating the ability of the business to preserve its profitability. The working capital requirement amounted to €1 billion and represented 18% of the total backlog of the division, in line with historical levels.

Data new scope (in millions of euros)	2021	2020	2019	Change 2021-2020	Change 2021-2019
Revenue	3,279	2,759	2,842	+19%	+15%
Current operating profit	271	203	252	+34%	+8%
Margin (in % of revenue)	8.3%	7.3%	8.9%	+100 bps	-60 bps
Working Capital Requirement (WCR)	1,029	985	876		
% of backlog	18%	17%	19%		

1.5.3.3 Outlook

Nexity anticipates a slight increase in the market for 2022 (approximately 150,000 units), in a context of still insufficient but recovering supply, and with demand which should remain sustained. Nexity is aiming for a market share of more than 14%, with a balance maintained between sales to individuals and institutional investors,

taking advantage of the acceleration of its development in the renovation of city centres and in the transformation of offices into housing. The Group remains confident in its ability to maintain its operating margin in a context of rising construction costs.

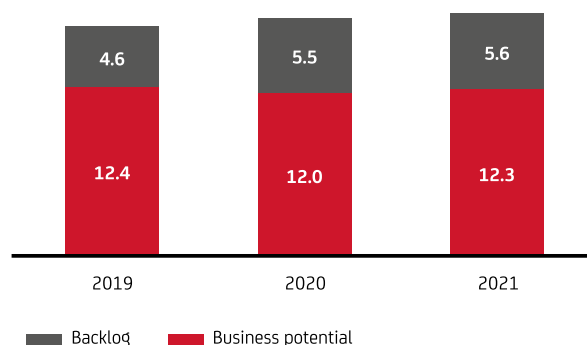
Residential Real Estate Development pipeline

The chart below shows Nexity's new home pipeline ⁽¹⁾ at 31 December 2021.

It reached €17.8 billion in revenue at the end of 2021 (-4% compared to the end of 2020), corresponding to approximately 5 years of business activity offering the Group good visibility on its future business.

This pipeline includes:

- The backlog: €5.6 billion, down 4% compared to 2020, i.e. approximately 2 years of revenue; and
- Business potential: €12.3 billion, down 4% compared to 2020, i.e. 4 years of revenue.



1.6 COMMERCIAL REAL ESTATE DEVELOPMENT

1.6.1 Market environment and competition

1.6.1.1 Market environment

A description of the macro-trends supporting the Group's markets is presented in Section 1.2 "Market Environment" of this chapter.

The investment market

After a slow rebound at the beginning of the year, the recovery in the commercial real estate market was confirmed at the end of 2021 with a more pronounced 4th quarter momentum in the investment market. In total, more than €25 billion was committed to commercial real estate in France, down 11% year-on-year but still in line with the 10-year average.

Although impacted by teleworking and by the change in capital reallocation strategies in favour of residential real estate, office buildings continue to be popular with investors, benefiting from solid fundamentals with strong liquidity. The recovery in the rental market is supporting demand for this asset class, mainly in established business districts and major regional cities. In 2021, €15.7 billion was invested in office buildings, including nearly €13 billion in the Paris region. Volumes committed to the VEFA off-plan sales market amounted to €3.45 billion (of which 44% speculative).

The office market

With 1.84 million square metres marketed in 2021, take-up in the Paris region is up 32% year-on-year, but remains 18% below the ten-year average (source: Immostat).

In addition, the occupancy of coworking centres remains well aligned confirming the appetite for flexibility: more than 10,300 positions marketed in 2021, or nearly 200,000 square metres (source: JLL).

At the same time, the immediate supply of offices in the Paris region stabilised with nearly 4 million square metres vacant at 31 December 2021, i.e. an estimated vacancy rate of 6.8% according to the CBRE. However, geographical disparities should be highlighted, with supply continuing to contract in Paris and inventory increasing in peripheral areas due to numerous deliveries, particularly in La Défense and the Western Crescent. The share of new developments tends to decrease while an increase in the restructured and renovated offer is observed, reflecting an orientation of investments towards the existing portfolio in particular to bring buildings up to environmental standards. Deliveries scheduled between 2022 and 2023 amount to 1.8 million square metres, including more than one million that will supply the market in 2022.

1) Represents the total volume of Residential Real Estate Development activity expressed as future revenue excluding taxes. It consists of the Group's backlog and the business potential (total volume of potential business at a given date, expressed as revenue excluding taxes), future projects in Residential Real Estate (new homes, subdivisions and international) approved by the Committee, in all structuring phases, including Villes & Projets (urban regeneration); this business potential includes the Group's current supply for sale and its future supply (project phases not yet marketed on purchased land, and projects not yet launched associated with land secured under options); the number of years of activity is calculated on the basis of the revenue for 2021.

Headline rents continued to rise in the Paris central business district and in established areas in the Paris region. They are stable or declining in other sectors. The support measures remain on the upward trend, with an average level of 24.4% in the Paris region and different rates depending on the market sectors.

1.6.1.2 Competitive landscape

Benefiting from a unique positioning on the market, Nexity Entreprises is an integrated services platform incorporating all of the expertise of the Commercial Clients team, from design stages to operation.

Some groups now combine tertiary real estate development and property management (such as BNP Real Estate, Vinci Immobilier, Crédit Agricole Immobilier). Others are also developing coworking or “managed office” offers on behalf of users (Bouygues or Icade, for example). In general, several segments stood out, with integrated/multi-product offers, more targeted strategies on the vertical value chain

More broadly, in 2021, 3.6 million square metres were started on office buildings in mainland France, posting an annual increase of 15% and testifying to the recovery that had been significantly impacted in 2020 by the health crisis. The Group’s housing starts amounted to approximately 805,000 square metres, up 4% compared to 2020, i.e. a market share of 22% (source: CAPEM).

or specific approaches targeting premium or low-carbon assets.

The plans for the roll-out of regional developments, the ongoing integration of new services during the restructuring or operating phase, synergies between development and management and operating services, the rise of nomadic work and diversified working methods and the consolidation of its expertise in wood-frame construction are all expected to strengthen Nexity’s competitive positioning in the commercial real estate market.

1.6.2 Description of business activities

In France, the Commercial Real Estate division is made up of various teams each offering different yet necessary skills.

Since the market is concentrated in the Paris region and the major French metropolitan areas, the Commercial Real Estate employees are based at the head office in Paris. Regional establishments in Lille, Lyon, Bordeaux, Nantes and Marseille help provide a hands-on approach to local business development, particularly regarding the development of wood-frame office buildings. To help find clients and obtain permits, the Commercial Real Estate division also draws on synergies with the Residential Real Estate division’s regional subsidiaries, which benefit from a wider network across France.

An increasing number of projects are being developed jointly with other Group subsidiaries (residential development, retail, Nexity Entreprises platform), enabling formulation of a comprehensive offer. The Group develops a number of projects jointly with other real estate developers or major construction companies. The Group may decide to co-develop projects as part of a marketing strategy to increase its chances of being selected for a project, or as part of a risk-sharing effort.

1.6.2.1 Products

Nexity is a leading player in France’s tertiary real estate development market. It deals mainly with office space, especially in the Paris region and other major metropolitan areas such as Lyon, Marseille, Bordeaux, Lille and Nantes. The Group also handles business premises and, to a lesser extent, develops retail premises offer.

At this stage, the Group has the following main product lines:

- **The timber-framed office building:** a pioneer since 2015 and the leading operator of wood-frame office buildings in France, Nexity is developing both ambitious and large-scale projects in the Paris and other regions;

- **Refurbished office buildings:** the combined desire to preserve the existing portfolio in major cities, but also to achieve environmental sobriety, led the Group to accelerate the development of the refurbishment product. Since 2015, a dedicated team in Paris has been involved in complex restructuring and refurbishment projects in the Paris region, which will be deployed in major regional cities;
- **Reversible office buildings:** urban change, demographic pressure in large cities, environmental and health crises, and the shortage of housing lead to thinking about the reversibility of buildings as a sustainable solution to change the destination of buildings in the short, medium or long term. This product is based on a flexible design of the buildings and on a standardised regulatory framework which allows it to ensure flexibility in uses of the building over time; and

- **The energy-efficient office building:** to fight even more effectively against global warming, Nexity is developing for the first time in France an unprecedented office product, offering an unrivalled level of environmental performance and comfort. It is based on a disruptive and frugal concept, which eliminates the need for heating, air conditioning and mechanical ventilation, in favour of natural ventilation, by controlling primary parameters of the indoor air such as temperature, humidity and CO₂. It also offers a high amount natural light and volumes above current standards.

1.6.2.2 Clients

The Group's commercial real estate projects are mostly pre-sold and are carried out mainly on behalf of two types of client:

- Large private or institutional investors, French or foreign, seeking to derive rental income from commercial real estate and ultimately profit from capital gains on their real estate assets; and

1.6.2.3 Project development

The Group mainly uses the following methods of intervention:

- Off-plan sales contracts (*Vente en l'état futur d'achèvement*, VEFA): the Group sells both a building as well as the land on which that building will be constructed to its client;
- The property development contract (CPI): the investor already owns the land or the existing building; the Group's involvement is the project design and the construction of the building on this land or the major refurbishment of the existing building; and
- Delegated project ownership (DPM) consulting services remunerated by fees.

Most of the projects undertaken by Nexity are pre-sold, before it purchases the land involved.

The Group may also carry out transactions:

- "In white": transactions in which Nexity acquires land and starts construction on a building even before it has

In addition to the main lines mentioned above, Nexity is diversifying its product offering, in particular through the development of ground-floor shops and, more broadly, the development of coworking spaces incorporating changes in client practices and new ways of working.

In addition, combined with its Individual and Commercial service offerings, the Group can offer its clients a comprehensive response to current changes in use, which makes it a real competitive advantage (see Section 1.7.2 "Description of business activities" of this chapter).

- End-user businesses having buildings constructed to meet their own space requirements.

Thanks to the wide range of investors active in the French investment market, Nexity is not generally dependent on one or more clients.

an investor client and a future tenant; and

- "In gray" transactions in which Nexity has only a tenant but not yet an investor client.

The Group's practice, except for occasional exceptions, is to make the acquisition of land subject to obtaining final administrative authorisations.

To complete its projects, the Group generally awards separate work contracts by trade, assigning different parts of the job to companies specialising in different building trades, in order to ensure cost efficiency and the quality of the work.

A project's technical specifications or the need to hedge work costs may also lead Nexity to award a single work contract (one building contractor is assigned the entire project).

INTRODUCTION OF THE GROUP

Commercial Real Estate Development

The average project life cycle for a VEFA project is generally between three and six years and includes the following phases:

PLANNING PHASE	SET-UP PHASE	FILING AND OBTAINING ADMINISTRATIVE AUTHORISATIONS	CONSTRUCTION PHASE	ACCEPTANCE/DELIVERY
- Land search - Project studies - Validation of the project by the Commitments Committee - Land reservation agreement - Choice of technical service providers (architect, notary, general contractor, engineering firm, control office, etc.) and calculation of the technical cost	- Signature of a purchase option on the land - Search for any pollution and analysis of the geotechnical characteristics of the land - Proposal of the project to one or more clients (investors and/or users) - For refurbishment projects, comprehensive audits of the existing structure and facilities	- Submission of the building permit and preparation of the technical file After obtaining the permit: - Arrangement of bank loans if necessary - Taking out insurance policies - Signing of the land purchase deed	- Submission of the application to start work - Management of the work schedule - Monthly validation of the work situation - Environmental management and prevention of nuisances - Management of pollution and soil quality	- Acceptance of work from companies - Operations prior to delivery of the building to the client - Signature of the acceptance report with the companies - Signing of the handover report, these reports include the defects in the works made by the client - Lifting of reservations (3 to 6 months)

Projects undertaken under CPI agreements have the same overall features except that the Group does not have to purchase the land on which the building will be built, which already belongs to the client.

The Group does not have any exclusivity policies with specific subcontractors or suppliers. However, it forges

special relationships with certain suppliers and subcontractors that satisfy its qualitative and financial criteria and the Group approaches them regularly for bids.

For developments undertaken outside of France, the framework outlined above is adapted locally as needed, in particular from a legal standpoint.

Project financing

The breakdown of costs by type varies considerably from one project to another. In general, construction makes up more than half of VEFA costs and more than two thirds of CPI costs.

The financing of projects depends on the timing of payments from clients. For VEFA or CPI projects, after making a down payment upon signing the contract (generally equal to 10-20% of the project's price), clients settle the remainder either by instalments as the project progresses or, more rarely as a lump sum upon delivery.

In the event that the client pays the full price (excluding the initial down payment) upon delivery of the asset, the Group finances the project through bank loans, which are specifically set up for the project. This bank financing is secured by assigning the bank the proceeds from the first demand guarantee required as a general rule from the client to ensure payment of the purchase price, and by the Group ceding to the bank the receivables to which the Group is entitled under its contract with the client (cession Dailly).

On the other hand, when the client pays the price on the basis of periodic instalments based on project progress, the establishment of bank loans is generally not necessary.

Warranties given by the Group

As part of its Commercial Real Estate Development business, the Group provides the following guarantees:

- Financial completion guarantees: similar to those provided for by the regulations on off-plan sales applicable to Residential Real Estate Development;
- Ten-year and proper operation warranties: see Sections 1.10 "Legal and regulatory environment" and 2.1.2.3

"Insurance" of this Universal registration document;

- Rental guarantees: guarantee for the investor of the receipt of rental income on the real estate asset acquired from the Group for a limited period of time or, where applicable, a reduction in the sales price for an equivalent amount.

1.6.3 2021 Performance

1.6.3.1 Business activity

Resilient business activity in a market at a low level: leader in commercial real estate development in France, Nexity recorded €421 million order intake in 2021, in line with its targets, while the overall amount of commercial real estate investments in the Paris region remains down by 35% compared to the annual average for 2017-2020. This order intake includes €366 million in orders in the Paris

region (particularly with Reiwa, Nexity's future head office in Saint-Ouen, as well as Carré Invalides, the restructuring of the former headquarters of the Conseil Régional d'Île-de-France in the 7th arrondissement of Paris), and €55 million in orders in major regional metropolitan areas where Nexity continues to strengthen its presence.

High-profile deliveries: thirteen project deliveries took place during the year representing a surface area of 140,000 sq.m, including the delivery of the ambitious

refurbishment of the iconic “Maison Bayard” building, the former historic headquarters of the RTL Group.

1

1.6.3.2 Results

Financial results: revenue amounted to €492 million, down 45% compared to the end of 2020, which benefited from the €370 million contribution to revenue from the sale of the La Garenne-Colombes Eco-campus (LGC) completed in Q4 2020 for approximately €1 billion. Restated for this effect, the decrease in revenue was 7%

compared to 2020. The operating margin rate remained high at 11.9%, still above normative levels. The WCR, which was occasionally very negative at end-2020 due to the timing of cash inflows from major orders in 2020, normalised as expected and reached €24 million at the end of 2021.

Data new scope (in millions of euros)	2021	2020	2019	Change 2021/2020	Change 2021/2019
Revenue	492	895	376	-45%	+31%
Current operating profit	59	72	43	-19%	+37%
Margin (in % of revenue)	11.9%	8.1%	11.4%	+380 bps	+50 bps
WORKING CAPITAL REQUIREMENT (WCR)	24	(267)	87		

1.6.3.3 Outlook

Aware of the profound changes impacting the office real estate market, accelerated by the health crisis and its impact on working methods, Nexity has developed a pioneering, comprehensive and adapted office offering (coworking spaces, support in the organisation of working spaces, digital brokerage of working spaces) enabling the Group to position itself as a leading player in supporting its

clients in the transformation of real estate and working methods. Given the maturity of the project portfolio and the wait-and-see attitude of users seen in the market, tertiary orders should reach their low in 2022. The flow of backlog is expected to reach consolidated revenue of at least €400 million in 2022.

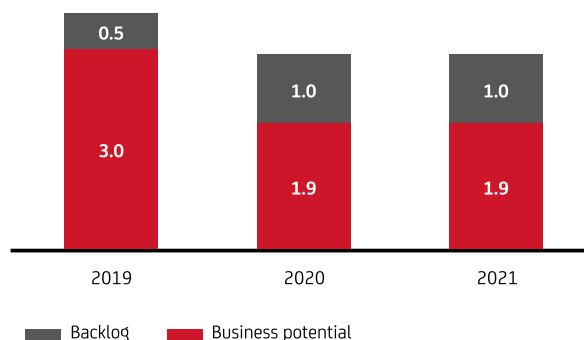
Commercial Real Estate Development pipeline

The chart below shows the *Commercial Real Estate* ⁽¹⁾ Development pipeline at 31 December 2021.

It reached €2.9 billion in revenue at the end of 2021 (-2% compared to the end of 2020), corresponding to approximately 6 years of business activity offering the Group good visibility on its future business levels.

This pipeline includes:

- The backlog: €1.0 billion (-6% compared to 2020 and 2x higher than in 2019), i.e. approximately 2 years of revenue; and
- Business potential: €1.9 billion, stable compared to 2020, i.e. approximately 4 years' revenue.



1) Represents the total volume of Commercial Real Estate Development activity expressed as future revenue excluding taxes. It consists of the Group's backlog and business potential (total volume at a given date, expressed in revenue excluding taxes, of future Commercial Real Estate projects, approved by the Committee, in all structuring phases, including Villes & Projets (urban regeneration); the business potential includes the Group's current supply for sale and its future supply (project phases not yet marketed on purchased land, and projects not yet launched associated with land secured under options); The number of years of activity is calculated on the basis of the average revenue for 2016-2020.

1.7 SERVICES

Nexity's Services business serves both Individual and Commercial clients and can be broken down into three distinct models:

- **Management:** property management for individuals and property management for companies;
- **Operations:** management of student residences and coworking spaces;
- **Distribution:** marketing of new housing in condominium units or through a network of bank branches.

1.7.1 Market environment and competition

1.7.1.1 Market environment

A description of the macro-trends supporting the Group's markets is presented in Section 1.2 "Market Environment" of this chapter.

Property Management for Individuals

The real estate property management market includes rental management for owners, condominium managing agent services and property sales and lettings activities.

The real estate services market is highly fragmented. The sector has nearly 6,300 property management firms, primarily small independent entities. This figure is decreasing each year due in particular to the concentration of the market around large franchise networks. The top five networks account for a market share of nearly 34% in condominium management and rental management (source: Xerfi), with Nexity in second place.

Property management for companies

The traditional core activities of property managers, *i.e.* rental, technical and accounting management, are supplemented by numerous ancillary missions such as tax advice, energy audits and recommendations, technical management solutions, construction assistance, selection of suppliers, service platforms for occupants, etc. Over recent years, the sector has had to cope with pressure on prices, a fall in demand, and the end of the annuity income model following the long-term drop in interest rates. The paradigm shift induced by the higher-quality expectations of occupants now offers key opportunities for property managers who are able to rise to the challenges of "smart & green building" and deal with energy, consumption,

comfort and security issues particularly through efficient data management. The increased broadening of the service offering comprises a variety of technical building management solutions, dashboards and a data room to track performance, as well as smart objects and services tailored to occupants. These structural changes have modified the landscape by unleashing the market's hitherto limited growth potential. Since the start of the health crisis, property management has played a strategic role by bringing more flexibility and security to the working spaces by proposing new digital tools to meet the expectations of user clients.

Student residences

The student residence market is very dynamic, due to growth in the student population (+1.4% at the start of the 2021 academic year), a strong desire to move away from the family home, significant rental pressures on private rental studios, particularly in large French cities, and finally a market that is becoming increasingly international due to the growing mobility of students.

Today, the student real estate market appears to be affected by three trends:

- Ongoing real estate development: the capacity of student residences does not match the student population in certain under-equipped or high-growth regions (e.g. Toulouse);

- International *clientèle*: this creates direct demand, due to the mandatory move away from the parents' home and to specific needs in terms of access to housing; and
- An increase in institutional and private investments to diversify portfolios and capitalise on an asset class that performs well and shows resilience in an economic downturn.

It should also be noted that students' housing needs and expectations are changing in favour of client experience, flexibility, convenience, ease of access and location (closer to the city centre, or near public transport for easier access to the campus and city centre).

Coworking spaces

Over recent years, the traditional office real estate model and the organisation of work have taken a radical turn, driven by open space concepts, flexible working hours and nomadic work, in an increasingly digitalised and connected environment. In addition, occupational well-being has become a major concern for numerous companies, as employees seek a better work/life balance. In view of these trends, companies are seeking to adapt their workspaces while also providing a new range of services.

The classic office concept is being challenged and users are favouring flexible facilities that make the most of the space they have and which lend themselves to collaboration, whilst maintaining agility and health safety. These last few years, the most innovative changes involved the instruction of “flex offices”, adaptable modular spaces, places for concentration, coworking spaces, recreational areas, and the design of dedicated service areas. Small-scale users are increasingly seeking “plug and play” offices.

Distribution activities

The distribution market, especially the rental property investment market, consists of many players, developers and platforms through which to make contact with

Concierge services arouse appetites. Through a variety of players – including digital players, independent specialists (like To Do Today, Sodexo), high-end players, facility management groups like Vinci Facilities, and insurance companies – strategies are beginning to overlap and the landscape is taking shape. On the whole, in terms of services to building occupants, there are numerous players on the market and we are seeing an increased crossover between the various sectors (office, hotel and retail) which should generate further competition in the future.

The Covid-19 health crisis has changed the needs of users, in particular in terms of smoothness and flexibility of commitments and the need for additional space to adapt to the development of working methods in and outside the company offices (flex office, teleworking, mobility, etc.).

developers, subsidiaries of banking groups, or asset management firms.

1.7.1.2 Competitive landscape

Property management

The property management for individuals sector has entered a phase of active concentration for several years, with the proliferation of acquisitions or mergers, allowing the emergence of major players, particularly in condominium managing agent services and in rental management. At the end of 2021, the top five players were Foncia, Nexity, Citya (Arche group), Immo de France, Square Habitat.

The players are also looking to differentiate themselves, develop related activities (wealth management advice, asset management, insurance brokerage, etc.) and to become service intermediaries like Foncia, which provides professional contacts for moving and planning assistance services, or an offer from an energy supplier.

Property management for companies

This sector has around fifteen operators in France with a surface area under management of more than 2 million square metres. Nexity is the leader in the sector in France with 20 million square metres under management. Only three players exceed 10 million square metres, BNP Paribas Real Estate with 17.5 million square metres and Esset PM (Foncia) with 14 million square metres under management

Real estate agencies offer brokerage, advisory and appraisal services for the purchase, sale or rental of property. Many of them also engage in other related business activities, such as rental property management and condominium managing agent services.

The rise of new entrants offering exclusively online offers continued with the health crisis and travel restrictions. Faced with these initiatives, traditional property managers are accelerating their digital transition with a multiplication of digital tools offered to their clients in property management and rental management.

The top five real estate agencies in France (ORPI, Century 21 France, Laforêt Immobilier, Stéphane Plaza and Guy Hoquet l'Immobilier) operate more than 4,000 agencies. ⁽¹⁾

(source Xerfi). Unlike in the Residential Real Estate segment, the number of operators able to meet the requirements of major investors in terms of management and reporting is limited. The increase in the size of the assets managed by the leading operators (in particular Nexity, BNP Real Estate PM, Adyal, Septime, Telmma, CBRE PM and Foncia) acts as a barrier to potential newcomers.

1) Sources: agency websites

Student residences

The Group is France's leading private operator of managed student residences, with a market share of more than 14%, ahead of the Réside Études (les Estudines), Appart'City, Club Étudiant O.S.E., and Studélites Résidences BNP Paribas groups.⁽¹⁾

New French and international players with a relatively small market share are emerging:

- *French players* with mid-range offerings, such as Kley (investor-manager), Student Factory by Vinci (developer-operator), Opener by Quartus (developer-operator), Whôo from the Legendre Group (developer-operator), whose distinctive features are large-size offerings focused on client experience and principles of common spaces; however, these are located outside city centres and are accessible from campuses; and

Coworking spaces

These products are experiencing strong growth around the world, particularly in major cities. In France, there are 2,787 coworking spaces in 2021 (+60% compared to 2019), i.e. 1 million square metres. Of these spaces, 34% are in the Paris region, including 18% in Paris. Strong growth is also seen in the number of spaces in Lyon, Marseille and Bordeaux (source: Ubiq, "Coworking Index", 2021).

The boom in these new spaces corresponds largely to new office user expectations in terms of time and space flexibility. The dynamism of the digital economy, the explosion in the number of start-ups, particularly digital, and in the number of freelancers, as well as, more recently, the demand by major corporate accounts for more agility and flexibility in their organisations are driving this market up.

Distribution activities

The players in the division of ownership market are pure marketing agents (such as I Plus – Consultim group, Fidex, etc.), as well as real estate developers who market part of their production through this model. Nexity, with its subsidiary PERL, is the leader in the bare ownership investment market. Over the past 20 years, PERL has developed more than 360 real estate programs in around 170 municipalities and has forged partnerships with more than 90 institutional landlords. The marketing networks market, particularly in the rental investment sector, has

- *International players* willing to develop premium large-capacity offerings to meet the needs of international *clientèle* and provide greater flexibility, a broader range of services and mixed-use spaces in projects such as The Student Hotel and Chapter.

We also note the development of co-living spaces (more than 50 residences in France), a hybrid space aimed at young professionals, people in transition, travellers or start-up creators.

The big names in coworking are becoming major tenants in the world's business districts.

Among the most recognised operators of coworking spaces are Ubiq, Néo-nomade, SeLoger Bureaux et Commerces, Base10, BureauxLocaux and Geolocaux.

Concerning the operators of coworking spaces, four players share more than 50% of the existing square metres, with the total surface area managed having increased by 56% between 2019 and 2021. WeWork manages 16 spaces in the Paris region totalling 144,000 square metres. Nexity with the Morning brand, manages 25 spaces in the Paris region totalling 57,000 square metres, Wojo manages 13 spaces in France, mainly in the Paris region totalling more than 50,000 square metres and Spaces (IWG) has 15 sites in France for a surface area of just over 40,000 square metres.

grown significantly in recent years. It is a highly competitive market in which players have become wealth management advisors and continue to enrich their service offerings (e.g. subsidiary of banking networks: BNP, Crédit Mutuel, Société Générale and private players: PureInvest, Equance, Cerenicimo, etc.). More recently, a new generation of digital players has positioned itself in turnkey investment in Leasebacks, from the search for properties to their leasing, including the completion of works and rental management (e.g. Masteos).

¹⁾Source: XERFI report, "New generation student residences", December 2021.

1.7.2 Description of business activities

1.7.2.1 Management business activities

Property Management for Individuals

Property management for individuals includes the following main business lines:

- *Condominium managing agent services*: management of the real estate portfolio entrusted by the condominium owners, operation of facilities, collective equipment, maintenance of the common areas of the building, management and control of co-ownership expenses and both regulatory and safety monitoring. Nexity is systematically the first condominium managing agent for the buildings delivered by the Group;
- *Rental management*: responsible, under an agreement, for the real estate portfolio of a private investor in order to enhance it, secure its rental income and optimise its investment: selection of tenants, signature of leases, surety commitments and subscription necessary rental guarantees, recovery of rents and expenses, declaration of unpaid rent claims, preparation of periodic management reports, repayments of funds, assistance with the lessor's annual income statement and regulatory monitoring and implementation of changes in the management mandate;
- *Rental*: responsibility for all procedures for leasing a property: visits, drafting of the lease, inventory of fixtures and administrative management; and
- *Sales*: responsibility for all aspects of property sales and acquisitions: property viewings, advertisements and communication between sellers and buyers, compliance with all regulatory requirements of a technical, legal or administrative nature, drafting of provisional sales agreements and following the sale through to completion.

Property Management for companies

Nexity Entreprises supports investors, companies and public bodies to optimise the management and development of their premises and real estate assets by offering them a range of adapted real estate services:

- *Rental and administrative management*: through its subsidiary Nexity Property Management, Nexity offers rental and technical management of premises, as well as accounting and marketing of services or assets (management of financial assets, charges, rents and arrears, client/owner/tenant relationship, representation of the principal, accounting and tax management, monitoring of disputes and claims, management of client accounts);
- *Project management* in project ownership (project ownership assistance) or in project management (delegated project ownership): analysis, advice and proposal for portfolio valuation work, preparation of PPAs and technical descriptions, arrangement and monitoring of projects;
- *Management of services essential to the full operation of the real estate asset and monitoring specific projects through digital tools*: monitoring and management of

The Group, as part of its condominium managing agent services, supports its clients with energy efficiency renovation or asset refurbishment issues.

Additionally, Nexity helps its clients determine which financing solutions are best suited to improving their property's thermal performance. To do this, the Group is looking for innovative solutions to finance and guarantee the energy costs of condominiums by working on the deployment of energy performance contracts.

In addition, in line with its property management activities, Nexity offers an exclusive range of insurance solutions for its individual customers and investors, in particular the multi-risk building guarantee for condominium buildings and the unpaid rent guarantee for lessors.

The health crisis has accelerated the use of digital channels for the signing of leases, agreements and notarial deeds. The Private Client Space (EPC) is a service platform for all clients with 100% paperless payment methods and documents. The client can also contact the agency's employees and suppliers. Each has access to real-time information on the operations underway at the buildings managed by the Group.

Internationally, the Group is present in Belgium, where it is one of the main property managers in Brussels. In 2021, the Group sold its property management activities in Poland.

asset maintenance and upkeep, contract and supplier management, budget management, regulatory and environmental management;

- *Control of consumption and certifications*: support for the tertiary decree, support and implementation of SRI policy, energy audit and energy management, rental charge guarantees, project ownership and commissioning ;
- *Management and valuation of retail parks, marketing consulting*: through its subsidiary Accessite, an expert in retail, Nexity is involved in all matters relating to retail assets, from the design, marketing, definition of communication and coordination policies to the implementation of management plans. restructuring and day-to-day management of retail spaces.

Its clients are mainly French and foreign investors (insurance companies, banks, pension funds, public or para-public corporations, asset managers and international investment funds), major consumers and government agencies and quasi-governmental organisations (public industrial and commercial undertakings, public land management institutions, etc.).

1.7.2.2 Operating business activities

Student residences

With the Studéa brand, Nexity offers solutions to meet the specific accommodation requirements of students and recent graduates whilst managing residences and providing rental income to investor-owners under long-term leases. It must therefore ensure that the residences are fully occupied by providing a good standard of service to tenant occupiers.

Nexity's serviced residences were created to meet the needs of students who must live in a city, either temporarily or on a long-term basis. These modern, furnished residences make daily life easier for clients, allowing them to live and work comfortably in apartments conveniently located close to campuses in France's leading university cities.

The Group now commits to a ten-year term for each new residence under a commercial lease, in accordance with the provisions of the Pinel Act. The Group thus leases each property for ten years from its investor-owner, who receives guaranteed rental income over this entire period; it then

becomes a lessor, sub-letting the furnished property to a tenant found by the Group. However, residences that became operational before the implementation of the Pinel Act are not affected; their nine-year lease terms remain valid. Driven by the increasing demand for housing for the younger population, Studéa student residences are a tailored and long-term solution to a pressing societal issue in France.

All the units within these student serviced residences are furnished flats (from studios to two-bedroom flats) close to city centres and/or educational institutions, offering services similar to those provided in hotels (reception, housekeeping, breakfast, household linen and crockery rental and social events), laundry, common and relaxation areas. These residences are also intended for young professionals.

The Group also operates outside of France, with three student residences in Geneva and Lausanne.

Flexible working spaces

The transformation of office real estate uses is accelerating demand for flexibility. To meet this growing demand, the Group offers a range of tailor-made services to individual and commercial clients to bring the work environment to life and make it attractive:

- **Coworking spaces in Paris and its suburbs**, thanks to its subsidiary Morning: offices designed to adapt to new ways of working, converted spaces housing closed offices or open space. Through its *Quartier Général* offer, Morning offers to support its clients in the bespoke fit-out of their head offices in independent buildings, under a white label;
- **Living spaces for active communities**, thanks to its subsidiary Hiptown: all essential services in office buildings (reception, shared offices, concierge, catering, events, etc.).

- **Coworking spaces à la carte**: coworking concept café available to rent (hour, day, month) for both self-employed and remote working employees;
- **Private workspaces to rent on request** at affordable prices, located in Paris and the Paris region;
- **Modular offices**, thanks to a partnership initiated in 2020 with The Boson Project, a player committed to the transformation of organisations, with strong analytical, foresight and change management skills; and
- **Expertise in interior design**: refurbishment of all or part of a real estate asset, support for tenants when they take on the lease or to limit vacancy, technical and conceptual repositioning of office buildings in line with user expectations.

The Group, through its Morning subsidiary, has also developed the Ubiq search platform, enabling each client to find an answer to their workspace needs.

1.7.2.3 Distribution business activities

Through its distribution business activities, Nexity offers new homes to its individual and institutional investor clients:

- In **ownership division**, through its PERL subsidiary: acquisition of the bare ownership of an asset and sale at the same time to a social landlord, which ensures the management and maintenance of the asset during the entire usufruct period (between 15 and 20 years). PERL offers its clients a secure investment through a range of personalised services and handles all stages of the investment; and
- In **marketing via a bank branch network**, thanks to its subsidiary iSelection, which selects and offers residential real estate rental products to its individual and investor clients:
 - new furnished apartments in serviced residences, eligible for leaseback status,
 - bare housing under tax regimes specific to rental investments, and
 - bare ownership investments, as part of the Malraux scheme.

Its distribution network is based on a partnership agreement signed with regional banks in the Caisse d'Épargne network, Banque Populaire branches and a number of independent asset management advisors. iSelection distributes products on behalf of third-party real

estate developers but also acts as a direct operator. In the latter case, iSelection makes bulk purchases of full or partial developments and sells the units within these developments individually.

1.7.3 2021 Performance

1.7.3.1 Business activity

Disposal of Ægide-Domitys and Century 21: The year 2021 was marked by the conclusion of the sale to AG2R-La Mondiale on 22 June 2021 of the majority of the share capital of Ægide-Domitys, the French *leader of serviced senior residences* with 137 residences managed at the end of December. The transaction enabled Nexity to deconsolidate the operation of serviced senior residences, while strengthening its activity in the property development segment, a high-potential core business segment, thanks to a long-term partnership with AG2R-La Mondiale. The results of Ægide-Domitys are consolidated through 30 June 2021. The sale of the Century 21 franchise network carried out in May (consolidation of the activity through 31 March 2021) finalised the Group's strategic review launched at the end of 2020.

A division now refocused around three business lines that are highly complementary with the Development activities: (i) the management of real estate assets on behalf of individuals (condominium management agent services, rental management, leasing, transaction) or institutional investors (property management); (ii) the operation of service areas (student residences under the Studéa brand) and coworking spaces (under the Morning brand) (iii) the distribution of new homes to investor clients (under the brands iSelection and PERL).

1.7.3.2 Results

Strong rebound in results: Services' revenue (new scope ⁽¹⁾) amounted to €853 million, up 11% compared to 2020. Services' recurring operating income almost doubled compared to the end of 2020 to reach €74 million at the end of 2021. The current operating margin increased by 340 basis points to reach 8.7% in 2021. In 2022, the Services activity should continue its strong growth trajectory, both in terms of revenue and profitability.

Data new scope (in millions of euros)	2021	2020	2019	Change 2021/2020	Change 2021/2019
Revenue	853	767	807	+11%	+6%
Of which Property Management Services	379	370	392	+3%	-3%
Of which Serviced Property Services	157	133	131	+18%	+20%
Of which Distribution Services	316	265	284	+19%	+11%
Current operating profit	74	41	81	+81%	-8%
Margin (in % of revenue)	8.7%	5.3%	10.0%	+340 bps	-130 bps
WORKING CAPITAL REQUIREMENT (WCR)	75	49	69		

Revenue from **property management activities** was up by 3% in 2021. Revenue from property management businesses benefited from the good transaction level, driven by historical market levels, leasing, and the development of new services (energy efficiency renovation). In 2021, Nexity Property Management renewed its contract with one of its main clients, La Française, for a period of five years. Accessite, a *leader* in commercial real estate valuation, recorded revenue growth of more than 15% and obtained a new mandate to manage four shopping centres owned by Lighthouse.

Revenue from **serviced properties** recorded very strong growth of +18% in 2021, driven by Morning, up by +46% compared to 2020 thanks to an increase in the surface areas operated following the new openings in 2021 (in particular at the iconic Hôtel de la Marine in Paris) and an occupancy rate returning to its normal levels (90% at the end of December 2021). Nexity Studéa, a *leader* in the operation of student residences, its revenue increased by 8% compared to 2020 with an average occupancy rate still very high (93%).

Revenue from **distribution activities** were at a record level (+19% compared to 2020), supported by the growing appetite of individuals for real estate investment.

1) New scope, i.e. without the contribution of Ægide-Domitys and Century 21.

1.8 A BROAD SPECTRUM OF CLIENTS

1.8.1 Institutional Clients Management

To support the growing interest of private institutional investors in real estate, Nexity provides tailor-made solutions across the value chain of its clients' portfolio and real estate investments:

- **Investment of the savings in a resilient and flexible real estate:** the Group offers assets that meet both localisation criteria, throughout France, in various prime or up-and-coming sectors, and with high environmental quality requirements, in all segments of residential real estate-apartment housing, senior residences, students, co-living or commercial spaces;
- **Support in the management of real estate assets:** day-to-day management of buildings, improving the return on assets, support for the lessor/lessee relationship, reduction of vacancies, reduction of expenses, improvement of collection, reduction of work

budgets and completion deadlines, optimisation of rental values, etc.;

- **Maintaining the energy performance of real estate portfolios:** in response to the new commitments to reduce the final energy consumption of buildings, Nexity provides its clients with all the expertise of the service platform as well as that of its partners to collect energy data.

Nexity is also continuing its involvement in social housing and inclusive housing, in conjunction with social housing operators and public and private investors, to develop the stock of affordable housing (social, intermediate or free) and to facilitate residential pathways for all (from managed residences specialising in the reception of vulnerable groups to gradual home ownership).

1.8.2 Local Authority Clients Management

Thanks to its range of products, Nexity can quickly adapt to changes in the uses and needs of local authorities. From the design phase to construction and daily use, the Group offers solutions to develop worthy projects that meet societal, social and environmental challenges:

- **Creation of a low-carbon region:** reduction of the building's energy footprint, development of innovative and low-carbon neighbourhoods, zero carbon neighbourhoods, reintroduction of nature into the city, expertise in wood-frame construction and low-carbon materials;
- **Creation of an inclusive city:** housing for all, thanks to an inclusive and participatory project design, as well as general interest projects: design and weaving mixed-use neighbourhoods, social housing, solidarity housing, home ownership solutions (affordable financing, real estate fund, etc.);
- **Creation of an appealing region:** support and advice in regional strategy, urban planning, revitalisation of city centres by infusing them with a new momentum, project ownership assistance, operation of tertiary spaces; and
- **Regional enhancement:** reconstruction of the city on its own, thanks to redevelopment and restructuring projects: conversion of former brownfield sites into new neighbourhoods (decontamination, restoring nature, etc.), redevelopment of entrances to cities to connect them to their regions, refurbishment and energy efficiency renovation, etc.

Through its subsidiary Villes & Projets, Nexity positions itself as both an urban developer and project manager for urban regeneration, thereby generating a medium- and long-term construction portfolio for all its development subsidiaries in Residential and Commercial Real Estate. As a creator of urban projects, Villes & Projets provides local authorities with comprehensive expertise to benefit the local area and communities, by reinventing districts and guaranteeing a sustainable balance between homes, economic activity, services and living spaces.

Nexity is committed to a societally and environmentally responsible approach by using innovative and efficient products and services to create sustainable areas. When advising local authorities or major landowners on the development of their urban spaces, Nexity proposes ecological, sustainable and practical solutions that are tailored to the requirements and specific features of each area. Its innovative and proactive approach to sustainable development meets the requirements of local authorities in a holistic way by prioritising "living together" (energy efficiency, biodiversity, nature in the city, alternative and carbon-free methods of transport, well-being, quality of life, social connections, etc.).

1.9 INVESTMENTS, INNOVATION AND INTELLECTUAL PROPERTY

1.9.1 Investments

Aside from the financing of purchases specific to the operating cycles of its development activities (Residential Real Estate and Commercial Real Estate) and its urban regeneration business (Villes & Projets), which mainly consist of inventory components and work in progress held for sale (land, development and construction works, etc.), the Group carries out a variety of different types of investment:

- Day-to-day operating investments for its activities (fitting out, IT, furniture, maintenance and renovation of managed serviced residences, development of co-working spaces, etc.);
- External growth investments with the aim of developing the Group's business by way of acquisitions of companies, equity interests, business goodwill or contributions; and
- Investments that are more financial in nature, through acquisitions of non-controlling interests (in particular by the investment business).

For more details on purchases specific to the operating cycles of its real estate development and urban regeneration activities (including land acquisitions), as well as on the non-controlling interests acquired by the investment activities, please refer to Sections 1.5.2 and 1.6.2 "Description of business activities" and 1.8 "A broad spectrum of clients" in this chapter.

Operating investments in 2021 totalled €54 million net for the whole Group (€77 million in 2020 and €63 million in 2019), including €10 million for the fitting out of coworking spaces (Morning) and €3 million for the renovation of student residences, with the remainder pertaining to IT investments (€24 million) and other subsidiary investments.

1.9.2 Innovation

For several years, Nexity's transformations have been accompanied by an innovation policy, which involves all of the Group's subsidiaries and employees and is structured around three main areas: the dissemination and stimulation of innovation at all Group levels, the incubation of new real estate businesses and investment as a strategic tool.

In a health context involving increased home working, the Innovation Department has supported new ways of facilitating remote work meetings and the use of innovative and differentiating tools to reconsider the evolution of Nexity's business lines.

External growth investments over the last three years are presented below.

In 2019, the Group acquired 71.3% of the capital of Accessite, a French company specialising in advice and management for commercial real estate assets, acquired 100% of Etoile Property Management (a property manager for large international investors) and various property management firms. The total purchase price of the shares was €14 million, plus an estimated €4.6 million in commitments to buy the remaining shares.

In 2020, Nexity took control of 65% of the capital of pantera AG, a German residential real estate developer, with a commitment to buy the remaining capital. pantera AG is one of the leading players in serviced residences in Germany. This acquisition should enable Nexity to develop its real estate services platform in Germany. The purchase price of the shares amounted to €47.1 million, plus buyback commitments estimated at €25.4 million.

In 2021, the Group made no significant acquisitions, but completed the refocusing of its activities by selling the Century 21 real estate franchise network and 45% of the Ægide-Domitys Group.

The Group's investment activity is not easily comparable with that of the other leading market players in France due to the fact that they are often connected to large real estate investment funds. Nexity's are restricted to the acquisition of non-controlling stakes in land optimisation funds in order to facilitate land sourcing in partnership with other investors. €10 million has been invested in these funds, since 2018, of which €3 million in 2021 (see Section 1.9.3 "Investments in real estate funds" of this chapter).

The teams dedicated to innovation are tasked with:

- **Disseminating and coordinating innovation** with all employees and supporting operational staff in their innovation initiatives;
- Ensuring the **continual watch** for decision-makers and Group entities: attendance at major events, participation in the work of sector players.

INTRODUCTION OF THE GROUP

Investments, innovation and intellectual property

Incubator for new real estate business lines

The real estate business lines must reinvent themselves in response to technological, societal and environmental revolutions. In this context, Nexity's strength lies in the collective intelligence of its employees, mobilised through a range of actions implemented:

- The Group regularly incubates new offers and innovative subsidiaries, some of which lead to a capital-intensive partnership with project leaders (for example, Hiptown, in which Nexity is the majority partner but whose management holds shares in the company);

Investment strategy

In addition to partnerships, Nexity regularly invests in young innovative companies, *via* FPCI-type funds or directly.

Acquiring equity stakes in companies, often initially non-controlling interests with a view to taking further control in the future, is used as an accelerator for innovation and

- To enable its employees to train in intrapreneurship, Nexity provides them with many tools and methods: building a business plan, pitch, design thinking; and finally
- The Group has an active partnership policy with external start-ups, in many areas ranging from modular construction to the installation of ground floor parcel boxes, in order to constantly expand and renew its offer.

guarantees an alignment of interests over the medium- and long-term. The Innovation Department thus contributes to building strategic alliances with agile players, by identifying key building blocks, evaluating synergies such as "transformation shortcuts" and setting up a pact aligning interests.

1.9.3 Investments in real estate funds

Nexity takes stakes in real estate funds that are intended to generate business opportunities for the Group's development subsidiaries.

To this end, the Group holds a 20% stake in an office-to-housing conversion fund managed by Harvestate AM. Transactions initiated by the fund are then co-developed with Nexity.

Furthermore, in order to increase its capacity to invest in high-potential land, Nexity has taken a 30% stake in the Terra Optima 1 land investment fund managed by Harvestate AM so that it can acquire land for conversion and the development of predominantly residential developments in France's main urban centres. The funds raised as part of this first closing, mainly from French

institutional investors, mean that Terra Optima 1 has an equity investment capacity in excess of €130 million. This innovatively structured fund satisfies CSR investment criteria and can also constitute a new tool for local authorities with strained financial resources.

Nexity's traditional model rests on the use of purchase options in order to control land. However, due to stiff competition and the rise in land prices in certain areas, the Group has had to come up with new sources of financing in order to carry out its ambitious development plan, whilst continuing to pursue a managed land bank strategy and limited risk-taking. In exceptional cases, Nexity may take certain risks on land, within the €300 million limit set by the Group.

1.9.4 Intellectual property

The intellectual property rights of the Group and its subsidiaries mainly consist of brands and domain names as well as, occasionally, patents, designs and models.

The Nexity brand and its logos, style guide and associated Internet domain names are constantly monitored to protect them from any fraudulent usage that could damage the Group's image and reputation.

The Group's activities are either covered by the Nexity brand or by their own specific brands.

For example:

- iSelection and PERL work with various developers and therefore continue to operate under their own brands; and
- Certain property management networks, such as Oralia, real estate developers such as Edouard Denis and Primosud, use their own brands because of the specific nature of their business and their strong brand identity in their markets.

Moreover, the Group continues to add new brands to its portfolio on a regular basis, using them to promote its subsidiaries' flagship products and services.

The Group owns or holds the rights to use all of its brands. All the intellectual property rights of the Group and its subsidiaries are protected in France and, when their business so requires, internationally.

The Group's Legal Department centralises and coordinates the management of the intellectual property rights portfolio of the Group and its subsidiaries. It is assisted by specialised firms that provide regular updates and monitoring. It is also in charge of putting into action the necessary procedures and avenues of legal recourse should a third party breach the intellectual property rights of the Group and its subsidiaries.

1.10 LEGAL AND REGULATORY ENVIRONMENT

1.10.1 Regulations promoting real estate purchases

For more than twenty years, the Group's new housing development and property development business has benefited from several tax measures such as:

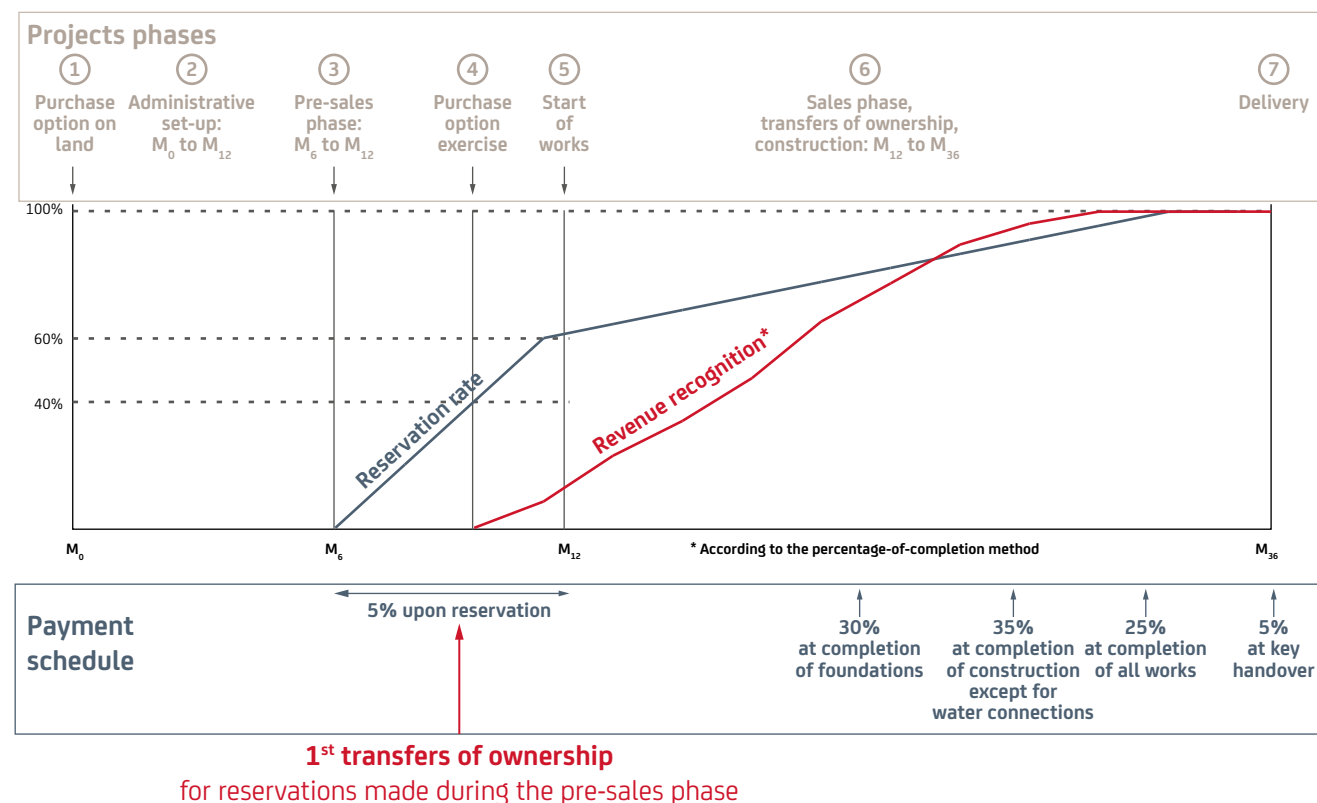
- The Pinel (rental investment) and Censi-Bouvard (investment in serviced residences) schemes allow clients to benefit from a tax reduction calculated on the amount of the investment;

- The PTZ interest-free loan scheme, aiming to support the construction of new homes and boost social home ownership by facilitating access to ownership for low-income households; and
- Reduced-rate VAT in AnRU urban regeneration zones and QPV priority urban planning districts.

1.10.2 Regulations applicable to Nexity

The Group sells homes *via* reservation contracts and subdivisions through purchase agreements, followed by final sales contracts (signed before a notary). New homes are marketed under the VEFA off-plan sales regime, an

original model resulting from the law of 3 January 1967 and gradually improved, which is characterised by a limited level of risk (compared to other models) for developers, clients and banks.



Furthermore, most market operators secure options on land, with conditions precedent that must be met before these options can be exercised, thus reducing the risk borne by Nexity.

Lastly, there is no specific regulatory regime governing the Group's Residential or Commercial Real Estate business in

France. However, in operating its business, the Group is required to comply with numerous regulations in the areas of urban planning (ALUR, Pinel, Mandon, Macron, Maptam, ELAN, etc.), the environment, sales law, liability applicable to all involved in the construction process (proper operation and ten-year warranties), the "Hoguet law" for intermediation activities, and condominium law.

1.11 MATERIAL CONTRACTS

Nexity considers the contracts it signs to be material when they have a significant weighting in the Group's business activity with one sole counterparty, as well as those that

could have reputational importance given their visibility in the event of poor execution or late delivery.

Partnership agreements with institutional clients, both public and private

CDC Habitat

Since the signature in October 2018 of the partnership with CDC Habitat (formerly SNI), the CDC Group has reserved 9,696 intermediate, social and free housing ("contractual affordable" housing (LLAC) 10% to 15% below market rents) in programmes developed by Nexity.

in'li

In October 2018, Nexity entered into a five-year framework agreement with in'li (Action Logement group) for the construction of 1,000 intermediate housing rental units per year in the Paris region.

Since 2018, in'li has reserved 1,164 intermediate, social and free housing in programmes developed by Nexity.

Gecina

In early October 2020, the Group signed a partnership agreement with Gecina to develop 4,000 new housing units over four years in Paris, the Paris region and major French regional cities, on behalf of Gecina's residential subsidiary.

This partnership between two leaders in the real estate market is intended as a response to the need for housing rental, particularly in high-demand areas. These projects will be co-developed, with Nexity and Gecina contributing 60% and 40% of the capital respectively.

It confirms Gecina's ambition to accelerate the development of its residential subsidiary, and reinforces Nexity's leadership position and its commitment to offering housing to as many people as possible. Projects developed with a focus on low-carbon buildings (particularly wood-frame construction) and the use of the circular economy, will give clients a quality experience in sustainable living spaces.

VEFA off-plan sales contract for the Eco-campus in La Garenne-Colombes with Swiss Life Asset Managers France

Nexity and Swiss Life Asset Managers France have completed the VEFA off-plan sales contract for the Engie Eco-campus, located right next to the new Grand Paris station "Nanterre La Folie" in La Garenne-Colombes (Hauts-de-Seine). This project to develop 94,000 square metres, demonstrates the commitment of Nexity, Swiss Life Asset

Managers and Engie to the energy and environmental transition, given the high ambitions in terms of energy and environmental performance. The project also anticipates new uses and places a major focus on nature in the city. This project represents revenue of one billion euros, and will be delivered in 2024.

Partnership between Société de Livraison des Ouvrages Olympiques (Solideo) and the consortium comprising Nexity, Eiffage, CDC Habitat, EDF and Groupama to build sector E of the Athletes' Village in Saint-Ouen-sur-Seine for the 2024 Paris Olympic Games

All building permits for sector E were obtained in 2020. This will cover over 56,000 square metres of floor area in a diverse programme of around 525 housing units, an office building, a crèche, and business and retail units which should accommodate just over 2,500 athletes and para-athletes in the summer of 2024 and, from 2025, local residents. The projected revenue for Nexity is approximately €100 million, taking into account the percentage of ownership in the consortium (37%).

This project will be exemplary, notably in terms of being a sustainable city, and the consortium will bring together more than 50 companies from all over France as part of a

low-carbon initiative. Eiffage Construction is proposing a cost-efficient construction method combining wood and low-carbon concrete which will reduce the project's carbon footprint by 75% compared to the London Games.

The construction programme in its temporary configuration will be made available for PARIS 2024 in the first quarter of 2024, during the organisation and staging of the Olympic and Paralympic Games, before carrying out the reversibility work to eventually accommodate (in 2025) future residents and users in the construction programmes in their final destination.



Risk management

2.1 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM	48	2.5 LEGAL AND ARBITRATION PROCEEDINGS	75
2.1.1 GENERAL FRAMEWORK AND OBJECTIVES OF RISK MANAGEMENT AND INTERNAL CONTROL	48	2.6 PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION	75
2.1.2 GENERAL ORGANISATION AND OBJECTIVES OF THE ENTERPRISE RISK MANAGEMENT DEPARTMENT (ERMD)	52	2.6.1 PROCEDURES FOR PREPARING AND APPROVING THE CONSOLIDATED FINANCIAL STATEMENTS	75
2.1.3 THE INTERNAL AUDIT DEPARTMENT	55	2.6.2 BUDGET PROCEDURES	76
2.2 SPECIFIC RISK FACTORS AND THEIR MANAGEMENT	56		
2.2.1 SUMMARY OF NEXITY'S MAJOR RISKS	56		
2.2.2 DESCRIPTION OF SPECIFIC RISK FACTORS AND RISK CONTROL SYSTEMS	58		
2.3 BUSINESS ETHICS AND REGULATORY COMPLIANCE	72		
2.4 FRAUD PREVENTION SYSTEM	74		



Nexity operates in a continuously changing environment and, like all companies in its sector, is inevitably exposed to risks whose occurrence could have material impacts.

To ensure its continued development and the achievement of its objectives, the Group ensures that it identifies and manages its risk exposure in the regions where it operates and in its different areas of activity: development and completion of real estate projects; and real estate services.

Nexity's risk management approach applies to the entire Group, parent company and subsidiaries, and is under the responsibility of Executive Management. It encompasses a range of resources, behaviours, procedures and actions to manage the Company's main risks.

For the proper functioning of the approach, Executive Management relies on the following entities:

- The **Enterprise Risk Management Department (ERMD)** is made up of four divisions: the Risk and Internal Control team, which maintains in particular the risk framework and coordinates the internal control approach for the entire Group; the Insurance Department, which guarantees coverage of the Group's portfolio and assets; the Group Archiving team, which defines and implements the Group's archiving policy in conjunction with all business lines; and the Prevention and Safety Department, whose purpose is to control the impacts of the Group's activities on the health and safety of its employees, subcontractors and clients;
- The **Compliance Department** within the Legal Department, which develops and implements the Group's compliance programme. It has the necessary expertise and independence to define and implement the rules and procedures on the issues of prevention of the risks of corruption and influence peddling, money laundering and financing of terrorism. It also ensures compliance with the legal obligations pertaining to transparency in public life. Lastly, in close collaboration with the CSR Department, it ensures the roll-out of the Group's duty of care plan;
- The **Group's Compliance Officer** is responsible for the processing and monitoring of alerts relating to ethical issues and situations that might give rise to conflicts of interest or risks to the Company. He performs his duties with complete independence, reporting directly to the Chairman and to Nexity's Executive Management;
- The **network of Risk and Compliance Officers** launched at the end of 2019 by the ERMD in collaboration with the Compliance Department. This network is made up of 60 officers for broad coverage of the Group's subsidiaries and departments. Their role is to act as relays, in their respective entities, for the various information and awareness-raising initiatives on the prevention and control of Group risks;
- The **centralised functional departments**, responsible for areas of expertise such as finance, legal affairs, human resources and information systems, in coordination with the subsidiaries and the Group's operational departments; and
- The **Internal Audit Department** which reports directly to Executive Management to safeguard its independence.

2.1 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

2.1.1 General framework and objectives of risk management and internal control

2.1.1.1 General principles

Reference framework

Nexity's internal control is based on the COSO II framework (Committee of Sponsoring Organisations of the Treadway Commission) and on the AMF reference framework. It is structured around five dimensions: control environment, risk assessment, control activities, information and communication, assessment and management. This ensures a consistent and uniform approach across the Group and facilitates compliance with the French Financial Security Act (known as LSF – *Loi de sécurité financière*).

Key principles of risk management

Risk management refers to a permanent set of arrangements that enable Executive Management and Nexity's managers to identify, assess and contain any risks that could have a material adverse impact on the Company's ability to achieve its objectives, its staff, assets, environment or reputation. Risk management forms an integral part of all Group processes (business lines and support functions) and informs decision-making.

In particular, risk management aims to:

- Safeguard decision-making and the Group's strategic, operational and support processes in order to facilitate the achievement of objectives;
- Create and protect the Group's value, assets and reputation by identifying and analysing the main threats and opportunities; and
- Rally the Group's employees around a shared vision of the main risks and make them aware of the issues and risks relating to their activities.

Risk management is based on two parallel approaches that are intended to feed off each other:

- The mapping of major risks identifies the main concerns of the Group's executives, which could affect the achievement of the Group's objectives. The results of this approach are presented in this document (see Section 2.2 "Specific risk factors and their management" of this chapter); and
- The operational risk mapping is fed by the internal control system, which is based on an analysis of risks by operational process, led by the ERMD and the network of Risk and Compliance Officers. More information on this approach is provided in Section 2.1.2.2 "Risk management and internal control" of this chapter).

Key principles of internal control

The Group's internal control system is defined by Executive Management and implemented by all employees. It complements the risk management system, since it serves to identify and analyse risks while playing an active role in addressing them, in particular through the implementation of controls. Internal control helps control all activities, the efficiency of its operations and efficient use of its resources. It thus allows the Group to appropriately assess material risks, whether strategic, operational, financial, employee or compliance.

More specifically, the system aims to ensure:

- Compliance with applicable laws and regulations;
- The application of instructions and guidelines set by Executive Management;
- The proper functioning of the Group's internal processes; and
- The reliability of financial and accounting disclosures.

The internal control system plays an essential role in the conduct and management of the Group's activities.

Principles of action and behaviour

The control environment, essential to the internal control system, proper risk management and the application of procedures, is also based on behaviours, actions, organisation and employees.

The smooth running of the Nexity's organisation is based on, among other factors, compliance with the clear principles of action and behaviour that frame its activities and its development:

- Strict application of the Group-wide rules, particularly in terms of committed transactions, for Individual Clients as well as Commercial Clients and Local Authority Clients;
- Knowledge of and compliance with the Group's Code of Conduct, the principles of which are reiterated in the Codes of Conduct of companies which are majority-owned by the Group (see Section 2.3 "Business ethics and regulatory compliance" of this chapter);
- Transparency and loyalty of employees towards their line managers at the operational level and at the central functional departmental level (divisions and the holding company); and
- Responsibility of the executives of operating entities in communicating the above principles to their teams using the most appropriate means.

Risk appetite

In order to prevent and effectively manage its risks, Nexity adopts a moderate risk appetite policy leading it to limit and control acquisitions of high-risk land assets, manage its real estate development operations within a prudential framework, ensure its commitments are highly diversified, and avoid speculative activities and those with high fixed costs.

The Group also aims to ensure that it conducts its business activities at all times in compliance with the legal requirements applicable to its various business lines and with the rules on business ethics. In this regard, it requires its employees to refrain from taking any decisions for which they, the Group's executives or any Group companies may be held criminally liable, and has introduced appropriate training for its employees (see Section 2.3 "Business ethics and regulatory compliance" of this chapter).

Overall, the Group considers that its executives and employees demonstrate a shared culture of risk management and works continuously to reinforce it. Risk analysis is integrated into the Company's various processes: governance, operational and support processes. Measures aimed at the continuous improvement of risk management are regularly implemented, in particular by raising the awareness of employees and involving them in the deployment of control systems.

2.1.1.2 Risk management governance at Nexity

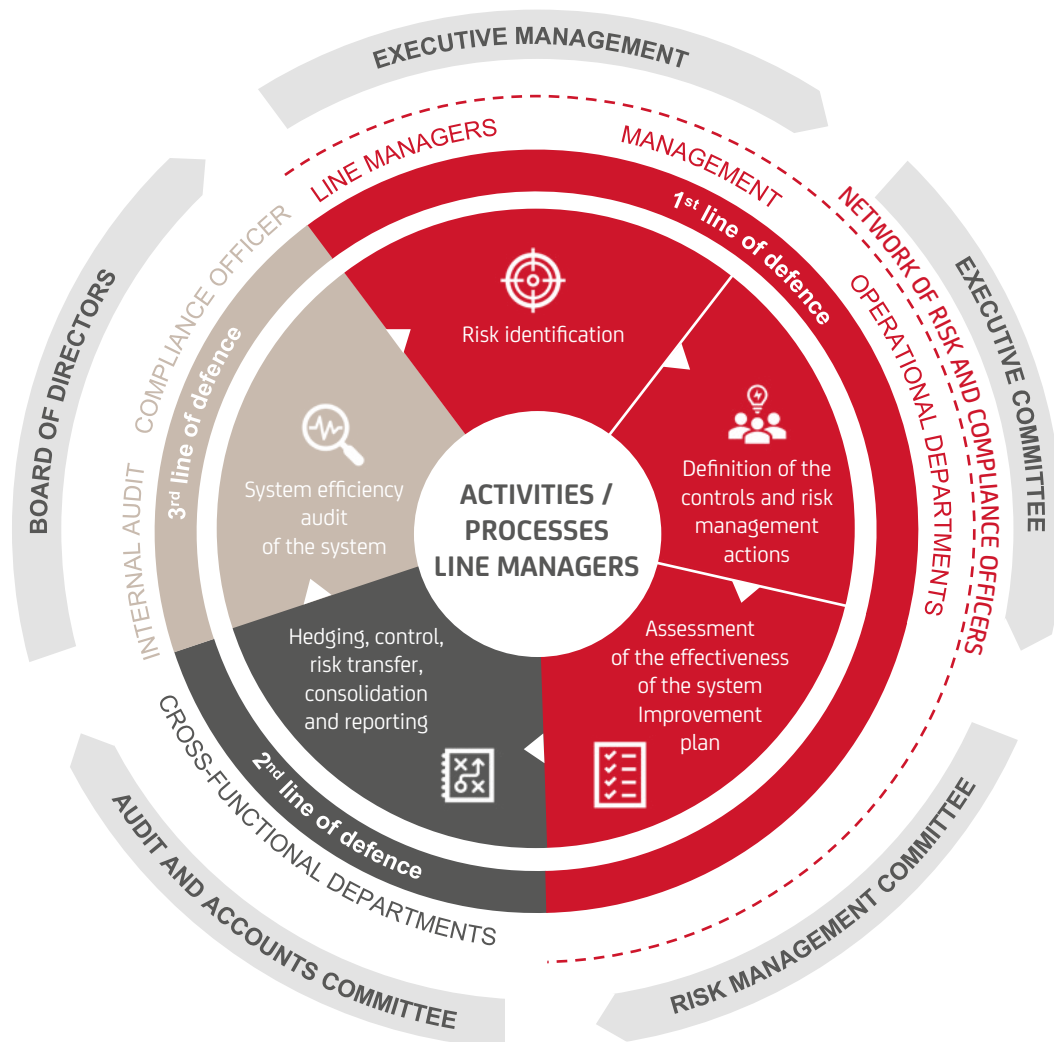
Three lines of defence

The risk control system implemented by Nexity is based on the three lines of defence illustrated above (in accordance with the model defined by the French Institute of Audit and Internal Control (*Institut Français des Auditeurs et Contrôleurs Internes* – IFACI)) and is under the supervision of Executive Management. Under this model, the roles and responsibilities of operational management, cross-functional departments and internal audit are defined.

The first line of defence corresponds to the risk management and control measures implemented by employees and managers within the operating entities and coordinated by the Risk and Compliance Officers within the subsidiaries.

The second line of defence corresponds to the various functions that contribute to monitoring risk control and compliance. This involves the Enterprise Risk Management, Legal, Finance, Compliance, and Information Systems Departments, as well as other functional teams responsible for areas of expertise.

The third line of defence covers the effectiveness and consistency of the first two lines of defence and consists of internal audit, reporting to Executive Management, for overall assurance, and the Compliance Officer, whose role is to ensure the proper application of the rules of ethics.



Risk management is therefore everybody's concern, from the employees to the governance bodies. This system, managed at the central level by Executive Management with the support of the Enterprise Risk Management Department (ERMD), is continuously monitored in order to ensure that it is relevant and adequate for the Group's objectives and challenges. The main bodies involved in internal control and risk management are:

- The Board of Directors;
- The Audit and Accounts Committee;
- The Executive Management;
- The Executive Committee; and
- The Risk Management Committee.

Risk Management Committee

The objective of the Risk Management Committee is to ensure the effectiveness of the risk management system in place within the Group. It meets every quarter and may be asked to issue an opinion on the main Group risk policies.

It is a body that monitors and approves the action plans relating to the Group's material risks.

This Committee is led by the director of ERMD and chaired by the Deputy CEO and Group company Officer. The Committee is also composed of the Compliance Director, the Compliance Officer, the Legal Director and DPO, the Head of Information Systems Security, the Internal Audit Director and the General Secretary of the Development, Services and Local Authority divisions. Since November 2021, the Human Resources Director, the CSR Director and the Chief Financial Officer have been permanent members of the Committee. Committee participants are particularly concerned with:

- Promoting end-to-end risk management in the value chain: risk analysis, prevention, monitoring of action plans, transfer to insurance, internal control;
- Supporting Nexity's development and transformation by encouraging calculated risk taking;
- Strengthening and promoting the dissemination of a shared risk management culture, encouraging innovation and Nexity's development;
- Supporting subsidiaries and cross-functional departments in identifying and implementing action plans (in particular by putting in place a consistent risk identification and assessment methodology appropriate for Nexity); and
- Giving management at all levels a consolidated view of risks and of the related control measures.

Network of Risk and Compliance Officers

The network of Risk and Compliance Officers was created at the end of 2019, under the leadership of Executive Management and the Audit and Accounts Committee. Led by the ERMD and the Compliance Department, this network is both the anchor of the corporate culture and the link in

the cross-functional vision of risk management and compliance.

The Risk and Compliance Officer (RCO) network covers all Group subsidiaries and cross-functional departments (Holding). The international subsidiaries in Poland, Italy, Belgium and Portugal were included in 2021.

The Risk and Compliance Officer has a key role, structured around three main missions:

- He or she is the relay in his/her subsidiary/organisation of the various information and awareness actions of the operational staff on the prevention and control of the Group's main risks;
- He or she ensures that operational controls are carried out and documented correctly. With the support of the ERMD, the RCO contributes to the continuous improvement of existing procedures (procedures, control activities, identification of operational risks, etc.) within his subsidiary. He or she leads and supervises the self-assessment process within his/her scope of intervention; and
- He or she alerts the ERMD and the Compliance Department in the event of internal control or compliance failures or in the event of an incident.

Risk communication

With the creation of the network of risk officers and the deployment of the internal control and risk management system, each subsidiary is responsible for monitoring and evaluating its system.

The Enterprise Risk Management Department develops and coordinates the self-assessment campaigns conducted by each of the officers within their entity, focused on the main risks and key control activities identified in the operational processes.

For each subsidiary, this assessment is associated with a letter of commitment signed by the executive. This letter provides an overview of the past year on risk management, the results of the self-assessment campaign and the priority areas for improvement. It also aims to commit the manager of the entity to lead the risk management process within his entity.

The ERMD then consolidates all the results of the self-assessment campaign in the subsidiaries and cross-functional departments and analyses the data. An overall report is then shared with the governing bodies, in particular the Risk Management Committee and the Audit and Accounts Committee.

At the same time, the Group's major risk mapping is updated at least once a year, at the end of the year, by the Enterprise Risk Management Director and presented to the Risk Management Committee, the Executive Management and the Audit and Accounts Committee, in particular during the specific meeting which now takes place each January.

Executive Management also ensures that information is correctly and regularly reported to the governing bodies.

2.1.2 General organisation and objectives of the Enterprise Risk Management Department (ERMD)

2.1.2.1 Organisation of the ERMD

The Enterprise Risk Management Department (ERMD) is responsible for optimising the coordination of the overall risk management system within Nexity. This is a cross-functional department that contributes to Nexity's performance through its advice and expertise, ensuring the Group's safety through preventive actions and appropriate controls.

At 31 December 2021, the ERMD had 24 employees and consisted of the following divisions:

- The Risk and Internal Control team;
- The Group Archiving team;
- The Insurance Team; and
- The Prevention and Safety Team.

2.1.2.2 Risk management and internal control

This team is responsible for spearheading and guiding the Group's overall risk management. It also contributes to the dissemination of a common and shared culture among all employees and the reinforcement of the crisis management system so that the Group can respond appropriately in the event of occurrence of a crisis. The team coordinates the network of Risk and Compliance Officers within the Group's subsidiaries and departments on the deployment of the risk management system.

This team is also responsible for the definition of a risk analysis methodology, which is regularly updated to ensure alignment on current best practice and with a view to continuous improvement. This methodology, which is shared internally, serves as the basis for drawing up the Group's risk mapping. The purpose of the risk management and internal control system is to:

- **Know and anticipate:** ensure regular monitoring of the Group's significant risks so that none of them is overlooked or underestimated, know and monitor the environments in which the Group operates and anticipate changes in the nature or intensity of these risks;
- **Organise:** ensure that the main risks identified are effectively taken into account at the Group's most appropriate level;
- **Process:** ensure that the resources in place are effective to best control the risks identified, in line with the Group's values and strategy; and
- **Raise awareness and inform:** the implementation of a coordinated risk management system is based on raising employee awareness of risk management. It includes risk communication to various stakeholders.

2021 was dedicated to improving and deepening the Group's risk management system, restructured in 2020, relying in particular on the network of Risk and Compliance Officers.

The self-assessment campaign carried out in 2020 made it possible to establish an inventory of the Group's main processes and to identify priority action plans.

On the strength of its network of Risk and Compliance Officers, the Group decided in 2021 to extend it to the Group's international subsidiaries as well as to its new businesses. The contacts integrated in 2021 benefited from specific training and support from the Risk and Internal Control team, which is responsible for leading and steering the network.

In 2021, the Risk and Internal Control team continued to support the subsidiaries. For this, the team relies on the Risk and Compliance Officers to relay information related to fraud prevention and control and to alert them to risk situations within their respective entities.

In line with its other missions, the team has worked on updating the mapping of major risks, the results of which are presented in Section 2.2 "Specific risk factors and their management" of this chapter. Throughout the year, the team carried out its anti-fraud missions, in particular by leading a regular Committee meeting and raising awareness of cybersurveillance issues through the monthly cybersurveillance Committee meeting (see Section 2.4 "Fraud prevention system" of this chapter). The updating of the crisis management procedures was also a priority for the operational departments. In this context, an online form for reporting serious incidents was deployed, which made it possible to safeguard the completeness of the incident database. Lastly, the team continued to participate in the Group's major IT projects, in order to ensure that internal control recommendations were taken into account and that the segregation of duties matrices were constructed.

As part of the management of the health crisis, the team worked closely with the operational crisis unit and the Prevention and Safety Department and was involved with the business lines or subsidiaries to support them in adapting business continuity systems.

2.1.2.3 Insurance

This team works to secure the Group's portfolio and assets, comply with legal obligations, contractual commitments with regard to clients and insurers/partners and ensure that insurance cover is constant, and adapting it if necessary.

The Insurance team checks that the Group's current insurance policies provide optimal coverage of the risks that Nexity has chosen to transfer to the insurance market and, whenever possible and appropriate, implements Group-wide insurance programmes that cover all its subsidiaries. It also supports Nexity's activities with regard to insurance matters.

During the 2021 financial year, the Insurance team continued to collect missing documents concerning building structural damage insurance policies and strengthened awareness-raising actions through a training programme for subsidiaries.

In 2022, the Insurance team plans to continue its efforts to integrate the recently acquired subsidiaries into the Group's insurance programmes and to optimise the Group's building insurance programmes.

Policy with respect to insurance

The strategy of covering risk by transferring it to the insurance market is validated by Executive Management.

The Group has opted for a strategy of transferring its main risks to insurers wherever possible and retaining only a small proportion of risk.

Insurable risks are identified taking account particularly of information relating to legal disputes as provided by the Legal Departments. The Insurance Department takes out appropriate insurance and supervises all teams responsible for managing insurance.

Currently, the Group is insured primarily with five insurers, arranged through three main brokers. The aim of this diversified approach is to ensure continuous risk coverage, negotiate the best possible rates and build close relationships with brokers in terms of underwriting and claims management.

Today, the Group and its operating subsidiaries generally use the following three brokers: Gras Savoye – Willis Towers Watson, Deleplanque and Marsh. The main insurance companies covering the Group's professional liability are Allianz, SMA, MMA, Liberty and Swiss Re International.

SMA is also the main insurer of construction risk in Residential Real Estate and Commercial Real Estate.

Furthermore, regarding *Dommages-Ouvrages* (equivalent to building damage insurance) policies in connection with real estate development for new homes, the Group has set up an after-sales department that aims to maintain insurance premiums at current levels by increasing excesses and covering any repair costs within the limit of this excess amount. In-house training on construction insurance and builders' professional liability insurance is delivered to operational staff, notably through e-learning modules and awareness-raising actions in subsidiaries.

Main insurance contracts

Mandatory insurance

Building damage insurance (*Dommages-Ouvrage*) and additional cover

In accordance with the regulations applicable in France to the Residential and Commercial Real Estate business activities described in Sections 1.5.2 and 1.6.2 "Description of business activities" of this Universal registration document, Group companies take out mandatory insurance policies as required by the Act of 4 January 1978 to cover both the building under construction (*Dommages-Ouvrage*, equivalent to building damage insurance) and liability at the level of the project owner (*Constructeur Non Réalisateur*, or CNR, equivalent to site insurance for property developers), as well as supplemental ten-year contractor's liability insurance (*Contrat Collectif de Responsabilité Décennale*, or CCRD).

For the Group's Residential Real Estate business, insurance policies are taken out with two insurers through two brokers: with SMA through Deleplanque and with Allianz through Gras Savoye.

The *Dommage-Ouvrage*, CNR and CCRD insurance policies are subject to an annual rate review with SMA and Allianz so as to obtain a highly competitive premium rate in relation to rates available in the market, due in particular to the Group's establishment several years ago of an after-sales department. For the Group's Commercial Real Estate business activity, *Dommages-Ouvrage*, CNR and CCRD insurance contracts are taken out individually for each project, mainly *via* the insurance broker Marsh.

Ten-year project owner's guarantee insurance (*Assurance décennale Maîtrise d'oeuvre*)

Group companies that serve as project owners are covered by specific project owner's ten-year guarantee insurance policies. This type of insurance covers payment for repairs required to address defects arising over a ten-year warranty period in a building to which the Company contributed as a project owner, should its liability be invoked on the basis of a presumption established under Articles 1792 *et seq.* of the French Civil Code.

Ten-year site developer's guarantee insurance (Assurance décennale Aménageurs-Lotisseurs)

Group companies acting as *aménageurs-lotisseurs* (a separately defined group of site developers in France, who assemble sites, subdivide them into building plots and provide the necessary infrastructure) each take out a *Globale Aménageur* policy (site developer's all-risks) with SMA, including cover for the ten-year warranty they are required to provide by law (Articles 1792 *et seq.* of the French Civil Code) in the event of building defects arising after delivery.

For projects developed outside France, construction risk insurance policies are taken out in each country through local brokers, providing cover that meets or exceeds the levels required under applicable laws.

Liability insurance for property management and brokerage activities

In accordance with the Act of 2 January 1970 known as the "Hoguet Act" (see Section 1.10 "Legal and regulatory environment" of this Universal registration document), a Group policy managed by Gras Savoye – Willis Towers Watson was taken out with MMA to cover the subsidiaries involved in this activity. Supplemental coverage is provided by the umbrella policy taken out with Liberty, which has a limit of €15 million. This policy has an excess corresponding to the amount of cover offered by the underlying policies, or €300,000 if triggered initially.

Insurance not required by law

Construction site insurance

A construction site all-risk policy (*Tous Risques Chantier*, or TRC) providing protection against risks incurred during construction projects is taken out for each project without exception. Liability insurance for environmental damage may also be taken out to cover site clean-up risks if deemed necessary by risk analysis. Apart from the required liability insurance in connection with the ten-year structural defects warranty (*garantie décennale*) in France, the Group also takes out coverage for the proper operation guarantee (*garantie de bon fonctionnement*), consequential damage and, where deemed necessary, damage to existing property and contingent damages.

Liability insurance

Liability insurance taken out by the Group covers the following areas:

- **Professional liability**

Each Group company takes out its own coverage for operational and professional liability, for example that of the developer in relation to third parties or that resulting from project ownership activities. In addition, an umbrella plan covers the liability of Group

companies in excess of the primary coverage taken out by each entity, in varying amounts. This plan consists of a first policy taken out with Liberty Mutual Insurance for a limit of cover equal to €20 million per loss and per year. This policy has an excess corresponding to the amount of cover offered by the underlying policies, or €300,000 if triggered initially. For projects taking place outside France, the Liberty policy either is triggered first or provides secondary coverage over and above existing local policies. The guarantee ceiling is €20 million per claim and per year. A second policy taken out with Swiss Re International comes in addition to a cover limit of €20 million per claim and per year;

- **Directors' and officers' (D&O) liability**

D&O liability is covered by two policies: one taken out with AIG, with a coverage amount of €25 million, and the other taken out with Chubb as supplementary insurance, with a coverage amount of €10 million. This policy covers the personal liability of directors and officers as well as both French and foreign civil and criminal legal defence costs, whether *de facto* or *de jure*. There is no excess, except in the event of a claim involving non-US securities (€150,000); and

- **Labour-management relations**

The Group has taken out an employment disputes insurance policy with AIG Europe, which provides liability coverage for Group companies, their executives and employees as a result of any infringement in the performance of their duties of rules relating to labour-management relations. The cover provided under this policy amounts to €3 million per dispute and per year, with an excess of €25,000.

"Cyber Risk/Fraud" insurance

A combined policy "Cyber Risk/Fraud" was taken out with Chubb, the management of which has been assigned to the Siaci Saint-Honoré firm, for cover usually issued on the market.

Other insurance coverage

The Group also has the following insurance programmes in place:

- An insurance programme taken out with MMA and managed by Siaci Saint-Honoré, covering liability and damages to the Group's vehicles and employees' personal vehicles used for work purposes;
- An insurance programme taken out with AXA and managed by SATEC, covering damages and liability for owners and renters, for operating premises and property related to construction projects; and
- An insurance policy covering the risks of personnel undertaking business trips abroad.

2.1.2.4 Prevention and Safety

The Prevention and Safety Team is involved in managing the risks to which the Group's activities expose its employees, suppliers and clients in terms of health and safety.

The team supports the Human Resources Departments of each entity in updating the Single Occupational Risk Assessment Documents. Together with the Work Environment Department, it is putting in place the tools required to manage the permanent risks affecting the health and safety of employees.

It also coordinates collaborative platforms on health and safety aspects, enabling the harmonisation of the quality of returns and the establishment of a risk monitoring policy linked to the strategies of each client. Through visits to buildings, construction sites and documentary analyses, the team measures any deviations from regulations and establishes an action plan to be monitored over time. This procedure makes it possible to assist operational staff and recommend emergency measures. Depending on the nature of the events, the Prevention and Security Team travels to the site and implement long-term corrective and preventive measures.

The digitisation of the serious incident reporting form, which was rolled out in July 2021, simplifies this information reporting. In the event of serious incidents on the construction sites or managed sites, this tool provides a better understanding of the facts and is distributed to all internal stakeholders concerned.

Management is also called upon to work with suppliers or clients to prevent safety risks in accordance with regulatory provisions.

In 2021, the Prevention and Safety team carried out numerous construction site safety visits in the region. All the residential and tertiary development subsidiaries were visited and an overall assessment was made of the management of joint ventures but also of the internal processes of the companies involved to further reduce the professional risks inherent in their activity. As a result, an action plan was drawn up and approved by executives to reduce the discrepancies observed over time and constantly improve the level of safety on construction sites.

The DPS has also launched an approach to support development subsidiaries in improving the reception phase of equipment and facilities contributing to the fire safety of large residential real estate complexes (3th family B and 4th family). It will continue this approach in 2022.

The DPS also continued to carry out its regular missions concerning:

- The organisation of training sessions on health and safety for Group employees;
- Prevention of occupational risks to which employees are exposed, with particular attention to road risk prevention;
- Analysis of the compliance of assets with regulations by activity (residential, tertiary, public buildings, high-rise buildings, environmentally-sensitive buildings);
- The missions of security agent in high-rise buildings and single security department in ERP consortia (39);
- Supervision of the verification of electrical and fire hazards, as well as means of evacuating people from Nexity premises; and
- Raising awareness of prevention and safety through interventions within all the Management Committees of the Group's Development subsidiaries and with the Risk and Compliance Officers.

2.1.3 The Internal Audit Department

The Internal Audit Department works with subsidiaries and cross-functional departments to check and assess employees' knowledge and the proper use of the risk management and internal control arrangements in place. The duties are defined on the basis of a provisional audit plan, which is approved by Executive Management and submitted to the Audit and Accounts Committee. This audit plan is prepared taking into account the risks following from the risk mapping. At the request of the Group's Executive Management, internal audit may also carry out special assignments relating to any issue or event that requires analysis, specific assessment or feedback.

The Internal Audit Department has five employees, including the Internal Audit Director. Regular audits are performed in accordance with a work programme based on

the documentation describing the risk management and internal control arrangements and preliminary interviews with management of the Group or the audited entity. The Internal Audit Department does not use a dedicated tool. Data processing is generally carried out in Excel based on extracts from the Group's systems. Specialised service providers may be called upon in the event of heavy and complex treatments. The recommendations issued at the end of the internal audit assignments and the remediation plans are attached to the Group risk mapping.

The progress of the audit plan and the summary of recommendations are regularly monitored by the Group's Executive Management and presented quarterly to the Audit and Accounts Committee.

2.2 SPECIFIC RISK FACTORS AND THEIR MANAGEMENT

Preamble:

2021 was marked by the continuation of the health crisis and its human, economic and social consequences. Nevertheless, Nexity once again demonstrated great resilience. Despite the climate of uncertainty in the face of the coronavirus epidemic, which disrupted services, operational staff have necessarily been responsive to maintain and continue their mission. The Group has given itself the means to fulfil its commitments: adaptation of processes to operational constraints, continued strengthening of its controls and cybersecurity - no IT disaster or fraud is to be deplored despite a significant cyber threat; support for employees and support for the management line through human resources and La Cité (entity for the development and enhancement of employee skills).

The mapping of the major risks presented below is an analysis of the concerns of the Group's executives at the end of a year already contextually marked by an economic hardening and a climate emergency, directly impacting customers on the one hand: inflation, tightening of household purchasing power, change in life paths, and the real estate business: shortage of raw materials, supply difficulties and weakening of suppliers.

The war in Ukraine has changed the geopolitical context and has an impact on economic activity. Nexity, which operates in France, has no direct exposure in Russia or Ukraine. The Group is closely monitoring changes in the situation, the consequences of which could result in an acceleration of the rise in inflation, particularly in the cost of raw materials, interest rates or disruptions in supply chains. At this stage, the Group does not have sufficient information to measure the potential negative impact on its business.

2.2.1 Summary of Nexity's major risks

The risks were classified into seven categories. Each risk is characterised by its two components, namely its impact and its likelihood of occurrence. The latter are classified on four levels from Low to Very High as regards impact, and from Certain to Exceptional as regards the likelihood. Moreover, the impact is defined according to its nature: financial, legal, reputational.

Control measures are then identified. Their effectiveness is taken into account to determine the control level or the risk

coverage level. This level of control is on two levels: satisfactory or perfectible.

The risk's residual criticality level can then be determined based on the following factors: major, important, significant or minor.

When we talk about risk management, this takes into account the control actions implemented to limit the impact and likelihood of the risk occurring, as well as external factors, over which Nexity has limited control.

Mapping of Nexity's major risks

Category	Risk	Impact	Likelihood of occurrence	Residual criticality level	Level of control
STRATEGY (see Section 2.2.2.1)	Disruption of the business model	Very significant	Unlikely	Major	Can be improved
	Unfavourable changes to taxation or regulations applicable to real estate	Significant	Unlikely	Important	Satisfactory
	Shortcomings in the management of major partnerships	Very significant	Likely	Major	Can be improved
	Failure to achieve the Group's strategic CSR objectives	Significant	Likely	Major	Can be improved
	Shortcomings in reputational crisis management	Significant	Exceptional	Significant	Satisfactory
	Difficulty in the management and control of subsidiaries (incl. international)	Very significant	Unlikely	Major	Can be improved
INFORMATION SYSTEM (see Section 2.2.2.2)	Extended unavailability of the IS due to a cyberattack and the exploitation of a security failure	Very significant	Unlikely	Major	Can be improved
	IS obsolescence	Very significant	Likely	Major	Satisfactory
	Shortcomings in the management of authorisations and accesses	Significant	Certain	Major	Satisfactory
HUMAN RESOURCES (see Section 2.2.2.3)	Mismatch between skills and changes in the Group's business lines	Significant	Unlikely	Important	Satisfactory
	Extended unavailability of a key skill/person	Significant	Unlikely	Important	Can be improved
	Turnover	Significant	Exceptional	Significant	Satisfactory
BUSINESS LINES (see Section 2.2.2.4)	Land shortage	Very significant	Certain	Major	Satisfactory
	Failure to control supply costs and timelines	Very significant	Likely	Major	Can be improved
	Serious incidents at construction sites	Significant	Unlikely	Important	Satisfactory
RELATIONS WITH THIRD PARTIES (see Section 2.2.2.4)	Lack of quality of products/services	Very significant	Certain	Major	Can be improved
	Failure of key supplier/partner	Significant	Certain	Major	Can be improved
COMPLIANCE (see Section 2.2.2.5)	Lack of compliance	Significant	Likely	Major	Can be improved
FINANCIAL (see Section 2.2.2.5)	Liquidity risk	Significant	Unlikely	Important	Satisfactory
	External fraud	Significant	Likely	Major	Satisfactory

Additional risks not currently known to Nexity may also adversely affect its business and financial performance. Any of these risks could cause significant differences with the forward-looking information released to the market and filed by the Group with the AMF.

2.2.2 Description of specific risk factors and risk control systems

This section details the risk factors to which Nexity is exposed as well as the control measures implemented to limit their impacts and likelihood of occurrence.

2.2.2.1 Strategic risks

All risks belonging to the “Strategy” family are described in this section. Indeed, they are specific to Nexity’s own activity.

STRATEGIC RISKS / BUSINESS MODEL DISRUPTION

Residual criticality	MAJOR	
	Risk description	Risk management
	Nexity’s activities are exposed to events and situations over which the Group has no control but for which it must prepare itself or even rethink its business model. Indeed, the digitisation of society and the transformation of the aspirations of individuals - single-parent families, changes in energy consumption patterns, etc. - modify demand for housing, homeownership by individuals, and the consumption of real estate services. This can be favourable to the emergence, in the real estate development sector, of new players who are more innovative in technological matters or already positioned in the energy sector. In real estate services (€0.9 billion of revenue in 2021), these new competitors could, by leveraging new technologies, destabilise traditional brokerage and real estate management players such as Nexity. In the field of real estate development (€3.8 billion of revenue in 2021), new competitors could offer new approaches to the city, housing or office, by proposing new and very differentiating and potentially less expensive offers than those offered by the Group, for example by finding solutions to reduce construction time. In addition, after two years of health crisis with major economic and social consequences, the macroeconomic context is experiencing upheavals: volatility in rates, inflation, tightening of mortgage loan granting conditions, etc. This impacts not only the purchasing power of individuals but also the business model of operations. Indeed, the profitability of a real estate transaction and the sale price of the assets are based on an assessment at a given time of the costs taking into account a projection. Finally, the news of the first quarter of 2022 and, in particular, the war in Ukraine has increased the climate of uncertainty and affected not only macroeconomic indicators but also household morale.	The Nexity group is evolving and adapting its business model. This is bearing fruit because, despite the context, the Group has shown a certain resilience. Also, in a desire to maintain its positioning as a leader, while facing the current context, Nexity is making every effort to structure itself as a real estate services platform and is working on the definition of effective action levers around five key themes: • Land development, • Low carbon, • Quality of service, • Operational efficiency and managerial culture.

STRATEGIC RISKS / UNFAVOURABLE CHANGES TO TAXATION OR REGULATIONS APPLICABLE TO REAL ESTATE

Residual criticality	IMPORTANT	
	Risk description	Risk management
	Unfavourable changes to taxation or regulations applicable to real estate (introduction of new taxes or levies, removal of tax incentives) could have a material impact on Nexity's activities, financial position and results. In fact: • Adverse changes in the government's tax incentive policies such as the home-ownership support measures and the increase in the VAT applicable to the sale of new homes, could have an impact on the Group's overall Residential Real Estate business activity (71% of the Group's revenue); and • The elimination or change of certain tax benefits or the tightening of regulations on rent controls, combined with the tightening of rules for granting real estate loans, could have a significant impact on the volume of reservations made by the Group by individual investors (representing 39% of its reservations in 2021). The regulations applicable to real estate may also change according to electoral events. However, in 2021, the diversification of Nexity's client base has paid off and the Group is now less sensitive to this risk. The likelihood of occurrence has been revised downwards, thereby reducing the residual criticality.	The Group's Management has taken into account in its strategy the impacts that these changes could have, by diversifying its client base, in particular by developing bulk sales, including for housing, and partnerships with social housing operators (bulk sales accounted for 45% of reservations in 2021 compared to 51% in 2020 as these players are less sensitive to tax incentives). In 2021, Nexity created a new product offering for Institutional Clients. This product offering, and the organisation put in place to support and develop it, is also a response to the opportunity offered by the return to the market of these new Institutional Clients, namely the large private investors. Nexity also continued to diversify its services activities in addition to historical real estate development activities.

STRATEGIC RISKS / SHORTCOMINGS IN THE MANAGEMENT OF MAJOR PARTNERSHIPS

Residual criticality	MAJOR	
	Risk description	Risk management
	In the absence of centralised monitoring and management, coordination difficulties or conflicts could arise with all operational players within the Group and in the subsidiaries that interact with these partners. The consequences that would follow could be, on the one hand, of a financial nature: penalties arising from non-compliance with a contractual clause, delay on construction sites or delay in the marketing of operations; and, on the other hand, of a reputational nature: deterioration of relations with strategic partners following a malfunction in the context of a joint venture project or operation.	Agreements with partners require enhanced management and coordination with all stakeholders within the operational entities and subsidiaries. Actions implemented: • Increased support for teams in terms of consulting companies during real estate projects; • Strengthened contractual arrangements and negotiating the exit terms of one of the stakeholders before signing a partnership agreement; and • Updating of the procedures for going through the Commitments Committee, integrating the major partnerships.

STRATEGIC RISKS / NOT ACHIEVING THE GROUP'S CSR STRATEGIC OBJECTIVES

Residual criticality	MAJOR	
	Risk description	Risk management
	Nexity's CSR strategy is described in Chapter 3 "Statement of non-financial performance" of this Universal registration document. Integrated into Nexity's strategy, the CSR strategy is based on three areas (meeting the environmental challenge, making cities more inclusive, developing our human capital) and three cross-functional issues (promoting open and responsible governance, ensuring client satisfaction and having responsible supplier relationships, anticipating changes in uses through innovations). These elements make it possible to anticipate regulatory changes and meet the new expectations of clients and other stakeholders. The Group's activities (real estate development and services) therefore involve major societal challenges and are subject to strict environmental regulations. Thus, Nexity has identified three major impacts in terms of the risk of not achieving strategic CSR objectives: • The climate; • Non-compliance with environmental, social and societal requirements by suppliers; and • Difficulty accessing housing. Not achieving the objectives that the Group has set for itself could have repercussions on the Group's business, financial position and results and thus call into question its leadership position in the markets in which it operates.	The structuring of the Group's CSR commitment and the identification of specific strategic objectives make it possible to mitigate this risk, in particular: • Dedicated governance; • Regular monitoring of the objectives set using the tools and processes put in place for this purpose; • Inclusion of CSR criteria in the remuneration of company officers; • A strong commitment (SBTi-certified carbon trajectory well below 2 °C in March 2021); and • Training and awareness-raising actions for employees and executives. All of these actions are described in detail in Chapter 3 "Statement of non-financial performance" of this Universal registration document.

STRATEGIC RISKS / SHORTCOMINGS IN REPUTATIONAL CRISIS MANAGEMENT

Residual criticality	SENSITIVE	
Risk description		Risk management
In a situation of over-coverage by the media and growth in the use of social media, any serious incident or a badly managed crisis could undermine the Group's reputation and image. Furthermore, media exposure of its executives and the leadership positions of the Group in its different markets increase this reputational risk. Moreover, Nexity may be exposed to various serious events or incidents which could have a material impact on client satisfaction and the proper management of its business activities. They can take various forms such as breaches of safety on a construction site or in a student residence, non-compliance with regulations, or failure of a key supplier. Their consequences can be significantly adverse, resulting, for example, in a slowdown in work on construction sites, an increase in costs, delivery delays, or a deterioration in the confidence of private or public clients in the Nexity brand resulting in the loss of condominium or portfolio management mandates, or even a significant reduction in the volume of reservations.		The Group is careful about the Nexity brand's image on various media. Internal processes have been deployed by the Communication, Brand and Commitment Department, with the support of cross-functional departments: • Updating the crisis communication procedure and an information feedback form; • Creation of a press procedure allowing the supervision of external communication by Executive Management; • Creation of a "manual" for responding to adverse media events; • Maintaining the monitoring/alert system on social networks co-managed with the Digital Marketing Department; • Continued training/awareness-raising for employees, managers and executives on the world of social media and their impacts; and • Maintaining relationships with specialist service providers for the monitoring of the Nexity brand on social networks, blogs, websites, etc. A cyber-monitoring system has been set up, co-managed by the Risk Department and the IT Department. Every month, the alerts reported by the cybersurveillance service provider are analysed by a Committee meeting that brings together the Risk, IT, Legal, Communication and Marketing Departments. Depending on the type of alert, an action plan is put in place, which may include a request to remove a domain name. Other levers can be used to avoid a reputational crisis, notably through: • A selection of suppliers based on performance criteria and compliance with ethical criteria according to the Supplier Ethics Charter (see Sections 2.3 "Business ethics and regulatory compliance", 3.1.2.3 "Duty of care", and 3.5.4 "Increasing responsible purchasing and improving supplier relations" of this Universal registration document); • Monitoring the quality of services by monitoring their quality of execution, in compliance with safety rules; and • Continuing to improve client satisfaction with the training of employees in client-facing roles, and the construction of a reference framework on the key moments of the client experience.

STRATEGIC RISKS / DIFFICULTY IN THE MANAGEMENT AND CONTROL OF SUBSIDIARIES

Residual criticality	MAJOR
Risk description	Risk management
As part of its strategy of being a real estate services platform, Nexity undertakes significant acquisitions of companies or equity investments for the purpose of developing its activities and improving its products and services. The organisation of the Group's Residential Real Estate division (€3.3 billion in revenue in 2021) is based on a strategy of permanent local establishments, with subsidiaries and agencies, run independently by professionals who are generally local. The management autonomy granted to the acquired subsidiaries and the structuring of teams on the basis of a decentralised model could cause issues when consolidating and managing new companies. The divergence in subsidiary strategy, lack of synergy between teams and a failure to comply with Group rules (by entities in France and/or abroad) could have consequences as to the civil and criminal liability of executives and the Company's financial position in the event of abuses and non-fulfilment of commitments.	The Group has adopted the prevention and mitigation measures below to get subsidiaries to converge towards an alignment of their practices with those of the Group and contain the risk of strategic divergence. At the strategic level, the convergence plan for each subsidiary, including a section on risk management and information systems, continues to be rolled out. Organisations and bodies promoting exchanges among the Group's business lines have been set up: • A network of cross-functional Risk and Compliance Officers, extended in 2021 to international subsidiaries; • Regional Synergy Committees; • A Committee of Regional Delegates; and • An internal social network (Nexity Live), promoting the development of community-based work, the sharing of good practices and documentation. The Group rules relating to the organisation of the Commitments Committees have also been strengthened, giving rise to the update of the associated note. For the control of international activities, subsidiaries are supported by the Holding Company's teams in the deployment of Group rules. Decision-making or commitments relating to operations outside France are subject to approval by the Group.

2.2.2.2 Risks related to the information system (IS)

All risks belonging to the “Information System” family are dealt with in a single block. The control actions cover the three areas security failure, continuity and obsolescence.

IS RISKS / EXTENDED UNAVAILABILITY OF THE IS DUE TO A CYBERATTACK AND THE EXPLOITATION OF A SECURITY BREACH

Residual criticality	MAJOR	
Risk description	Risk management	
In 2020, the context of the health crisis increased the level of cyberthreat for companies. The global increase in cyberattacks is estimated at 400%, and 97% of companies have been affected by the exploitation of a security breach. This exogenous context is a risk factor that could have a very material impact on the Group. The absence of a strategy for improving and modernising the information systems could expose the Group to the emergence of exploitable security failures and to negative impacts with knock-on effects: blocking of certain flows (flows of management IS to accounting IS), unauthorised access to data and even leakage of sensitive data, holding of multiple incompatible positions, etc. At the same time, in the absence of a group continuity strategy, Nexity could be faced with an extended interruption (beyond one week) of an information system essential to the execution of a critical and unidentified business process, or of an obsolete system for which an emergency solution has not yet been put in place. The management of the Group's business and the transfer of information from management systems to information systems (such as accounting) must be reliable, secure and maintained. With the sharp growth of Nexity (revenue increased by 1.8 times compared with 2014) and of its workforce, the information system has become complex, silo-based per business line and sometimes obsolete. At the end of 2021, the Group had over 8,000 employees (up 19% compared with 2014), all requiring account access and management.	Nexity has initiated several strategic projects with a view to strengthening information system risk control and the resilience of the Group's operations. For the past three years, Nexity has implemented a solid cybersecurity system proven by the health crisis. None of the IT systems was down for extended periods, and Nexity demonstrated its resilience and responsiveness. The cybersecurity system is based on the following key points: • The cybersecurity strategy is shared and reviewed regularly with the interested parties, steered by the Information Systems Security Manager (RSSI) and audited; • Solutions to combat the main threats have been put in place: protection against malware logical access control, detection capability; • SOC (Security Operational centre) has been deployed, it is managed and benefits from continuous improvement; • The overhaul of the cybersecurity awareness program and a system to combat phishing were implemented. Nexity is also working to modernise its information systems • Continued renovation of business and cross-functional applications, in particular migration of the Finance IS and overhaul of residential real estate applications; • Gradual transition of cloud infrastructure (IaaS) towards managed cloud solutions (SaaS/PaaS); and • Establishment of service centres: operation, development, outsourcing, office support.	

2.2.2.3 HR risks

The risks of inadequate skills for the Group's business lines and the long-term unavailability of a key skill or person are discussed in this section. These two risks and the management actions are specific to Nexity's organisation. Turnover, the 3rd risk presented in the mapping of the Group's major risks, is an issue shared by all real estate players and is therefore not specific to Nexity. Turnover is presented in Section 3.6 "Summary table of CSR indicators" of this Universal registration document.

RISKS RELATED TO HUMAN RESOURCES MANAGEMENT / MISMATCH BETWEEN SKILLS AND CHANGES IN THE GROUP'S BUSINESS LINES

Residual criticality	MAJOR	
	Risk description	Risk management
	The success of Nexity's strategy of being a real estate services platform requires employees to adapt to the new services, uses, tools and products marketed. Faced with the constant evolution of its business lines combined with the scarcity of certain key skills in a stressed real estate market, one of the major challenges for Nexity is to remain an appealing player for future candidates. But also knowing how to retain talent by giving them career development opportunities, therefore investment in employee training has become a key part of the talent management and development strategy. As a result of the above factors, along with a turnover specific to the real estate sector, Nexity could face a mismatch between the availability of and need for resources and certain specific skills necessary for the success of its transformation projects. In the absence of a solid human resources strategy in terms of appeal, loyalty, continuous training and forward-looking management of employment and skills, Nexity, a company with a strong human capital, could lack skills that are vital for its development and for maintaining its leadership positions in the markets where it operates. In 2020, in the context of the Covid-19 pandemic and its consequences on the market, employees and managers had to adapt to enhanced teleworking measures. The health crisis, which has continued, has also led employees to seek meaning and a better quality of life at work, to which the Group must be able to respond.	Employee loyalty and talent retention initiatives have been implemented, such as the NEXT programme, a deferred remuneration policy (long-term incentive) and the improvement of visibility on mobility opportunities. In addition, Nexity intends to develop its commitment to better support employees and employee well-being. In 2020, the Group obtained the Great Place to Work (GPTW) certification and in 2021 became the top real estate company labelled BestWorkPlaces. In addition to the position, employees and future candidates are placing more and more importance on the values defended by companies. To this end, Nexity positions itself as a guarantor of diversity and gender equality, notably through the inclusion charter defining commitments and concrete actions. In early 2022, Nexity was included in the Bloomberg Gender-Equality Index for the third consecutive year. In addition, Nexity was awarded a score of 5/5 by Humpact Emploi France 2021 on its employment performance and ranked 11th out of the 273 listed companies reviewed. The Group is strengthening its Professional Equality action plan with the establishment of an Inclusion Committee composed of ambassadors from all business lines across the country, as well as mentoring actions for young female employees. In addition, the transformation into a learning company places skills development at the heart of the strategy thanks to a policy of talent development, experimentation with new ways of working, entrepreneurial culture and innovation; all in the service of Nexity's performance. Strategic training areas have been designed for the evolution of human capital, through the development of four main areas in 2021: digital (Digital Academy 2.0), CSR (CSR Passport), client satisfaction (Client Satisfaction Visa), and new ways of working. Anticipating the shortage of talent for certain key professions, Nexity has created its "Real Estate Apprentices" CFA with two classes opened in 2021 dedicated to land development and commercial activities. Risk management has therefore significantly improved with the signing of the Management of Jobs and Career Paths (GEPP) agreement in 2021, the construction of a business reference framework and the continuation of the training actions undertaken by La Cité aimed at maintaining performance and operational efficiency.

RISKS RELATED TO HUMAN RESOURCES MANAGEMENT / PROLONGED UNAVAILABILITY OF A KEY SKILL / KEY PERSON

Residual criticality	IMPORTANT	
Risk description	Risk management	
The departure or unexpected loss of one of its key executives could pose a risk to the Company's sustainability. Indeed, the departure, prolonged absence or disappearance of one of them could lead to disruption at the Company, or even a climate of uncertainty causing teams to leave early, leaving the organisation potentially short of decision-makers or knowledgeable people. This is an important issue for the Group, whose strength and resilience rely on its subsidiaries. In addition, some business lines rely on obsolete information systems or advanced technologies, whose knowledge could be concentrated amongst a very limited number of people with insufficient documentation.	In order to limit the impact of an extended unavailability of a key executive both at the level of the holding company and at the level of all Group subsidiaries, a succession plan for Club 1797 members was initiated and led by the Human Resources Department. Identification committees within the Group's entities make it possible to identify Nexity's future potential talents in order to build up a pool of future executives (NEXT programme). Thanks to its managerial training centre, Nexity continually modifies the training modules offered to managers as expected skills change. As part of the roll-out of the Management of Jobs and Career Paths (GEPP) agreement, Nexity finalised the reference framework for business lines in 2021 and launched the construction of the skills mapping. These tools are the foundations for better identification of key people and definition of any associated action plans. In particular, as part of the management of seniors, a mentoring system has been set up to ensure knowledge and skills are transmitted. Lastly, for information systems, the deployment of specific expertise-focused service centres makes it possible to make service commitments and control the key person risk on obsolete or advanced technologies.	

2.2.2.4 Risks related to the business lines and relations with third parties

All risks belonging to the “Business lines” and “Relations with third parties” families are detailed in this section.

RISKS RELATED TO BUSINESS LINES / LAND SHORTAGES

Residual criticality	MAJOR	
	Risk description	Risk management
	Nexity's business activity is linked to its capacity to manage buildable land and perform operations compatible, in terms of location and price, with the needs and financing capacity of its clients. The scarcity of buildable land, either due to inadequate supply or to strong competition from developers on the same land, puts upward pressure on land prices. Moreover, any constraints, such as a delay in obtaining building permits, change in governance at local authorities, variable land pricing policies depending on local authorities, add further complexity to the capacity to secure land. Growing constraints on land take, as well as the suspension of certain ongoing real estate programmes and the review of building permits not issued in certain municipalities, are likely to increase the uncertainty regarding the management of land at a cost that is compatible with Nexity's profitability requirements. On average, land accounts for 22% of the cost of a project. Given the significant annual volume of the Group's reservations (20,838 new home reservations in France in 2021), the lack of control of the above-mentioned topics could have an impact on Nexity's ability to offer products in line with expectations and the financing capacity of clients, and more generally, have an impact on the Group's business, financial position and results.	Several business lines are at work to manage these land-related issues: around 300 employees dedicated to development across all the property development subsidiaries, players in the Villes & Projets (urban regeneration) and Foncier Conseil planners, the Institutional Client Department and Nexity Solution Foncière (NSF). In 2021, the Group implemented a land-hunting strategy based on the structuring of the development business line, with the overhaul of the training course dedicated to the developer profession, the ramp-up of NSF created at the end of 2020 and the growth of Nexity Esprit Villages. NSF aims to develop contact sources to supply all of the Group's businesses with real estate opportunities. The acceleration of its activity is based on the development of land sourcing and involves: • An innovative digital strategy that will make it possible to capture and manage land opportunities more effectively; • Enhanced synergy with the Group's employees, sources of land contacts, particularly in certain business lines (real estate agencies, developers); in 18 months of activity, 400 contacts were made, and 5 operations initiated in this way; and • The creation of a BtoB activity, aimed at building partnerships to identify opportunities. At the same time, the implementation of Nexity Esprit Villages aims to bring together subsidiaries working in rural areas and coordinate their approaches to land opportunities.

RISKS RELATED TO THE BUSINESS LINES / LACK OF COST CONTROL AND SUPPLY DELAYS

Residual criticality	MAJOR	
	Risk description	Risk management
	Construction costs depend in part on changes in the prices of raw materials, in particular steel, and metals in general, as well as wood, whose prices are steadily rising (source: Xerfi market analysis). Moreover, as Nexity is increasingly developing its real estate projects with institutional landlords and investors, which have high standards in terms of the quality of finishes, or the level of equipment to be provided in housing. Nexity must also take into account the strengthening of energy standards and regulations. These factors have an impact on the cost of the housing offered and thus affect the profitability of operations. Construction costs represent more than half of the cost price of an operation for the Group. In 2021, the construction sector – like the industrial sector – experienced supply difficulties, due in particular to shortages of raw materials such as wood, metal and PVC in particular. As a result of the war that broke out in Ukraine in February 2022, shortages, particularly of steel, and supply difficulties, with regard to delivery conditions, will certainly continue. This situation creates additional uncertainties about the ability to meet deadlines and the resulting project costs.	This issue is a constant concern for Nexity and substantive actions had previously been initiated and continued. In 2021, the Construction Department continued to support the operational teams on a daily basis in controlling construction costs, already secured thanks to the VEFA model and the award of contracts before the start of the project. Nexity is committed to a low-carbon trajectory at a controlled cost. This commitment is translated into concrete actions: • Development of attractive low-carbon offers for its local authority, private institutional and social housing operator customers: with the definition of innovative construction methods, based on industrialised processes which make major use of wood; • Optimisation of purchases with the establishment of a dedicated structure within the Construction Department, which lists finishing products and develops ranges of services for new homes. As such, part of its work is to centralise procurement. This approach aims to optimise the cost and quality of purchases; • Securing the approval of suppliers of products with high-stake low-carbon products (heat pumps, low-carbon concrete, wood); and • Continued deployment of the bidding and configurator platform.

RISKS RELATED TO THE BUSINESS LINES / SERIOUS INCIDENTS AT CONSTRUCTION SITES

Residual criticality	IMPORTANT	
Risk description	Risk management	
According to health insurance figures, the construction industry accounts for 14% of accidents and 19% of deaths, which means that there is an accident every two minutes. The number of site accidents in the construction and building sector is a major concern for the Group, the leader in the real estate development sector. In this respect, it must be exemplary in the support it provides to its employees and journeymen working on its construction sites to ensure better protection and prevention of safety risks. The Group's housing sector opens an average of 250 construction sites per year.	The prevention of safety risks on construction sites is a daily concern of the Group. The Safety and Prevention Department works both upstream and downstream of operations, providing the necessary support, training and monitoring. It conducts site visits and raises awareness among all stakeholders. In collaboration with the Enterprise Risk Management team, a "serious incidents" report form, including serious incidents on construction sites, was put online and widely distributed in 2021. This allows greater responsiveness and solicitation of ad hoc players. An action plan to strengthen the prevention of safety risks managed by the Prevention and Safety Department and based on three areas has been defined: • Deploy safety visits to all subsidiaries and continue to raise awareness among operational staff of Nexity's obligations in the fight against undeclared labour; • Together with the Construction Department, continue to support the Safety and Health Protection Coordinators (CSPS), with the application of standard contracts and strengthen prevention actions ; and • With the subsidiaries and the network of Risk and Compliance Officers, monitor the implementation of controls. In order to ensure that suppliers comply with their obligations, in particular with respect to the fight against illegal employment and abuses related to posted workers, Nexity has signed a contract with a service provider that provides it with an online platform for collecting the required administrative documents. On construction sites, posters, translated into several languages, present the texts relating to the rights of posted workers. For real estate development activities, each subsidiary of the Group acting as the project owner and/or the client ensures that, prior to the signature of contracts, the checks required under the French Labour Code have been done, based on the location of the other contracting party or, where applicable, their sub-contractor(s). Lastly, the Environmentally Responsible Construction Site Charter, created several years ago to better control the environmental impacts of construction sites, continues to be implemented operationally.	

RISKS RELATED TO RELATIONS WITH THIRD PARTIES / LACK OF QUALITY OF PRODUCTS/SERVICES

Residual criticality	MAJOR	
Risk description	Risk management	
Given the diversity of its clients and partners, i.e. private individuals, companies, local authorities, private investors and institutional investors, and their large number, the Group is exposed to a significant risk of image and reputation, particularly in the event of failure in the implementation and/or quality of the products and services offered. 2020 saw a slowdown in construction sites due to the health crisis, which postponed certain deliveries to 2021.: on the one hand, the companies had to revise their intervention schedules in order to limit the number of people present and, on the other hand, some suppliers encountered difficulties, forcing Nexity to find alternates, which led to an adaptation of deadlines. In addition, the conditions for the delivery of properties also had to be limited and adapted to the health situation: limiting the presence of companies during deliveries, cancellation of “festive” reception conditions. The effects of the health crisis are also being felt on the lifting of reservations. Indeed, some projects have encountered difficulties in bringing companies back onto post-delivery sites, when they have often been weakened by the crisis or are facing raw materials shortages or supply difficulties.	Customer satisfaction is an integral part of the Group's purpose and is a strategic issue for Nexity and its service platform. The control actions initiated in 2020 have already begun to bear fruit since, for the first time, Nexity appeared in the Top 10 of the customer relations ranking (Les Echos ranking), coming in 7th place, up 20 places compared to 2020. The Client Smile tool was rolled out in 2021 to all agencies, making it possible to measure individual client satisfaction across all development and service business lines and to anchor continuous improvement at all levels. The Production/Delivery Quality Department has been integrated into the Customer Satisfaction Department; thus contributing to the alignment of efforts in terms of coordination of actions on the ground, personalised support for customers and improvement of the customer experience. The tools for monitoring reservations and complaints have been improved. More than 3,000 employees were made aware of and trained in customer satisfaction management. The main issues to which the Group will pay particular attention: • Continue to improve the quality of deliveries by further securing the quality of services provided by companies and their commitment to the time it takes to lift reservations; and • Pursue synergies between property development and services.	

RISKS RELATED TO THE RELATIONSHIP WITH THIRD PARTIES/FAILURE OF A KEY SUPPLIER OR PARTNER

Residual criticality	MAJOR	
	Risk description	Risk management
	The Group coordinates the work of a multitude of suppliers and service providers, both in its real estate development activities (design, structural work and finishing work) and in its services activities. The smooth running of projects depends on the good health of its service providers and suppliers, in particular the finishing contractors or those working on managed sites, which are generally small in size. Indeed, in the context of a real estate transaction, the choice may fall on a specialised company which, in the event of a default, leaves Nexity in difficulty in meeting its budgetary commitments and delivery schedule. Finding a company capable of meeting the needs, with the same costs, delays and quality of service, may represent a real challenge. However, the health crisis and the economic difficulties that followed have kept the likelihood of supplier default at a high level. While massive government support for companies significantly reduced the number of failures in 2020, 2021 showed that companies were really weakened. They have had to deal with the tightening of schedules by their customers and, at the same time, shortages of raw materials and supply difficulties. In addition, Nexity also works with partners on large-scale co-development projects. The failure of such partners would represent an issue that could put the Group in difficulty. The macroeconomic context at the beginning of 2022 clearly creates a context of uncertainty that reinforces the criticality of this risk.	The failure of a supplier has always been a concern for Nexity, insofar as SMEs/VSEs represent a significant share of expenses. For example, the Residential Real Estate division's leading supplier accounted for €38 million, representing 1.6% of total costs, while the top ten suppliers accounted for a total of €235 million, representing 9.8% of total costs (including VAT). It is also necessary to consider the fact that when Nexity contracts with the major construction companies and groups, they solicit SMEs/VSEs for more than 50% of the amount of the contracts signed with them, at the rate of 15 companies per transaction initiated. Indirectly, therefore, Nexity also becomes dependent on said SMEs/VSEs. Also, actions in favour of potentially vulnerable suppliers were already launched in 2020, and continued in 2021. Nexity makes the commitment to these VSEs/SMEs to provide visibility on orders. In addition, the Group strives to reduce payment terms and aims to reach a deadline of 30 days for the most vulnerable suppliers, to ensure that they don't experience cash shortages. Upstream of projects, Nexity works to strengthen the selection of suppliers through prior checks, verifications as part of the Group's purchasing policies, the contract procedure and regulations relating to the assessment of third parties. In addition, the Group rolled out a centralisation platform for bids that includes a section dedicated to sharing qualitative information and monitoring the performance of the suppliers consulted.

2.2.2.5 Compliance and financial risks

Since 2019, liquidity risk has been identified as this category's main risk factor. The risks of "Non-compliance" and "External fraud" remain substantial concerns for the Group. These risks, however, are generic risks. The assessment of the risks of non-compliance and external fraud was maintained compared to the previous year. Actions to control compliance risk are described in Section 2.3 "Business ethics and regulatory compliance" of this Section 2.4 "Fraud prevention system" of this chapter describes the systems put in place by the Group.

FINANCIAL RISKS/LIQUIDITY RISK

Residual criticality	IMPORTANT
Risk description	Risk management
Loan agreements entered into with the Group's banking partners cover the events of default that can trigger the early repayment of the amounts outstanding. Hence, non-compliance with commitments or obligations, which Nexity is unable to remedy within the prescribed periods, constitutes a case of default, giving rise to the compulsory early repayment of the amounts due. In addition, the cross-default clause, which stipulates that in the event that a member of the Group fails to make timely payment of any amount in respect of any debt that is certain and due and for which payment is demanded above a certain threshold, could also trigger early repayment of amounts borrowed by other members of the Group. Through the effect of these clauses, a significant amount in respect of the Group's debt of about €800 million would have to be repaid. The Group would then be exposed to a liquidity risk if it does not have the financial means to meet its contractual commitments, its debt maturities and the financing of its development plan. This could significantly impact business continuity, give rise to the risk of penalties and tarnish the Company's image. In addition, in the context of off-plan sales (VEFA sales), the law requires the developer to provide the buyer with a guarantee in the form of a financial completion guarantee (GFA) to hedge the risk of default on its part. These guarantees are issued as part of a commitment line of €1.7 billion at 31 December 2021.	The operational management of liquidity and financing is under the responsibility of the Financing and Cash Management Department. The Group had cash and cash equivalents of €1.1 billion on its balance sheet at 31 December 2021. It also has an additional €600 million in available cash in the form of confirmed and unallocated corporate credit facilities. In November 2021, the ceiling of the medium-term commercial paper programme (Neu MTN) was raised to €300 million with the Banque de France; work-in-progress amounted to €231 million at 31 December 2021. In the event of an external financial crisis, the Group's liquidity could be compromised, cash receipts could be affected and certain loans could become due. However, approximately 60% of the Group's debt is taken out at fixed rates. The Group is thus little exposed to the risk of an increase in financial expenses. Short- and medium-term debt is mainly indexed to a floored 3-month Euribor.

2.3 BUSINESS ETHICS AND REGULATORY COMPLIANCE

Business ethics and stakeholder relations

Business ethics is a major concern within the Group. It is a key driver of trust in relations with stakeholders and a key source of economic performance.

The Group's executives attach particular importance to compliance with laws, regulations, whether national or international, and the Group's internal rules and regulations. The adoption by the Group's employees of integrity and irreproachable conduct in the performance of their professional duties is fundamental in this regard (see Section 2.1.1 "General framework and objectives of risk management and internal control" of this chapter).

The Group's compliance programme consists of several prevention and control systems in the following areas: prevention of corruption and influence peddling, combating money laundering and the financing of terrorism, lobbying activities, fight against tax evasion, data protection and responsible purchasing and supplier relations.

Prevention of corruption and influence peddling

Act No. 2016-1691 of 9 December 2016, known as "Sapin II", provides for the implementation of several measures to identify and address risks of corruption and influence peddling. Within Nexity group, these measures are articulated within a specific compliance system.

Code of Conduct

The Code of Conduct sets out the rules in force and describes the behaviours prohibited by the Group. As such, it deals with matters relating to the Group's internal functioning (protection and respect for persons, the Group's assets, the Group's image, reliability and accuracy of information, due regard to confidentiality) as well as relationships with its partners and third parties (management of conflicts of interest, gifts, invitations, sponsorship actions and political activities, etc.).

Each employee must confirm that they have read the Code of Conduct and that they undertake to comply with its provisions. In the event of non-compliance with these provisions, the employee is liable to disciplinary action.

As part of its dissemination, the Group has made the Code of Conduct available to employees on its intranet site, and for its partners, on its website. In addition, the Code of Conduct has already been translated into English, Polish and Portuguese for foreign subsidiaries.

The Code of Conduct was updated and disseminated to employees in January 2018.

Édouard Denis adopted its own Code of Conduct in 2018 and disseminated it to its employees. All new employees must acknowledge that they have received and read it when they sign their employment contract. In 2021, the entry of Édouard Denis into the Nexity Promotion Construction SEU led to its Code of Conduct being replaced by that of Nexity.

Training

As part of the training plan, a new awareness campaign was launched in 2020. Aimed at all Group employees, it was conducted remotely and aimed to present the challenges of preventing corruption and influence peddling for the Group through several practical cases. It was thus intended to increase each employee's vigilance, while recalling the whistleblowing procedure made available. The awareness-raising campaign was extended in 2021: 69% Group employees were informed. Credit for the training was subject to the successful completion of an assessment quiz.

In 2021, 85% of the Group's main executives and employees of the Legal Department were trained in the fight against corruption and influence peddling.

Risk mapping pertaining to corruption and influence peddling

The mapping of corruption and influence peddling risks is regularly updated on the basis of interviews conducted with the executives of the subsidiaries concerned in order to update the list of corruption and influence peddling risks.

Whistleblowing procedure

The whistleblowing procedure was updated in 2020. It provides that any employee or any third party involved, directly or indirectly, in Nexity group's business can alert the Group's Compliance Officer in the event of a proven or potential breach of law, regulations or the Group's internal rules. The whistleblowing procedure was the subject of an employee information campaign and is available on the Group's intranet.

The whistleblowing procedure recalls the guarantees and rights enjoyed by users (confidentiality, rights of access and rectification, etc.). It also states that the Group is committed to combating retaliation against a user who has alerted in good faith (e.g. discriminatory practice, disciplinary measure).

Assessment of the integrity of third parties

The Group has initiated the third party assessment process, which is based on a specific procedure, tools and support for operational staff in understanding the issues and tasks entrusted to them. The gradual roll-out that had been announced for the year 2020 began with an experimental phase in which the subsidiaries and pilot functions responsible for testing the approach took part. The gradual roll-out of the approach continued in 2021, taking into account the specific characteristics of the activities and subsidiaries.

Managing conflicts of interest

To improve the compliance system, the procedure for declaring and managing conflicts of interest was reviewed in 2020. The role played by managers with their employees in detecting and dealing with conflicts of interest has been reinforced. The procedure for managing conflicts of interest, which was the subject of an employee information campaign, is available on the Group's intranet.

In addition, the Internal Audit Department may, at the request of the Compliance Officer, verify the existence of conflicts of interest and assess their level of risk. Each year, the Internal Audit Department checks that the conditions granted in connection with sales to employees have been complied with.

Network of Risk and Compliance Officers

The network of Risk and Compliance Officers was launched in late 2019 (see Section 2.1.1.2 "Risk management governance at Nexity" of this chapter). In the field of compliance, the officers have communication missions, such as the dissemination of best practices; management with help in updating the mapping of corruption and influence peddling risks and reporting information to the network coordinators, namely, the Enterprise Risk Management Department and the Compliance Department.

Assessment of the measures taken to prevent corruption and influence peddling

The corruption and influence peddling prevention system implemented by Nexity is under ongoing improvement. The Internal Audit Department may conduct missions to verify the effectiveness of the measures in the system.

Combating money laundering and the financing of terrorism

As part of the regulations on the fight against money laundering and the financing of terrorism, the Group is updating its procedures and strengthening its tools to meet its legal obligations. The Group has set up a network of employees responsible for reporting to Tracfin, the intelligence service under the authority of the French Ministry of the Economy, Finance and Recovery, any suspicions raised by certain transactions.

Lobbying activities

Since 10 July 2018, Nexity group is included in the directory of representatives of interests of the High Authority for Transparency of Public Life (Haute Autorité pour la Transparence de la Vie Publique – HATVP) in respect of lobbying conducted at local or national level concerning new homes, urban and country planning.

In 2019, the Group updated the procedure applicable to all lobbying.

Fight against tax evasion

Nexity group pays particular attention to ensure an exemplary conduct in matters of taxation in each country in which it operates (France, Germany, Italy, Poland, Belgium, Portugal and Switzerland). To this end, it complies with its tax obligations (notably the payment of taxes and duties) in which its operational activities are located. The Group's whistleblowing procedure enables employees, in France and abroad, to report a breach of the rules of the Code of Conduct relating to legal or regulatory obligations in terms of taxation.

Data protection

For several years, the Group has been committed to compliance with the General Data Protection Regulation (GDPR), notably through:

- Appointing a Data Protection Officer (DPO) and putting in place a network comprised of the officers in each subsidiary/department;
- Keeping data processing registers;
- Raising awareness of the Group's operational teams and support services;
- Putting in place procedures making it possible to ensure the compliance of the Group's GDPR projects ("privacy by design" obligation); and
- Putting in place procedures responding to the rights of individuals concerning their personal data and the notification of incidents to CNIL (French Data Protection Authority), an integral part of the Group's Crisis Management Procedure.

In 2019, a Deputy DPO was appointed. He is responsible for implementing the GDPR within the Group. The Group has acquired a SaaS solution to manage its compliance with GDPR for all its entities.

Responsible purchasing and supplier relations

The requirements of Nexity concerning suppliers with regard to social and environmental issues as well as the key actions concerning responsible purchasing are set out in Section 3.5.4 "Increasing responsible purchasing and improving supplier relations" of this Universal registration document.

2.4 FRAUD PREVENTION SYSTEM

Nexity is exposed to the risk of attempted fraud, scams and embezzlement of funds, whether external or internal. This risk mainly affects the Group's real estate development and service businesses, which make large numbers of fund transfers, often for substantial amounts.

Regardless of their nature, such attempts can be intended to cause a direct financial loss for Nexity, by impacting the Company's equity or that of clients managed by Nexity. The occurrence of these types of risks can significantly tarnish the Group's reputation.

The fraud prevention system is based on the identification and assessment of the risks of fraud as well as regular awareness-raising efforts among the Group's employees.

Proven cases of fraud and attempted fraud are systematically reported to the Enterprise Risk Management, Internal Audit, Legal, and, where necessary, Human Resources Departments. An investigation is conducted by the Internal Audit Department and the cases are handled within the framework of a dedicated crisis management unit.

A Fraud Prevention Committee, grouping together the main heads of the cross-functional departments (Risks, Finance, Cash Management, Legal, Human Resources) meets on a quarterly basis to discuss cases of fraud encountered by Nexity, new methods developed by fraudsters and measures to be taken in terms of detection and response.

The year 2021, like 2020, was marked by a resurgence of attempted fraud on suppliers and phishing attempts, attempted fraud against the Chairman. The Risk Management and Internal Control Team continued its awareness-raising actions and actively involved the network of Risk and Compliance Officers.

Following the alerts received, specific communications on various types of fraud (false supplier, change of banking details, false Chairman, etc.) were sent to the employees most exposed to the risk of external fraud, such as accountants and finance managers. The Risk and Compliance Officers are also systematically involved in these communications and disseminate the information in their entities. The awareness-raising video produced in partnership with the Communication Department was again shared with all of the Group's employees in the run-up to the summer months and a reflex sheet in the event of attempted fraud was created.

In addition, a Cybersurveillance Committee meets every month to deal with the alerts sent by an Internet brand monitoring body. It brings together representatives from the Operational Legal Department, the Marketing and Digital Department, the Communication, Brand and Commitment Department, the Information Systems Department, in particular the Head of Information Systems Security, and the Risk Management and Internal Control Team. The alerts can be of different types: fraudulent use of Nexity's name, unauthorised website, defamation. Depending on the type of alert, the Committee may decide to request the closure of a site, thereby limiting the risk of malicious intent.

Lastly, the ISD has set up a system to combat phishing attempts, accompanied by awareness-raising actions for all employees, with the aim of developing the right reflexes for reporting.

In order to mitigate the risk of fraud, the Group has also taken out an insurance policy covering incidents of a fraudulent nature (combined cyber risk and fraud policy).

In addition, procedures are applicable to cash and cash flow management, in order to ensure the security thereof and reduce the risks of fraud (signatures with banks, daily reconciliation of bank movements with accounting entries, separation of duties between the Accounting and the Cash Management teams).

The Group's overall policy aims to reinforce the prevention and control measures against this type of risk.

In spite of the prevention and awareness-raising initiatives, as well as the priority placed on fraud prevention, Nexity cannot completely eliminate this risk of fraud.

2.5 LEGAL AND ARBITRATION PROCEEDINGS

The Group endeavours to prevent disputes and litigation by putting in place framework contracts, regularly issuing legal information and delivering targeted training to employees appropriate to the business areas in which they work. Similarly, the Group works with specialist lawyers who regularly work on its affairs, thus ensuring that they have detailed knowledge of the Group. Lastly, the Group has put in place an after-sales department which seeks to amicably settle conflicts (for further details concerning the after-sales service, see Section 2.1.2.3 “Insurance” of this chapter).

The Group's Legal Department, in conjunction with the Managing Directors and legal heads of the Group's various divisions, continuously monitor and report on litigation and disputes. Summary monitoring reports are produced regularly and no less than once a year. The status of key ongoing litigation included in these reports that could have a significant legal and financial impact on the Group is formally presented to the Group's Executive Management every year.

The Group is also involved in a number of litigation proceedings arising in the normal course of its business. Most disputes and litigation are covered by the Group's insurance policies and provisioned for at least the amount of any insurance excess.

There are many disputes, but the individual amount of each one is not very significant at the Group level. These disputes often take a long time to resolve, due to their technical nature and the time required to seek expert opinions. Nexity considers that the provisions it has set aside in respect of litigation represent a reasonable level of cover.

There are no other government, legal or arbitration proceedings – including any pending or threatened proceedings of which the Group is aware – which are likely to have, or which have had within the last 12 months, a material impact on the Group's financial position or profitability.

2.6 PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Within the framework of preparing its financial information, the Group is sensitive to the quality of its reported figures, correct consolidation as well as the reliability of budget processes. Nexity considers these risks to be moderate, in view of the processes already in place.

The Group's Finance Department is responsible for producing, analysing and ensuring the reliability of the Group's financial disclosures. In coordination with the Consolidation Department and the Management Control Department, it is tasked in particular with:

- Drawing up, approving and analysing the Group's interim and annual consolidated financial statements and provisional reporting (budget review and multi-year business plan); and
- Defining and monitoring the accounting principles used within the Group.

2.6.1 Procedures for preparing and approving the consolidated financial statements

The Group's consolidated financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS). The Consolidation Department establishes a timetable and period-end instructions for the preparation of the interim and parent company financial statements for the divisions' Finance Departments.

The consolidated financial statements are drawn up by the Consolidation Department on the basis of accounting information provided by each operating entity's accounts department.

This information is first approved at operating entity level under the responsibility of the head of each subsidiary before being presented to the Group's Finance Department, accompanied by analysis and comments.

The consolidated financial statements reflect the Group's operational reporting and include proportionately consolidated joint ventures: this method of presentation provides a more accurate measure of the Group's performance in terms of revenue, operating profit, working capital requirement and debt.

In accordance with IFRS 11 *Joint arrangements*, the Consolidation Department then restates joint ventures in the summarised financial statements using the equity method, but the segment information presented in the consolidated financial statements reflects the Group's operational reporting.

Procedures relating to the preparation and processing of accounting and financial information

The tax computation is checked by the Group's Tax Department. Detailed monitoring is carried out covering the following specific areas: provisions for contingencies and losses, deferred taxes and off balance sheet commitments.

The parent company consolidated financial statements are audited by the Statutory Auditors, while the interim financial statements are subject to a limited review. The Statutory Auditors share their observations regarding the interim financial statements with the Audit and Accounts Committee and submit a supplementary report on the

parent company financial statements to this same Committee, before presenting them to Nexity's Board of Directors.

The Audit and Accounts Committee makes sure the Group has allocated appropriate resources to ensure the quality and reliability of the financial statements. Nexity's Board of Directors signs off the consolidated financial statements.

The Group's Accounting Department uses equivalent procedures to sign off Nexity's parent company financial statements.

2.6.2 Budget procedures

The budget procedure is the same across all the Group's divisions and their subsidiaries. It involves three key components each year: the initial budget for year Y+1 in November of year Y, followed by two budget reviews, in May and October/November. The initial budget and the reviewed budgets are established using the same process as that used to produce the consolidated financial statements.

When the initial budget is established, the Managing Director of each of the Group's businesses presents his or her strategy, a multi-year business plan and the projected annual budget together with the latest reviewed budget for the current year to Executive Management.

Once approved by the Group's Executive Management, the initial budget, established by the Finance Department based on the budget proposals put forward by the various divisions, is presented to Nexity's Board of Directors. It is then used to set quantitative and qualitative targets for the heads of operating entities, which serve as the basis for assessing their performance.

Financial reporting

The Group's divisions have management control systems suited to their businesses.

Performance against budget is tracked *via* a report submitted monthly or quarterly (depending on the business concerned) to the senior management of each division, the Finance Department and the Group's Executive Management.

The most significant elements within each division are subject to specific monitoring. These are:

- In real estate development, monitoring of the operating margin and project progress, Residential Real Estate business activity (number of reservations per week), new order intake and promises to buy land in Commercial Real Estate; and
- In Services, the portfolio of units and tertiary space under management within the property management business and the occupancy rate for serviced residences.

Based on this information, the Management Control Department then prepares a monthly summary for the Group's Executive Management.

Communication of financial results

The Annual Financial Report (included in the Universal registration document) is drawn up jointly by the Finance Department and the Legal Department and submitted to Executive Management, then to the Audit and Accounts Committee before being signed off by the Board of Directors.

Drafts of press releases related to the financial statements and quarterly business activity are drawn up by the Finance Department and approved by Executive Management before being submitted to the Audit and Accounts Committee and finally signed off by the Board of Directors.



Statement of non-financial performance

3.1 CSR, AN INTEGRAL PART OF NEXITY GROUP'S STRATEGY	78	3.5 CROSS-CUTTING ISSUES: GOVERNANCE AND ETHICS, CLIENT SATISFACTION, RESPONSIBLE SUPPLIER RELATIONS, INNOVATION	135
3.1.1 CSR STRATEGY AND GOVERNANCE	78	3.5.1 THE MAIN STRATEGIC OBJECTIVES RELATED TO CROSS-CUTTING ISSUES	135
3.1.2 THE GROUP'S MAIN CSR RISKS AND OPPORTUNITIES, DUTY OF CARE	84	3.5.2 PROMOTING OPEN AND RESPONSIBLE GOVERNANCE	136
3.2 MEETING THE ENVIRONMENTAL CHALLENGE	91	3.5.3 IMPROVING CLIENT SATISFACTION AND BOOSTING CLIENT SUPPORT	136
3.2.1 THE STRATEGIC ENVIRONMENTAL OBJECTIVES	91	3.5.4 INCREASING RESPONSIBLE PURCHASING AND IMPROVING SUPPLIER RELATIONS	140
3.2.2 AN AMBITIOUS CLIMATE STRATEGY	92	3.5.5 ANTICIPATING CHANGES IN USES THROUGH OUR INNOVATIONS	141
3.2.3 PRESERVING BIODIVERSITY AND PROMOTING NATURE IN THE CITY	98	3.6 SUMMARY TABLE OF CSR INDICATORS	142
3.2.4 PRESERVING RESOURCES AND PROMOTING THE CIRCULAR ECONOMY	101	3.7 SUMMARY TABLES OF MAIN CSR OBJECTIVES	146
3.2.5 RESPONSIBLE FINANCE AND THE EUROPEAN TAXONOMY OF SUSTAINABLE ACTIVITIES	103	3.8 NOTES ON METHODOLOGY PERTAINING TO DISCLOSURE OF WORKFORCE, ENVIRONMENTAL AND SOCIETAL INFORMATION	147
3.2.6 2025 CLIMATE AND BIODIVERSITY STRATEGY	105	3.9 REPORT OF THE INDEPENDENT THIRD-PARTY ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT	149
3.3 MAKING CITIES MORE INCLUSIVE	110	3.10 CROSS-REFERENCE TABLE WITH DECREE NO. 2017-1265 OF 9 AUGUST 2017 RELATING TO THE PUBLICATION OF NON-FINANCIAL INFORMATION	152
3.3.1 THE MAIN STRATEGIC SOCIETAL OBJECTIVES	110		
3.3.2 PROMOTING ACCESS TO HOUSING	110		
3.3.3 PROMOTING SOLIDARITY ACTIONS WITH THE NEXITY FOUNDATION	112		
3.3.4 SUPPORTING REGIONAL DEVELOPMENT	113		
3.4 DEVELOPING HUMAN CAPITAL	115		
3.4.1 IMPROVING EMPLOYEE RETENTION AND ENHANCING THE COMPANY'S APPEAL	116		
3.4.2 RECRUITING AND DEVELOPING TALENT AND REINFORCING EMPLOYEE COMMITMENT	127		
3.4.3 PROMOTING INCLUSION AND EQUAL OPPORTUNITIES	131		



3.1 CSR, AN INTEGRAL PART OF NEXITY GROUP'S STRATEGY

Nexity intends to provide concrete responses to the following challenges: access to housing, adaptation to climate change, preservation of nature, new consumption patterns. Faced with these major social, societal and environmental challenges, Nexity's CSR (Corporate Social Responsibility) strategy aims to provide innovative solutions, products and services with a common goal: living better together.

Aware of the urgency of the changes at stake, in 2020, with its various business lines from development to services, Nexity began a collegial approach to drive its CSR strategy forward.

This work was enriched by the findings and lessons learned from the Covid-19 health crisis, which confirmed or reinforced existing trends society, in particular an increased need to maintain human connections despite the digitisation of exchanges and an aspiration for new, more local and more sustainable consumption patterns.

In line with the Company's commitment to be useful to society through its activities, by contributing to climate, economic and social resilience, the CSR strategy is evolving by listening to the expectations of the Group's stakeholders (employees, clients, shareholders, investors, analysts, local authorities, civil society, etc.). Lastly, the coming into maturity of the Company's operations as a service platform and the evolution of the Group's risk analysis have accelerated the specific action plans required to manage them.

In early 2021, Nexity adopted its corporate purpose "Life Together" and incorporated it into its Articles of Association at the May 2021 Shareholders' Meeting.

This corporate purpose is at the heart of the Group's action. Carried out by its employees and shared with its partners, it is reflected in five commitments:

- Create places that foster connection through services and innovation;
- Strive to really know our clients;
- Act in unison to tackle environmental challenges;
- Work with our partners to further social solidarity; and
- Harness our common culture for everyone's benefit.

A manifesto of the corporate purpose was also published and distributed, it details how "Life Together" brings together, engages and inspires the Nexity community.

3.1.1 CSR strategy and governance

3.1.1.1 The Group's CSR strategy

The CSR strategy feeds into the Group's value creation by promoting new solutions, innovative products or services, developed with a very active ecosystem of partners (incubators, start-ups, manufacturers, associations, etc.). Indeed, the Group is convinced that, given the importance of current social and environmental challenges, partnership solutions are essential to accelerate Nexity's business performance in order to develop efficient solutions. Lastly, for the sake of consistency and a global perspective of its civic commitment to the climate, Nexity has aligned its strategy with the United Nations Sustainable Development Goals.

Nexity's commitments are based on quantitative objectives, monitored annually, and corresponding to the creation of social, environmental and economic value for each of the Group's clients and for society.

The environmental targets selected are in line with the French and European low-carbon strategies, but also within the international framework; the Group's new carbon trajectory was certified on 26 March 2021 by the Science Based Targets initiative (SBTi).

In 2021, the main areas of the CSR policy were restructured in line with the previous structure and incorporating a variation of the commitments in Nexity's corporate purpose.

The CSR strategy is based on three areas supported by three cross-functional issues:

- **Meeting the environmental challenge**
Mitigation and adaptation to climate change, the preservation of biodiversity, the rational use of resources, are all challenges to which Nexity responds through its products and services;
- **Making cities more inclusive**
The subject of the inclusive city has been part of Nexity's DNA since its creation, whether through its social housing programmes, its ranges of low-cost housing, its activity in urban renewal areas, or the activities of the Foundation and the Nexity Non Profit business unit; and
- **Developing human capital**
The key to Nexity's success is its human capital. In this context, the Group must remain appealing, but also develop its talents and encourage the engagement of its employees. It also promotes inclusion and equal opportunities,

In addition to these three areas, a set of three cross-functional issues feeds into the Group's CSR strategy;

- **Promoting open and responsible governance**

The Group has set up an open governance, attentive to stakeholders. The success and reputation of Nexity and all of its subsidiaries and equity investments are based not only on the quality of its products and services, but also on the trust that the Group inspires in its clients, shareholders, private or public partners and its partners and its employees;

- **Ensuring client satisfaction and have a responsible supplier relationship**

Nexity ensures client satisfaction. This involves a range of quality products and services. In addition, the Group has adopted a responsible purchasing policy and ensures that it has a balanced relationship with its suppliers; and

- **Anticipating changes in uses through innovations**

Through a strategy of monitoring and innovation, Nexity anticipates the expectations and changing uses of its clients.

Structure of the CSR strategy and contribution to the United Nations Sustainable Development Goals



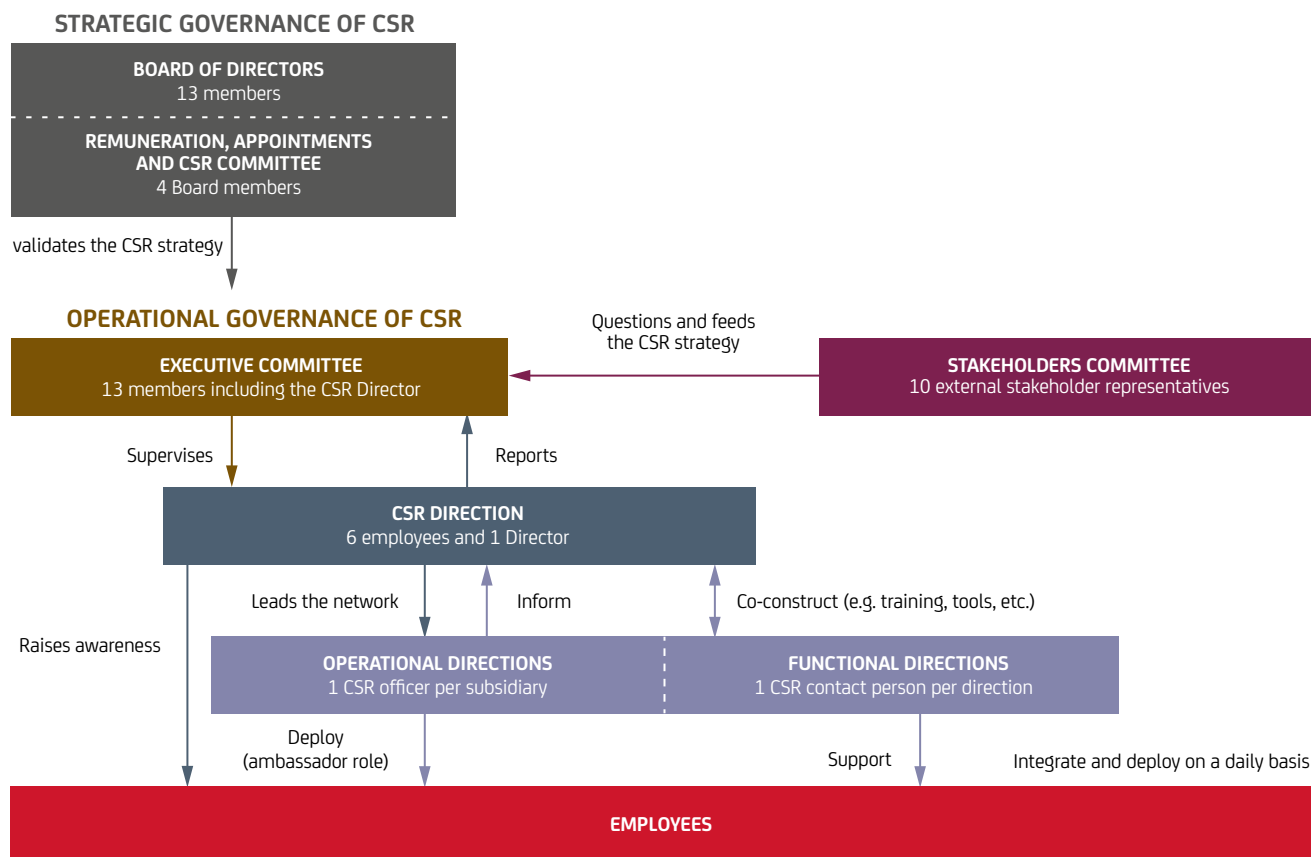
List of United Nations Sustainable Development Goals (SDGs) to which Nexity contributes:

- SDG 1: Ending poverty in all its forms and everywhere in the world
- SDG 3: Ensuring healthy lives and promoting well-being for all at all ages
- SDG 5: Achieving gender equality and empowering all women and girls
- SDG 8: Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 9: Building resilient infrastructure, promoting sustainable industrialisation that benefits everyone and encouraging innovation
- SDG 10: Reducing inequalities within and across countries
- SDG 11: Making cities and human settlements inclusive, safe, resilient and sustainable
- SDG 12: Establishing sustainable consumption and production patterns
- SDG 13: Taking urgent action to combat climate change and its impacts
- SDG 15: Preserving and restoring terrestrial ecosystems, while ensuring they are used sustainably, sustainably managing forests, combating desertification, halting and reversing the process of soil degradation and ending the loss of biodiversity
- SDG 16: Promoting peaceful and inclusive societies for sustainable development, ensuring access to justice for all and building effective, accountable and inclusive institutions at all levels
- SDG 17: Strengthening the means to implement, and revitalising, the Global Partnership for Development

CSR, an integral part of Nexity group's strategy

3.1.1.2 CSR governance

Diagram of Nexity's CSR governance



CSR governance is structured around four bodies and a dedicated department:

The Board of Directors and its Remuneration, Appointments and CSR Committee

The Board of Directors has a strategic CSR governance role and includes a Remuneration, Appointments and CSR Committee. The latter reviews the Group's CSR strategy at least once a year and provides the Board with an opinion on the Statement of non-financial performance.

Executive Committee

The CSR strategy is at the heart of the discussions of the Executive Committee, which provides operational governance. In this context, it manages the Group's climate strategy and coordinates the action of the various departments and business lines involved. The CSR Director is a member of the Executive Committee.

The Stakeholders Committee

The role of the Stakeholders Committee is to provide input into the Group's strategy on societal, social and environmental aspects. The Stakeholders Committee is being redesigned for a first meeting in its new configuration in 2022 and will include in its remit the monitoring of the Group's corporate purpose. (see Section 3.1.1.3 "Dialogue with stakeholders" of this chapter).

The CSR Department

The CSR Department, created in 2008, defines and implements the Group's CSR strategy based on various governance bodies. The roles of the CSR Department are:

- Proposing and helping to implement the Group's CSR strategy;
- Performance management and consolidation;
- Coordination and support of subsidiaries in the operational integration of CSR in the business lines;
- Dialogue with stakeholders;
- Employee awareness-raising and training to make CSR a performance driver; and
- Monitoring.

These roles result in a contribution to various management bodies and a range of services available to all Nexity entities. In addition, in order to provide a collective dynamic to the Group's business lines on a daily basis, a network of contacts (members of the Management Committee of each subsidiary) led by the CSR Department was created in 2021.

To facilitate the dissemination of CSR objectives within the Group, the Group's executive remuneration policy includes CSR criteria.

3.1.1.3 Dialogue with stakeholders

In a context of major transitions (environmental, societal, digital), where uses are changing, Nexity wants more than ever to listen to its stakeholders and considers that it has a corporate social responsibility to take action above and beyond what its economic activity produces and to prove its usefulness.

While the Group interacts with this ecosystem through many channels, a specific framework was created in 2018 with the Stakeholders Committee, an advisory and proposal body, in a dialogue that is both constructive and adversarial. In 2021, work to redesign the Committee was launched for a first meeting under the new format in 2022.

Thus, 20% of the variable remuneration of company officers for the 2021 financial year is based on the achievement of HR and CSR objectives (carbon performance, biodiversity performance and female representation on governing bodies) (see Chapter 4 "Corporate Governance report" of this Universal registration document).

The objectives of this body in its interactions with the Group are:

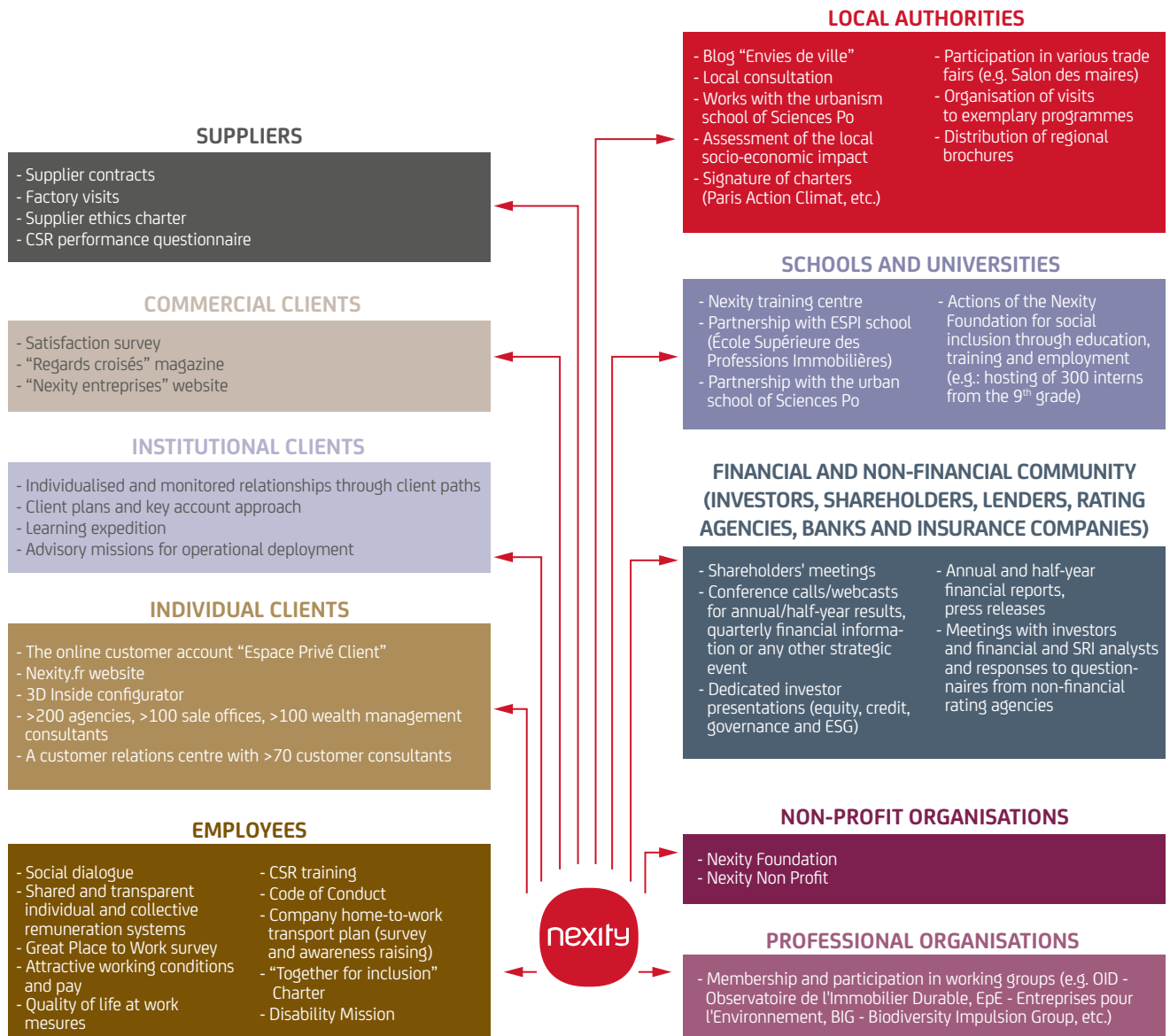
- Provide input into its strategic thinking by bringing a critical and benevolent perspective;
- Challenge and nurture its convictions and societal commitments;
- Monitor and support the implementation of its purpose, "Life Together";
- Identify and analyse the emerging challenges of the sector and the structural changes for its activities.

Composed of around ten people from various backgrounds (investor, elected representative, architect, expert, etc.), the Stakeholders Committee will meet twice a year with the members of the Executive Committee present.

STATEMENT OF NON-FINANCIAL PERFORMANCE

CSR, an integral part of Nexity group's strategy

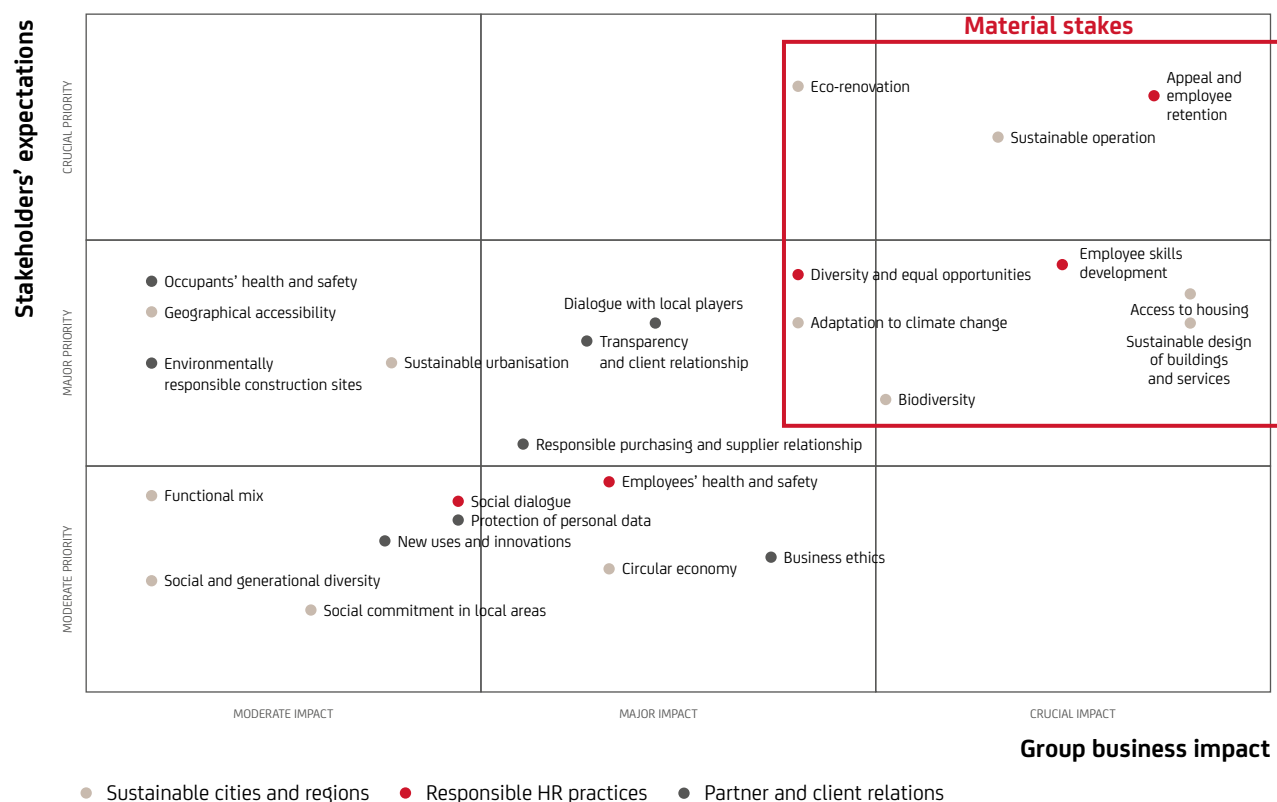
Dialogue tools between Nexity and its stakeholders



3.1.1.4 Materiality matrix

In 2015, Nexity carried out its first materiality matrix. This mapping of the CSR issues makes it possible to prioritise them by cross-referencing the stakeholders' expectations with the issues that have the most impact on the Group's activity. The mapping was updated in 2019, by working with both the Stakeholders Committee and employees to identify their level of expectation for each issue, and also to the Executive Management to estimate the impact these issues have on Nexity's activities. Over 1,500 people responded to these consultations. The materiality matrix will be updated in 2022.

Materiality matrix of CSR issues



3.1.1.5 Non-financial performance recognised by non-financial rating agencies

The Group is regularly assessed by non-financial rating agencies.

MSCI

In 2021, Nexity's MSCI rating rose from A to AA, putting the Group in the top 15% of companies in its sector.

Gaïa Index

The Gaïa Index is used to assess the commitment of French listed companies (small- and midcaps) to CSR commitment. In 2021, the Group obtained a score of 85/100 compared to 87/100 the previous year.

Vigeo Eiris

In 2020, Nexity's ESG score on the Vigeo Eiris questionnaire was 61/100, an increase of seven points compared to 2018.

ISS ESG

In 2021, Nexity's rating increased from C- to C, placing the Group in the top 20% of companies in its sector.

Sustainalytics

In 2021, Sustainalytics rated Nexity's ESG risk at 16.8; a low risk, compared to 19.7 the previous year. It should be noted that this rating indicates a level of risk, the objective is to have the lowest figure.

CDP

In 2021, Nexity took part in the questionnaire issued by CDP, an international non-profit organisation that encourages private and public players to communicate their environmental impact and once again obtained the B rating on the "Climate Change" questionnaire, for its strategy and commitment to the fight against climate change. Nexity was also rated on the CDP Forests questionnaire and obtained a C.

Humpact – Social

Humpact is a non-financial rating agency that assesses French listed companies on their employment impact. In 2021, Nexity obtained a maximum score of 5/5 compared to 4.1/5 in 2020.

STATEMENT OF NON-FINANCIAL PERFORMANCE

CSR, an integral part of Nexity group's strategy

Bloomberg Gender-Equality Index (GEI)

In January 2022, Nexity confirmed its place in the Bloomberg Gender-Equality Index for the third consecutive year. The Group is one of 418 global companies, including 13 French companies, committed to gender equality and the promotion of gender equity, *via* the implementation of dedicated inclusion, representativeness and transparency policies.

Les Echos Client Relations Awards

Nexity moved from the 99th to 7th place in the Les Echos Client Relations Awards between 2019 and 2021.

3.1.2 The Group's main CSR risks and opportunities, duty of care

In 2021, Nexity updated the mapping of its CSR risks based on both the issues raised by its materiality matrix and those identified at the same time in the Group's risk mapping by the Enterprise Risk Management Department (DGCR). The risk assessment was based on the methodology developed by the latter. This update also led

to the removal of the risk "Obsolescence of the economic model" from the CSR risks, which nevertheless remains in the Group's major risk map. In addition, the "CSR incident in the supply chain" risk has been renamed "Non-compliance with environmental, social and societal requirements by suppliers".

3.1.2.1 Table showing the Group's main CSR risks

Category	Risk	Impact	Likelihood of occurrence	Residual criticality level	Level of control	Major Group risk
STRATEGY						
	Risks related to climate change	Very significant	Certain	Major	Satisfactory	NO
HUMAN RESOURCES						
	Mismatch between skills and changes in the Group's business lines	Significant	Unlikely	Important	Satisfactory	YES
	Turnover	Significant	Exceptional	Significant	Satisfactory	YES
BUSINESS LINE						
	Difficulty accessing housing	Very significant	Certain	Major	Satisfactory	NO
RELATIONS WITH THIRD PARTIES						
	Non-compliance with environmental, social and societal requirements by suppliers	Significant	Unlikely	Important	Can be improved	NO
	Lack of quality of products/services	Very significant	Certain	Major	Can be improved	YES
COMPLIANCE						
	Non-compliance	Significant	Likely	Major	Can be improved	YES

3.1.2.2 Description of CSR risks, their management and related opportunities

STRATEGIC RISKS/RISKS RELATED TO CLIMATE CHANGE

Residual criticality level	MAJOR	
Risk description	Risk management	
Construction is one of the sectors with the largest share of greenhouse gas emissions in France. It is subject to physical risks and transition risks related to climate change. The various components of these risks are taken into account in the overall assessment of the Group's climate risk. The following are taken into account: current and future regulations (e.g. French RE 2020, European green taxonomy, etc.), technological developments, new market expectations (low-carbon products and services), reputational or litigation risks (e.g. duty of care), risks of extreme or long-term climatic events (impact on the progress of building sites, availability of land or wood resources, etc.)	In order to address the risks associated with climate change, the Group has implemented an ambitious climate strategy marked by the validation of its climate trajectory, covering the three scopes, by the Science Based Target initiative (SBTi) and the development of a wide range of low-carbon products and services, as well as by the reorganisation focused on low-carbon construction at controlled costs. These elements are described in detail in the Section 3.2.2 “An ambitious climate strategy” of this chapter.	
Opportunity: Environmental performance as a point of differentiation		
• Increased interest in the Group's products and services and market share gains		• Competitive advantage in responses to calls for tenders

RISKS RELATED TO HUMAN RESOURCES MANAGEMENT /
MISMATCH BETWEEN SKILLS AND CHANGES IN THE GROUP'S BUSINESS LINES ⁽¹⁾

Residual criticality level	IMPORTANT	
Risk description	Risk management	
The success of Nexity’s strategy of being a real estate services platform requires employees to adapt to the new services, uses, tools and products marketed. This risk is described in more detail in the Section 2.2.2 “Description of specific risk factors and risk control systems” that can be found in Chapter 2 of this Universal Registration Document.	Actions to control this risk at Group level are described in Chapter 2 – Risk management. (see Section 2.2.2 Description of specific risk factors and risk control systems" in chapter 2 of this Universal registration document).	
Opportunity: Human capital enhancement		
• Development of employees’ skills to support Company performance	• Better operational control	

1) Risk included in the Group's major risk matrix in Chapter 2 "Risk Management" of this Universal registration document.

STATEMENT OF NON-FINANCIAL PERFORMANCE

CSR, an integral part of Nexity group's strategy

RISKS RELATED TO HUMAN RESOURCES MANAGEMENT / TURNOVER ⁽¹⁾

Residual criticality level	SENSITIVE	
Risk description	Risk management	
Turnover and the difficulty in retaining talent is an issue shared by companies in the sector. Too high a turnover rate could result in a decline in Nexity's competitiveness, through the loss of talent (and their possible departure from competitors) and key expertise.	The employee loyalty and talent retention actions implemented to control this risk are in Chapter 2 – Risk management (see Section 2.2.2 “Description of specific risk factors and risk control systems” in chapter 2 of this Universal registration document). More detailed information is also presented in Section 3.4.1 “Improving employee retention and enhancing the Company's appeal” of this chapter. It deals in particular with remuneration and quality of life at work.	
Opportunity: Attracting and retaining talent		
Attracting new talent and retaining the Company's existing talent		

RISKS RELATED TO THE BUSINESS LINES / DIFFICULTY ACCESSING HOUSING

Residual criticality level	MAJOR	
Risk description	Risk management	
The difficulty of accessing housing is reflected within the Group by two issues: • a societal issue, difficulty for households to find housing, access to housing for people in precarious situations; and • an economic challenge for Nexity, in the event that its offer does not match its clients' expectations, including social housing operators or first-time buyers.	The Nexity group's long-standing societal commitment to access housing today involves the activities of its Nexity Non Profit entity and the Nexity Foundation to promote housing for people in difficulty. The Group has also developed a whole range of products to contribute to housing for all (see Section 3.3 "Making cities more inclusive" in this chapter).	
Opportunity: Commitment to housing for all		
• Identification of Nexity as a major partner committed to housing for all	• New project opportunities in partnership with landlords and/or local authorities	

RISKS AS A RESULT OF RELATIONS WITH THIRD PARTIES / NON-COMPLIANCE WITH ENVIRONMENTAL, SOCIAL AND SOCIETAL REQUIREMENTS BY SUPPLIERS

Residual criticality level	IMPORTANT	
Risk description	Risk management	
Nexity is exposed to risks of harm to the environment, personal health and safety and human rights throughout its supply chain. An incident could result in Nexity being held liable and damage to the Group's image.	In order to limit the risks of CSR incidents in its supply chain, Nexity has implemented a responsible purchasing approach (see Section 3.5.4 "Strengthening responsible purchasing and supplier relationships" of this chapter).	
Opportunity: Strengthening responsible purchasing and supplier relations		
Contribution of the purchasing process to the CSR strategy and client differentiation	- Better operational control of the supply chain - Competitive advantage in responses to calls for tenders	

1) Risk included in the Group's major risk matrix in Chapter 2 "Risk Management" of this Universal registration document.

RISKS AS A RESULT OF RELATIONS WITH THIRD PARTIES / LACK OF QUALITY OF PRODUCTS/SERVICES ⁽¹⁾

Residual criticality level	MAJOR	
Risk description	Risk management	
Nexity faces a risk of client dissatisfaction relating to the quality of the product or service provided and/or the lack of transparency in the client relationship. The consequences can be significant: reputational damage and loss of market opportunities due to unfavourable client reviews and a degraded brand image.	The management of this risk is based on two areas: the quality of products and services, and the improvement of the client experience. These levers are described in Section 3.5.3 “Improving client satisfaction and boosting client support” of this chapter.	
Opportunity: Client preference		
Gains in market share, in particular by enabling clients to become Brand Ambassadors		

RISKS RELATED TO COMPLIANCE / NON-COMPLIANCE ⁽¹⁾

Residual criticality level	MAJOR	
Risk description	Risk management	
Nexity is faced with the risk of unethical business practices and actions in breach of its internal rules and regulations regarding the fight against corruption, influence peddling, transparency of public life, money laundering, and the financing of terrorism, or the fight against tax evasion.	The actions to control this risk are described in Section 2.3 “Business ethics and regulatory compliance”, shown in chapter 2 of this Universal Registration Document.	
Opportunity: Maintaining trusting relationships with stakeholders		
• Maintaining trusting relationships with its stakeholders thanks to the integrity and irreproachable conduct of employees		

1) Risk included in the Group's major risk matrix in Chapter 2 "Risk Management" of this Universal registration document.

3.1.2.3 Duty of care

The Compliance Department oversees the duty of care plan. The CSR Department is responsible for the implementation of environmental aspects and the Human Resources Department for social aspects.

The mapping of risks related to the duty of care was updated in the fourth quarter of 2021.

The following risk description table completes the risk mapping with a view to specifying the mitigation and prevention measures implemented by the Group.

The methodology used to assess these risks is the same as that developed by the Enterprise Risk Management Department (see Section 2.1.2.2 "Risk management and internal control" in Chapter 2 of the Universal Registration Document).

The risk of a pandemic is not included in this section. However, its impact was taken into account in the assessment of the residual criticality level of the duty of care risks as well as in the management and control actions put in place.

Main risks related to the duty of care

Category	Risk	Impact	Likelihood of occurrence	Residual criticality level	Level of control	Major Group risk	CSR risk
STRATEGY							
	Risks related to climate change	Very significant	Certain	Major	Satisfactory	NO	YES
HUMAN RESOURCES							
	Risks related to employee working conditions	Significant	Unlikely	Important	Satisfactory	NO	NO
BUSINESS LINE							
	Serious incidents at construction sites	Significant	Unlikely	Important	Satisfactory	YES	NO
RELATIONS WITH THIRD PARTIES							
	Lack of quality of products/services	Very significant	Certain	Major	Can be improved	YES	YES
	Non-compliance with environmental, social and societal requirements by suppliers	Significant	Unlikely	Important	Can be improved	NO	YES

Description of the risks and the management and control measures implemented

Four of the five risks related to the duty of care are already described either in the Group's major risk matrix or within the CSR risk matrix ("Serious construction site incident", "Risks related to climate change", "Lack of quality of products/services", "Non-compliance with environmental, social and societal requirements by suppliers"). They are therefore not detailed below.

RISKS RELATED TO HUMAN RESOURCES MANAGEMENT / RISKS RELATED TO EMPLOYEE WORKING CONDITIONS

Residual criticality level	SIGNIFICANT	
Risk description	Risk management	
The working conditions of the Group's employees involve risks in terms of their rights (discrimination, harassment, poor quality of social dialogue), their working conditions (imbalance between professional and personal life, etc.), their health as well as their safety. The health crisis and the measures surrounding it, by radically changing the working conditions of employees, have changed these risks.	The Group is present in countries that have ratified the eight ILO core conventions. The workforce is represented by over 179 members and alternate members across 12 bodies. Several agreements signed in 2021 are evidence of the healthy social dialogue within the Group. The risks of discrimination such as those related to gender, disability or social and cultural origins are limited thanks to a policy of inclusion and equal opportunities. This is described in detail in Section "3.4.3 Promoting inclusion and equal opportunities" of this chapter. In the context of the health crisis, the risk of impact on the physical and psychological health of employees has increased. Also, in order to face it, many measures have been taken, such as: • Establishment of a crisis unit; • Update of the Single Professional Risk Assessment Documents taking into account Covid-19; • Establishment of an organisational plan and evolving instructions; • Monitoring cases and suspicions; • Provision of protective masks and hydroalcoholic gel; • Adaptation of administrative sites to the constraints related to the Covid-19 risk (distancing, regular disinfection, etc.); • Use of an external psychological support service; and • Implementation of distance training related to stress management and the preservation of personal and professional balance in teleworking (reminder of the right to disconnect in particular).	

Procedures for assessing the situation at subsidiaries, subcontractors and suppliers

Assessment and monitoring of Group subsidiaries

Environment

The CSR Department has set up regular reporting to monitor the environmental performance of the Group's subsidiaries. The achievement of objectives relating to the carbon footprint, energy efficiency renovation and biodiversity is monitored *via* numerical indicators. They make it possible to assess the effectiveness of the action plans put in place and the respective performance of the various entities. These indicators are also necessary to define corrective or support actions if necessary.

The establishment of a network of CSR contacts in each subsidiary, led by the CSR Department, in 2021, also supplements the system with exchanges of best practices and cross-referencing, thereby increasing the efficiency of monitoring.

Health and safety

In-house work is conducted to regularly assess the risks related to health and safety within the Group. The Single Document for the Assessment of Occupational Risks must be updated at least once a year in each entity. In addition, a certain number of social indicators communicated in Section 3.4 "Developing human capital" of this chapter, reflect the development of health and safety issues within the Group (frequency rate and severity, number of workplace and commuting accidents). Lastly, the Prevention and Safety Team works with Executive Management and operational management to assess the risks posed by the Group's activity to the health and safety of employees.

In addition, several mechanisms have been put in place in the context of the Covid-19 health crisis in consultation with the trade unions. A crisis unit comprising the Human Resources Department and the Enterprise Risk Management Department is available to employees to answer their questions.

Human rights

Depending on the category of public concerned (employees, clients, suppliers, etc.) and the risks they face (discrimination, harassment, abuse of weakness, mistreatment, illegal work, etc.), the various departments concerned (Legal, Human Resources, CSR, Prevention and Safety, etc.) have put in place appropriate assessment procedures as well as monitoring indicators (*e.g.* client satisfaction rate, proportion of women in top management, site visits, etc.).

Assessment and monitoring of suppliers and subcontractors

The Group has developed a responsible purchasing policy based both on the sourcing environmentally responsible products and the assessment of suppliers and subcontractors. The latter aims to identify and manage risks before any contracts are entered into and then throughout the commercial relationship. It is based on a procedure and specific tools, such as the assessment questionnaire in which suppliers answer questions about their policies and actions in terms of the environment, health and safety and human rights.

Whistleblowing procedure

The whistleblowing procedure guarantees the confidentiality of data processing and gives the whistleblower the option to remain anonymous. It was updated in 2020 (see Section 2.3 "Business ethics and regulatory compliance", that can be found in Chapter 2 of this Universal registration document for a description of the whistleblowing procedure). Work on updating the Supplier Ethics Charter, created in 2018, was carried out in 2021 with a view to its dissemination in 2022.

Monitoring system for measures implemented

The measures implemented as part of the duty of care plan are monitored by the Compliance Department and CSR Department during discussions with the various correspondents on the categories of risks identified. Each year, the risks are reassessed and, if necessary, amended. Mitigation actions are identified with the various entities concerned (Prevention and Safety Department, Human Resources Department, Purchasing Department, subsidiaries, etc.) to enable the duty of care plan to be updated at least once a year or at the time of the occurrence of events identified as having a strong impact on the level of criticality of one or more risks.

3.2 MEETING THE ENVIRONMENTAL CHALLENGE

3.2.1 The strategic environmental objectives

According to the ADEME (Agence de l'Environnement et de la Maîtrise de l'Énergie), in France, the building sector is the second largest emitter of greenhouse gases after the transport sector, considering emissions related to energy consumption only. If the emissions assessed on the life cycle of construction products and equipment used in new construction and renovation operations are added, the sector's emissions represent one third of national emissions. Faced with the risks of climate change, and environmental damage in general, real estate must also provide solutions in terms of mitigating and adapting to climate change, but also in terms of reestablishing links between humans and the rest of the living world by reintegrating nature into the city or by using materials rationally.

Nexity carries this ambition by aiming to be the leader low-carbon development.

The environmental strategy thus constituted is managed through objectives for the Group's real estate development and services activities.

The environmental strategy includes a foundation for raising awareness and training employees (see Section 3.4.2.4 "Fostering a culture of social responsibility" in this chapter).

3

The strategic environmental objectives

Objectives	Maturity	2020	2021
DEVELOPMENT			
Reduce its CO ₂ emissions per sq.m. delivered (expressed in surface area) by 22% (Scope 3) compared to 2019	2030	N/A	-13% ⁽¹⁾ and -4% ⁽²⁾
Reduce its CO ₂ emissions related to administrative sites by 28% (Scopes 1 and 2) compared to 2019	2030	N/A	+15%
Have 50% of wood-frame projects receive the BBCA ⁽³⁾ label	2030	36%	35%
Have 33% of office building floor space be wood-frame	2030	32%	63%
Have 100% of residential projects delivered with planted areas	2023	N/A	92%
Have 100% of tertiary projects delivered with planted areas	2023	N/A	100%
SERVICES			
Have 80 condominium properties renovated	2023	N/A	28
Have 100% of managers trained in energy efficiency renovation	2022	N/A	60%
Have 5 elevation or densification projects	2025	N/A	1
To have 340,000 sq.m. of tertiary buildings covered by AMO ⁽⁴⁾ commissioning missions ⁽⁵⁾	2023	N/A	235,000
To have 550,000 sq.m. of buildings covered by missions to support the deployment of an SRI policy ⁽⁶⁾	2023	N/A	460,000

(1) Commercial real estate

(2) Residential real estate

(3) Low-carbon building.

(4) Project ownership assistance.

(5) Commissioning is a quality approach that defines all the tasks designed to ensure that a building achieves a contractual level of energy performance and to create the conditions to maintain it.

(6) Socially Responsible Investment.

3.2.2 An ambitious climate strategy

In 2017, Nexity set its carbon trajectory for 2030 compared to 2015. It was revised in 2021, and certified by the Science Based Target initiative (SBTi) as being aligned with the Paris agreements (well below 2°C). This ambitious trajectory concerns both the real estate development activity (Scope 3) but also the emissions related to the Group's administrative sites and vehicles (Scopes 1 and 2). In 2022, the Group is raising its goals and aiming for a certified carbon trajectory which is 1.5 °C-aligned (see Section 3.2.6 "2025 climate and biodiversity strategy" of this chapter).

3.2.2.1 The Group's carbon footprint

Each year, Nexity assesses greenhouse gas emissions for Scopes 1, 2 and 3. For real estate development activities, emissions related to buildings are calculated by taking into account construction materials and energy consumption over a 50-year operating period.

2021 carbon assessment

	Scope 1 ⁽¹⁾ (administrative sites and vehicles)	Scope 2 ⁽²⁾ (administrative sites)	Scope 3 ⁽³⁾			Total
			Residential real estate development	Commercial real estate development	Scope 3 emissions from administrative sites and vehicles	
Tonnes CO ₂ equivalent	5,816	733	979,235	63,590	20,866	1,070,240
Share in total emissions (in %)	0.5%	0.1%	91.5%	5.9%	2%	100%

(1) Direct emissions from stationary or mobile installations located within the organisational scope (e.g. gas consumption).

(2) Indirect emissions associated with the production of electricity, heat or steam imported for the Group's business activities.

(3) Other emissions indirectly produced by the Group's activities which are not accounted for within Scope 2 (not linked to electricity, heat or steam), but which are linked to the complete value chain (e.g. emissions linked to real estate development programmes).

3.2.2.2 SBTi carbon trajectory

In March 2021, Nexity obtained the validation of its carbon trajectory by the Science Based Target initiative (SBTi). This initiative, jointly led by the Carbon Disclosure Project (CDP), the Global Compact of the United Nations, the World Resource Institute (WRI) and the World Wildlife Fund (WWF), aims to promote business strategies aligned with the level of decarbonisation required to keep the increase in global temperatures below 2 °C or even below 1.5 °C, compared to pre-industrial temperatures, in accordance with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Climate Agreement. Nexity is therefore committed to the objective of contributing to global neutrality by 2050.

Nexity has set itself the following objectives which were certified as "Well below 2°C" in March 2021 by the SBTi:

1. Reduce by 28% in absolute value the emissions related to administrative sites and vehicles (Scopes 1 and 2) by 2030 compared to the 2019 reference year; and
2. Reduce by 22% per square metre (expressed in floor area) emissions related to construction materials and the energy consumption of buildings delivered (Scope 3 development) by 2030 compared to 2019.

In 2022, the Group is raising its goals and aiming for a certified carbon trajectory which is 1.5 °C-aligned (see Section 3.2.6 "2025 climate and biodiversity strategy" of this chapter) by:

1. Reducing by 47%, in terms of absolute value, emissions related to administrative sites and vehicles (Scopes 1 and 2) by 2030 compared to the 2019 baseline year; and
2. Reducing by 42% per square metre delivered (expressed in terms of floor area) emissions related to construction materials and the energy consumption of buildings delivered (Scope 3 development) by 2030 compared to 2019.

These objectives are steered by a governance aligned with the CSR governance described in paragraph 3.1.1.2 "CSR governance" of this chapter, with the Executive Committee in particular as well as operational governance between the support departments and the business line entities.

3.2.2.3 Be exemplary in terms of the carbon footprint of the administrative sites and vehicles

The greenhouse gas emissions related to Nexity's administrative sites have been calculated every year since 2009, with the help of a specialised firm, and the Group implements reduction actions.

The objective is to reduce these emissions by 28% in absolute value between 2019 and 2030 (Scopes 1 and 2).

The breakdown of emissions related to the administrative sites and vehicles is presented in the following table:

Breakdown of 2021 CO₂ emissions from administrative sites and vehicles

EMISSION SOURCES	CO ₂ emissions (tCO ₂ e)	
	2021	2020
Scope 1 – Direct CO₂ emissions	5,816	3,609
Direct emissions from stationary combustion sources (Natural gas consumption for heating)	22	14
Company and service car fuel consumption	5,531	3,442
Direct fugitive emissions (air conditioning refrigerant leakage)	262	153
Scope 2 – Indirect CO₂ emissions	733	630
Electricity consumption	457	451
Steam consumption	275	179
Scope 3 – Other indirect emissions, of which:	20,866	19,106
Paper and consumable office supplies	925	979
Recycled waste	96	11
Business travel	1,301	279
Commuting	4,804	5,546
Other emission items	13,740	12,291
TOTAL DIRECT AND INDIRECT EMISSIONS	27,414	23,344
	(2.85/FTE)	(2.1/FTE)
Average number of FTE employees	9,607	11,045

A trajectory for reducing the emissions of vehicle fleets

The Group has initiated a greening process for its vehicle fleet resulting in a greater presence of electric or hybrid vehicles.

Service vehicle fleet

Nexity has achieved a carbon emissions trajectory for its fleet of service vehicles, which includes a higher proportion of full hybrid and electric vehicles.

Company car fleet

Work on the company vehicle trajectory includes a change in the range of vehicles offered to more electric and hybrid vehicles.

At the same time, Nexity has been offering a mobility loan, an alternative to the company car in favour of an allocated amount, thus encouraging the use of car-sharing, the train or even short-term car rental.

Actions to reduce Scopes 1 and 2 emissions related to administrative sites

The NEW building in Asnières-sur-Seine (92), to be delivered by Nexity in 2021 for Group employees, has been entered in the CUBE competition for the 2021-2022 season. This is an energy saving competition in which over 200 buildings entered, mainly in France, but also from the rest of Europe.

In partnership with the lessor, a contract was signed for the Group's head office in Paris, in order to use an innovative solution enabling it to predict and proactively optimise the management of energy consumption related to heating, ventilation and air conditioning (HVAC).

Actions to reduce Scope 3 emissions related to administrative sites

Each year, as part of its carbon footprint assessment, Nexity conducts a survey on how its employees commute to work. This inventory enables a better identification of the levers to support employees towards less emitting modes of transport.

In July 2017, the Group launched a bicycle mileage allowance to reimburse expenses related to commuting by bicycle (purchases, repairs, etc.).

The travel policy was revised in 2021 to limit air travel.

In addition, since 2021, a vegetarian menu has been included on a daily basis in the list of dishes for employees at the Group's headquarters and in the NEW building.

Lastly, at Solstys' head office, a tap replacement campaign was launched in order to systematise the use of timed push-button taps, which are more economical and thereby limit the risk of water damage.

3.2.2.4 Reducing the carbon footprint of residential and commercial real estate development

In 2021, the carbon weight of residential real estate development was 979,235 teq. CO₂, of which 55% for the materials used and 45% for energy over 50 years of operations. The carbon weight of commercial real estate development was 63,590 teq. CO₂, of which 88% for the materials used and 12% for energy over 50 years of operations. Efforts to reduce this footprint must focus on these two issues, as well as on business line transformation and team awareness and training.

Operational implementation of the low-carbon strategy

Reducing the carbon footprint of development activities requires profound changes. A real transformation of the Company focused on the design of low-carbon buildings has been implemented.

As part of the strengthening of Nexity's low-carbon strategy, the Production and Cost Management Department (DPMC) was reorganised into the Construction Department (DC) in 2021. The objective is to better meet the challenges of low-carbon construction at controlled costs and facilitate cross-functional synergies. The DC is, in particular, in charge of the deployment of low-carbon construction methods and the identification and securing of the supply of low-carbon solutions.

Following the definition of the carbon trajectory in 2021, the CSR Department and Construction Department set up several working groups with representatives of the Group's development and services business lines. They have identified, prioritised and characterised a selection of low-carbon operational solutions with controlled costs, compiled in a guide made available to operational teams. This tool and the new resources implemented should enable Nexity to carry out its low-carbon transformation, with the aim of following a more demanding trajectory than the Environmental Regulations (RE2020), which came into force on 1 January 2022.

Energy and carbon-efficient buildings

For several years, the Group has anticipated the new Environmental Regulation (RE2020).

On the one hand, by participating in the national trial of the E+C- label (Positive Energy, Carbon Reduction), and on the other hand, by making the Carbon Pro tool available to its operational staff, enabling the autonomous assessment of the carbon emissions of their real estate projects and assess their performance on the scale of the E+C- experiment. At the end of 2021, this tool evolved to become the Carbon 20 tool, fully integrating the calculation methods, indicators and thresholds of the RE2020.

To design buildings with a low carbon footprint throughout their life cycle, from design to end-of-life, Nexity's engineering works to combine multiple solutions: optimisation of the building's orientation, improved insulation and limitation of thermal bridges, work on glazing, choice of heating method, etc. All the Group's new residential projects are therefore designed to consume only a small amount of energy for heating, cooling, hot water, ventilation and lighting.

In terms of energy performance, in 2021, the proportion of housing units exceeding the threshold set by the RT 2012 Regulation (then in force) is 32% for deliveries and 43% for housing subject to approval by the Acquisition Committee.

In Commercial Real Estate in 2021, 100% of the square metres of offices delivered achieved a RT 2012 -30% performance and beyond.

Use of renewable energies

As part of a sustainable design approach to residential buildings, Nexity always considers the use of renewable energies such as solar panels and connections to urban heat networks with a significant proportion of renewable energy (over 60%) to produce domestic hot water, electricity, etc. In 2021, 14% of housing delivered and 24% of new housing reviewed by the Acquisition Committee included thermal solar energy or photovoltaic panels;

The Group therefore has proven experience in integrating renewable energies, as evidenced by its references in Residential and Tertiary Real Estate:

- The ENGIE Campus project at La Garenne-Colombes (92), with on-site production of 100% green energy from geothermal sources, photovoltaic panels and biogas boilers,
- The Tanneries district in Lingolsheim (67) is connected to a shared boiler whose heat comes 38% from groundwater and 62% from biomass (wood and waste from local agriculture).

The **innovative processes** thus feed into the Group's achievements throughout France. In Toulouse Jolimont (31), for the renewal of a district of wasteland and circulation areas, a circular thermal supply system using fire-gasification will be tested, making it possible to forecast energy consumption by integrating uses.

Low carbon materials

Wood-frame construction is culturally important for Nexity, which has been one of the pioneers for around ten years, in both Residential and Commercial Real Estate. In 2021, the Group's general effort in wood-frame construction was once again rewarded by the BBCE association in its ranking of low-carbon property owners in France. The Group excels in two categories – number of projects since the creation of the BBCE label in 2016 and over the period November 2020/October 2021 – and ranks second in the other two categories – number of square metres since 2016 and over the last 12 months.

Regarding Residential Real Estate, Nexity delivered 282 wood-frame housing units in 2021. In addition, 31 of Nexity's 44 BBCE-certified projects in 2021 corresponded to the Access Design product, representing 118,788 square metres of floor space for 1,718 housing units. This product, developed by Nexity, is based on an industrialised mixed wood/concrete construction system, and is characterised by:

- Thermal insulation to exceed RT 2012 standards;
- The use of 100% FSC- or PEFC-certified wood from sustainably managed forests, with the aim of promoting French wood;
- A smaller carbon footprint than a traditional concrete only building;
- A minimal environmental footprint thanks to dry construction and industrialisation, with water and energy savings during the construction phase; and
- A shorter construction site (10 to 14 months of work for 30 dwellings, including 6 weeks to be roofed and framed), with less waste generated and greatly reduced nuisance (noise, cleanliness, traffic, safety, etc.) for the neighbourhood.

On the Commercial Real Estate side, wood-frame construction began in 2010 with the creation of the Ywood in-house offering and continued in 2014 with a majority stake in the capital of Téréneô, a developer of timber-frame offices in the Hauts-de-France region.

In 2021, the share of wood-frame construction in Nexity's Commercial Real Estate activity amounted to 63% of the surface areas delivered with a target of 33% of offices with wood-frame construction by 2030. Its projects include the Palazzo Meridia in Nice (06) which has broken records and achieved recognitions. The tallest wooden office building in France at the time of its delivery with its 35 metres (R+9), it is also the first tertiary building to be E3C2-certified. It has also obtained the following labels to date: BDM (Mediterranean Sustainable Buildings) Silver level (for design and construction – the operation component has not yet been assessed), BBCE and BEPOS Effnergie 2017.

In addition to wood, the Group is developing the use of other **bio-sourced materials** such as the Porte de Montreuil project in Paris (75), where 80% of the materials used come from the Paris region: raw earth, stone, wood and hemp concrete. This project will also involve local medium-sized companies and SMEs to undertake a wider transition of sectors towards low-carbon construction.

In addition, Nexity is developing construction methods involving low-carbon concrete, for example in the Pointe de Trivaux project, in Meudon-La-Forêt (Hauts-de-Seine), a mixed-use project covering 48,349 square metres of floor space, low-carbon concrete is used in the superstructure, and wooden attics. Work is underway, with delivery scheduled for the second half of 2023.

Complete range of high environmental quality for the commercial real estate sector

The Commercial Real Estate division of Nexity has developed a range of products adapted to the needs of its clients, with a common foundation of extremely demanding low-carbon and environmental standards: the wood-frame office building, the refurbished office building, the reversible office building and the frugal office building known as Essentiel. The latter, thanks to a bioclimatic design working on the reinforced insulation of the building envelope and on its internal inertia, makes it possible to maintain a temperature of between 22 and 26 °C all year round, without heating or air conditioning.

Environmental labels and certifications

The Group believes that well-chosen and well-used labels and certifications provide a common framework for investors, owners, developers, builders and occupants to ensure transparency in discussions.

As part of its tertiary activities, Nexity made a very early commitment to the energy and environmental performance of buildings by anticipating regulations and obtaining labels and certifications: 100% of the office projects delivered in 2021 in the Paris region (52,720 square metres) were HQE™ and BREEAM® certified Excellent or Outstanding level and achieved a level of performance RT 2012 -40% at least.

For Residential Real Estate, a total of 28 projects (1,496 units) obtained NF Habitat or NF Habitat HQE™ certification from Cerqual in 2021. The NF Habitat standard is based on four commitments:

- Responsible management concerning the project owner's organisation;
- Quality of life;
- Respect for the environment; and
- Economic performance.

NF Habitat means that the developer meets management requirements regarding continuous improvement, internal organisation and communication with clients. Moreover, the NF Habitat HQE™ certification is the complementary environmental application to the NF Habitat certification to promote a commitment to sustainable development. It provides additional benefits in terms of savings, health, comfort and the environment. In 2021, all the Nexity Paris Val-de-Seine subsidiary developments were certified NF

Habitat HQE (maturity 3). The subsidiary once more obtained certification of its compliance with the experimental reference framework for management of indoor air quality issued by Cerqual Qualitel, according to the February 2019 reference framework.

Nexity is a sponsor of the proposal made to the Ministry in 2021 for a low carbon label methodology to value the carbon sequestration achieved through the use of bio-based materials in construction.

3.2.2.5 Avoiding emissions for the Group's clients through Real Estate Services to Individuals and Companies

Offers for Individual Clients

Energy efficiency renovation of condominium properties

It is one of the most effective ways to limit the greenhouse gas emissions attributed to the real estate sector. The condominium sector represents a significant proportion of housing in France with more than 10 million housing units (out of a total of 37 million – INSEE estimate). In addition, 5 million homes in France are considered as energy sieves, i.e. poorly insulated⁽¹⁾. Through its Real Estate Services for Individuals business activity, Nexity has been actively committed for some years to the energy efficiency renovation of condominium properties, synonymous for the client with improved purchasing power, greater comfort, and added value to their property.

In 2015, Nexity formally affirmed this commitment by signing the official French charter promoting energy efficiency renovation of condominium properties, launched in line with the recommendations of the Sustainable Building Pla (*Plan Bâtiment Durable*).

Since 2017, an energy efficiency renovation project manager has been in charge of supporting energy efficiency renovation projects and increasing the skills of employees in this area.

In 2018, Nexity signed a Green Deal with the Sustainable Building Plan (a voluntary commitment entered into with the French government) that includes a certain number of clear objectives. Nexity also supports national actions in favour of energy efficiency renovation. In 2018 Nexity signed the “better housing” commitment charter from ANAH (France’s national housing agency and in 2019, the “Engagé pour FAIRE” – Committed to DO – charter).

Nexity will renew in 2022 a Green Deal with the Sustainable Building Plan, setting new objectives.

In 2019, Nexity strengthened its organisation around the project manager by setting up a national team of Renovation Coaches to act as relays within the cross-functional departments. These Renovation Coaches are employees who have taken a five-month training course, both remotely and face-to-face, enabling them to master the technical approach to renovation, understand the challenges and develop an expert position with employees and clients.

In 2021, as a continuation of the CSR passport, a CSR training course set up by the Group, Nexity has launched the “Eco-Renovation Visa”. This digital and fun training course for employees of the Services for Individuals division provides them with all the keys to renovating a building.

The Group promotes comprehensive work projects that achieve energy savings targets of between 30% and 60%, by systematically providing project ownership assistance to ensure comprehensive support for projects (technical, social and financial)

The Group is working on implementing innovative technical and financial solutions to finance energy efficiency renovation projects: energy performance contracts, third-party financing, industrialisation of elevation/densification works, etc. Since 2021, Nexity is gradually deploying a system that allows it to detect *en masse* the potential to raise the height and densify all the buildings it manages.

At the end of 2021, more than 300 buildings were being studied, under project management assistance or project managed and more than 60 condominiums were renovated (including 28 in 2021).

Energy-efficient housing renovation

The Climate and Resilience Act includes new measures to promote the energy efficiency renovation of housing, in particular the private rental portfolio. Thus, it provides for a gradual ban on the rental of poorly insulated housing (G labels from 2025, F in 2028 and E in 2034). More than 3 million homes will need to be renovated by 2034.

Nexity's expertise in condominium projects enables it to anticipate future regulations and assist its landlord clients in improving the comfort and thermal performance of their properties.

Following a pilot project in 2021, Nexity will roll out a turnkey, personalised support service for landlords in 2022, including an energy audit, search for and selection of contractors, site management and financial aid arrangements.

Reduction of energy expenses

To offset the rise in energy prices, Nexity offers its clients a solution for comparing offers from turnkey energy suppliers while combining the Group's CSR objectives: offering greener consumption.

¹)Source: “La rénovation énergétique” (“Energy efficient renovation”), website of the French Ministry for the Ecological Transition.

Support for new mobilities

To follow the changes in new uses and, in particular, the rapidly growing development of electric and hybrid vehicles, Nexity deployed an initiative in 2021 to equip condominiums with electric recharging stations, by working with specialist partners.

Offers for Commercial Clients

Nexity Property Management (NPM) has developed services aimed at improving the environmental performance of its clients' assets while controlling the resulting economic impact:

Occupancy cost guarantee and energy performance

This service makes it possible to secure the following throughout the lease term: energy and fluid consumption, services to occupants (cleaning, reception, mail, catering, fitness, etc.), building services (maintenance, insurance, etc.) and facilities management services. This is done while still guaranteeing the comfort of the occupants and the durability of the facilities. 55,000 square metres of offices are subject occupancy cost guarantee.

Commissioning ensuring efficient delivery and operation of buildings

Commissioning is a quality assurance process whose objective is to guarantee sustainable performance through a guarantee of comfort, energy efficiency and usability, and optimal maintenance of buildings.

NPM developed, in partnership with the Commercial Real Estate Programmes teams, a project management assistance offer currently being used on several assets developed by Nexity group, from design to operation to align interests between the developer, the investor and the lessee by securing the appeal and maintainability of the site for up to two years post-delivery. Some of the services meet commissioning requirements for certifications, while some are highly recommended to optimise the operation and environmental performance of tertiary buildings from the first day of delivery.

At the end of 2021 NPM had 235,000 square metres of tertiary buildings covered by AMO commissioning missions.

Reduction of energy consumption and "tertiary decree"

In force since 2019, the tertiary decree requires the gradual reduction of the energy consumption of tertiary buildings in France, to reach -60% in 2050 compared to a reference year after 2010. In order to monitor its application, the energy consumption of the buildings concerned must be sent to an IT platform managed by ADEME (the French environment and energy management agency) from 2021.

NPM developed an offer enabling its clients to comply with the obligation to monitor and optimise energy performance mentioned in this regulatory text.

At the end of 2021 NPM managed 1,600,000 square metres of tertiary buildings covered by tertiary decree AMO missions.

Energy audit

Mandatory in France for companies with more than 250 employees and €50 million in revenue, *i.e.* approximately 5,000 companies, it must be renewed every four years. Nexity has developed an offer to support its clients in carrying out energy reviews, identifying potential savings and preparing the technical file to meet the obligations of the tertiary decree. Thus, the client has the budget for a multi-year plan to improve the energy performance of its portfolio in line with its objectives and with the obligations of the decree.

Energy Management

The management of the operation and management of facilities is at the heart of the energy optimisation approach for tertiary buildings. Energy Management is a tailor-made solution for managing and controlling energy consumption by optimising the management of facilities, managing operating and maintenance contracts with the inclusion of a commitment to results and continuous measurement and checking of the sustainable performance of the building and its facilities.

Environmental certification in operation

This offer is reflected in the monitoring of energy consumption, the traceability of waste treatment, and the use of products with a low environmental impact.

At the end of 2021, 337,000 square metres of tertiary buildings had received environmental certification *via* an AMO mission operated by NPM.

In addition, Nexity is conducting prospective work to improve practices in terms of assessing greenhouse gas emissions related to the operation of buildings. Thus, as part of a sponsorship carried out jointly with Gecina, the Group contributes to the work of the BBCE (Low carbon building) association on the measurement and valuation of building operations in terms of carbon footprint. This work, carried out in partnership with a group of consulting firms and environmental experts, aims to go beyond energy alone and adopt a global approach that takes into account all the emission factors: the impact of development, uses, waste management, etc. The publication of this standard is scheduled for early 2022.

Environmental performance monitoring

The law of 12 July 2010, relating to the national commitment to the environment, obliges tenants and landlords to include, in their commercial or professional leases, an appendix with the information they owe each other on the characteristics and systems of the building and the rented premises, their water and energy consumption and the quantity of waste. To enable the application of this law, NPM has created a new service offering to monitor all the environmental data mentioned in this so-called “environmental” appendix.

Definition and deployment of a Real Estate SRI strategy

The SRI label, created in January 2016 by the French Ministry of the Economy and Finance, aims to recognise the

transparency and quality of SRI management (Socially Responsible Investment) of labelled funds. Since 2020, real estate funds have also been eligible for the SRI label.

NPM has developed a specific methodology to support its investor and asset manager clients in defining and deploying a real estate SRI strategy in a highly operational manner. It also makes it possible to implement a set of tools and conduct annual monitoring to obtain an SRI label for a fund if that is the target.

At the end of 2021, NPM managed 460,000 square metres of buildings covered by missions to support the deployment of an SRI policy.

3.2.3 Preserving biodiversity and promoting nature in the city

Aware of the impacts of the real estate sector on biodiversity and the opportunities offered by nature and biodiversity in the city (expectations of residents, fight against the effects of climate change, etc.), Nexity renewed its commitment to Act4nature in 2021, an initiative which the Group joined in 2018. The Group pays attention to the interdependencies between climate and biodiversity.

This is illustrated by six new commitments made in this context over the period 2021-2023:

- Integration of a planted area into all projects delivered from 2023. In 2021, 92% projects delivered have planted areas;
- Systematic inclusion of biodiversity requirements in the design of planted areas: target that 100% of projects delivered in 2023 have a planted area with specific requirements in term of biodiversity;
- Promotion of solutions to limit impermeability and its effects in projects;

- Implementation of governance specific to biodiversity, with the creation in 2021 of a dedicated Operational Committee and presentation of annual progress to the Executive Committee;
- Actions to increase employee skills (objective of training 100% of the Group's employees concerned by this issue by 2022, *i.e.* 1,200 employees) and management of a dedicated business network, with more than 850 employees already trained by the end of 2021, or 73% of the target; and
- Sharing with stakeholders, with the creation of communication materials for individual clients in 2021.

At the start of 2022, Nexity defined its 2025 biodiversity strategy (see Section 3.2.6 “2025 climate and biodiversity strategy” of this chapter). Two main business challenges guide the Group's biodiversity strategy: combating land artificialisation and promoting biodiversity.

3.2.3.1 Combating land artificialisation

To reduce the impact of land artificialisation, in 2020, Nexity conducted an in-depth review on the subject which led to the identification of actions.

The approach adopted is intended to be pragmatic and multifactor: firstly, by considering rebuilding the city over the city (densification, refurbishment, development of brownfield sites, etc.) as an opportunity to reduce the effects of climate change, in particular by reintroducing nature into the city; then by limiting the effects of impermeable surfaces.

Urban regeneration

In a context of increased metropolisation of the French landscape, the Group, a player operating throughout the country, has a role to play in promoting the construction of the city upon the city. Through its subsidiary Villes &

Projets, Nexity is heavily involved in the redevelopment of brownfield sites and the renewal of existing neighbourhoods. Brownfield sites are now seen as a solution to urban sprawl and the scarcity of land in urban areas.

The redevelopment of around 100 hectares of a former Renault Trucks site in Saint-Priest (France) is an illustration of Nexity's expertise in urban renewal. The operation consisted of making this site a link between the heart of the Lyon urban area and its inner suburbs with the preservation or reconstitution of 20 hectares of green spaces. The discovery of protected species on the site led to this issue being addressed as a matter of priority, by creating ecological offset spaces, entirely dedicated to biodiversity, on site and on a neighbouring site (closure of the joint development zone - ZAC - planned for 2023).

Refurbishment

The refurbishment or major reconstruction of buildings in dense urban areas responds to issues of urban resilience and the limitation of waterproofed areas, but also to other major environmental and even economic challenges.

Refurbishment consists in enhancing the value of the existing real estate asset through its redevelopment and restructuring in order to respect its architectural value. Such a project makes it possible to contain urban sprawl by increasing the reception capacities of a building and reducing energy consumption. Nexity's expertise in this area covers both the tertiary and residential sectors.

Among the projects led by Nexity Commercial Real Estate is the one on rue Bayard, located in the heart of the Parisian Golden Triangle and delivered at the end of 2021. It involves both the conservation of the old structure and the construction of a new wooden structure with seven floors, which will be aligned with the Haussmann buildings, an unprecedented project in Paris.

With regard to Residential Real Estate, in 2017 Nexity created a specific "Patrimoine & Valorisation" subsidiary, whose offer is based on two areas:

- The valuation of the existing asset, which can take different forms:
 - transformation of offices into housing, serviced residences, or hotel residences,
 - refurbishment of noteworthy buildings: hospital and military heritage, listed or registered historical monuments, etc., and
 - refurbishment and transformation of industrial buildings (former production facilities), atypical buildings (halls, hangars, etc.), as in Paris, with the transformation of a 5-storey overhead car park into 41 social housing units. This refurbishment preserves the existing structure and floors as much as possible (delivery planned for 2023); and
- The heightening of existing buildings, which enables a mixed-use element to be introduced, in areas where the urban context can be tense, complementing a refurbishment project.

Desirable density

At the forefront of the reflection on desirable density, Nexity is working on the notion of "urban intensity". A concept that combines functional and social diversity and the permeability of places to invent new models for living together and the ecological transition.

3.2.3.2 Promoting biodiversity and nature in the city

Nexity faces two challenges related to biodiversity. On the one hand, the growing desire for access to nature expressed by residents, and on the other hand, the impacts of projects on living things.

Nexity was the winner of the living environment awards for two projects, Emblematik in Aubervilliers (93) and La Fabrik in the Docks complex at Saint-Ouen-sur-Seine (Seine-Saint-Denis): these projects are concrete responses, in specific sectors, to the need to promote living together by building more housing, and more affordable housing by focusing on density. The first project of 88 housing units on 18 floors was designed as a vertical village, the second comprises 123 housing units with an identity that respects history, a mixed-use programme and a particular focus on the fight against global warming.

Limiting impermeability

Each project requires specific technical engineering to integrate "green infrastructures" and limit impermeability. As opposed to grey infrastructures, green infrastructures are natural solutions (preservation of open ground, planting, etc.) with multiple positive impacts. Among the solutions promoted internally *via* a design guide dedicated to nature in the city, we can cite the various natural techniques for infiltrating rainwater (valleys, rain gardens, etc.) that make it possible to manage water, but also replenish water tables, water vegetation, and create varied landscapes for users. Nexity distinguishes between projects with open-air green spaces and those with planted slabs with variable soil depth. The Group therefore recommends solutions that are adapted on a case-by-case basis, such as drainage areas, green roofs for storage and waterproofing. Plant continuity is also achieved and maintained on a case-by-case basis, with planting solutions on the façade and roof, the preservation of existing plantings or even attention paid to the continuity of green networks, in particular through the use of permeable planted ground cover instead of asphalt.

The Ville Nature project, part of the Grand Centre ZAC in Cergy (Val-d'Oise), takes advantage of the site's built and planted heritage: the wooded mound to the north is preserved, extended and planted with hedges to play a dual role of a habitat for the protected species on the site and an acoustic barrier between the site and the A15 motorway. The natural qualities of the soil have also made it possible, thanks to a large area of open ground, valleys and drainage areas under roads, to guarantee rainwater management by infiltration without any discharge to the network (delivery from 2019).

Thus, Nexity wants to act for biodiversity by giving access to nature, by systematically including biodiversity requirements in the design of planted areas and by promoting biodiversity among its stakeholders.

Giving access to nature

According to a study ⁽¹⁾ sponsored by Nexity in 2019, 93% of French people consider it important to have an outdoor area (garden, balconies, terrace, etc.), and 68% consider it important that their home contain a wooded area. Nature in the city contributes to the well-being of residents and users, for whom it is a strong expectation, and helps prevent and mitigate the urban heat island effect by creating islands of freshness.

To meet these expectations, Nexity has set itself the target of having 100% of projects delivered in 2023 benefiting from a planted area (which represents a change of the former target from 50 to 100% for Residential Real Estate and maintaining the target of 100% for Commercial Real Estate). The ambition is to design green spaces for the well-being of residents, by designing spaces to change with the seasons, by systematically planting trees that provide shade and coolness in summer, or by landscaping accessible green roofs to enable the development of life together.

According to the same study, 65% of French people would like to move towards food autonomy as part of a production at the home scale. Urban agriculture, beyond its productive dimension, has many benefits: creation of social links, reintroduction of biodiversity and nature in the city, biophilia and connection to nature, environmental education and awareness, etc.

For over 10 years now, Nexity has been including urban agriculture in residences and offices. With more than 3,700 square metres of green areas, the planted spaces at the Eden residence in Annecy (74) cover 60% of the total surface area. This project delivered in September 2019 is an integral part of the first eco-district in the town of Annecy, and includes landscaped areas planted with trees. The planted roof comprises a terrace, a semi-intensive roof and a shared vegetable greenhouse. The planted spaces within the Eden project help to save resources, thanks to a system for collecting rainwater and the possibility for residents to compost their waste.

Systematic integration of biodiversity requirements in the design of green spaces

As a developer, Nexity's impact on biodiversity is primarily limited by the requirements of local urban plans. While a large part of the Group's activity focuses on "urban regeneration" (reconstruction of the city on the city), at the plot level, real estate can have an impact on local biodiversity, that is to say, on the living things (animals and plants, visible or invisible) there by making changes to the functioning of the local ecosystem. The most significant of these changes may consist of the destruction or alteration of agricultural, forest or semi-natural environments, or, more commonly, the potential impermeability of surfaces, the introduction of invasive species as well as noise and light pollution.

In line with and complementing the aforementioned actions to combat land artificialisation, Nexity also seeks to protect and restore biodiversity by acting on the presence of nature in the city and by being demanding on the quality of the spaces thus created in its programmes.

An operational collaborative approach (with Cerema, the Centre for Studies and Expertise on Risks, the Environment, Mobility and Development and with a landscaper, a green space company and employees) was carried out in 2020 to design a common framework and a technical guide for the Group's business lines. A commitment sheet for each project, seen by the Steering Committee prior to launches, was introduced to systematically use this approach, which concerns all development activities, both residential and tertiary, representing more than 75% of the Group's revenue.

This comprehensive and systematic approach to the design of planted areas aims to accommodate biodiversity (fauna and flora) through the continuity and diversity of plant layers and the use of native species.

The ParcCoeur project in Tours (37) for which delivery is scheduled for 2023, illustrates these commitments and includes many solutions that promote biodiversity:

- The implementation of a varied landscape project inspired by the local ecosystem;
- A landscape designed to welcome fauna and facilitate its movement; and
- Work with an ecologist to determine the roles and responsibilities of stakeholders, identify target species in order to adapt the developments, implement a charter presenting the elements to be taken into account during the construction phase as well as an ecological management plan adapted to the site.

Environmental commitment of development activities and continuous improvement

Nexity's development subsidiaries have been involved in the protection of biodiversity for many years. When designing development projects, the Foncier Conseil subsidiary ensures ecological continuity by systematically taking into account the existing green and blue networks:

- Maintaining the continuity of green corridors involves hedges being planted around properties, parks and gardens, and alternative techniques (swales planted with trees or grass, landscaped basins, etc.); and
- Maintaining the continuity of blue corridors involves, where possible, alternative rainwater management techniques that allow water to follow its natural course – a key design component.

The Site development and subdivisions subsidiary (Foncier Conseil), whose business consists of valuing and dividing a plot of land, and selling the lots thus obtained, has been ISO 14001 certified since 2004 and has biodiversity among the six priority action themes of its environmental policy, included in its environmental management system. To meet these objectives, all staff at the subsidiary responsible for a development project are informed of the procedures to be followed in respect of biodiversity. An initial current

1) What does "live better" mean for the French? *Observatoire de l'Habitat*, ObSoCo, Nexity, Somfy, CDC Habitat, 2019.

state assessment is carried out using a proprietary tool to measure the sensitivity of existing biodiversity at each potential site for future development.

Co-building and promoting biodiversity with stakeholders

As part of its first commitment to the “Act4nature” initiative, which included a 2018-2020 action plan, Nexity implemented a proactive policy of discussion with partners that led to five of them becoming involved in the Group's projects. For the Porte de Montreuil project, for example, the National Museum of Natural History competition supported a strong biodiversity ambition: the project preserves and reintroduces local biodiversity through the

preservation of open ground, the conservation of some of the existing trees and the planting of 300 additional trees and work on the choice of local species. Particular attention has been paid to the creation of cool islands to lower the temperature locally in the event of a heat wave.

Finally, at the end of 2021, Nexity joined 15 other companies in the Biodiversity Impulsion Group initiative led by the Observatoire de l'Immobilier Durable. The programme aims to develop a common framework of indicators and measurement tools to define and improve the biodiversity footprint of real estate projects, inform the choices of project owners and investors and support the increase in skills of internal teams.

3.2.4 Preserving resources and promoting the circular economy

Current construction methods exert strong pressure on natural resources such as gypsum (used for plaster), limestone (used in the composition of cement and concrete), and sand (used in the manufacture of concrete and glass). At the European level, the construction and use of buildings are responsible for 50% of total raw materials

extraction. Nexity is aware that strictly linear production methods are not economically or environmentally sustainable, and intends to fully participate in the advent of a circular economy, which reuses and further shares resources, creating lasting value for the Group, the regions and for society at large.

3.2.4.1 Commitments to the circular economy with non-profit organisations

In 2021, Nexity renewed its membership of Circolab, an association of players committed to the circular economy within the real estate industry, in order to encourage synergies, involve the various stakeholders and bring about regulatory change. Circolab is supported by the Institute of the Circular Economy and the Métropole du Grand Paris. Among the objectives are the definition of performance indicators for reuse or the reduction of waste landfilling.

Within EPE (Entreprises pour l'Environnement), which brings together some sixty major French and international companies from all sectors of the economy, Nexity is active in the Resources Commission, contributing to forward-looking discussions on the circular economy at national and European level and to the sharing of feedback in a cross-sectoral framework.

Pursuing its commitment, Nexity joined the Reuse Booster at the end of 2021, a grouping of real estate players (project owners, prime contractors, general contractors), initiated by Groupama Immobilier, and steered by A4MT (Action pour la Transformation du Marché) and the IFPEB (Institut Français pour la Performance Énergétique du Bâtiment). The objective is to enlarge the reuse market in the building sector, by structuring demand and facilitating the prescription of reuse materials. Nexity has thus committed to integrating five projects per year into the Reuse Booster, for three consecutive years.

3.2.4.2 Innovative pilot projects for the reuse and recycling of materials

Various initiatives dedicated to the reuse of products, the recycling of materials and the pooling of resources have been implemented by Nexity's subsidiaries.

At La Garenne-Colombes (92), where a former PSA Group site is being deconstructed to house the future Engie Eco-campus, several deconstruction methods have been implemented to give a second life to objects and materials from the buildings. Of these, 160 cubic metres of various materials and equipment were recovered, as well as 20,000 square metres of raised access floor.

The Nexity Grand Paris Nord subsidiary was named the winner at the end of 2020 of the call for projects “50 exemplary project owners”, launched by Democles. A collaborative platform bringing together stakeholders in building demolition and refurbishment, Democles is co-financed by Ecosystem and ADEME. Nexity Grand Paris Nord was thus able to benefit from support in order to change its practices in terms of waste prevention and management from its demolition and rehabilitation operations throughout 2021.

3.2.4.3 Environmentally responsible construction sites

Controlling the impact of construction sites is a requirement both in terms of environment and societal aspects. Poor management of these impacts is potentially a source of various types of local pollution (soil pollution, dust production, visual pollution, noise pollution, etc.). It is also an opportunity for the Group to assert its role as a responsible company and promote social inclusion.

Nexity has had an Environmentally Responsible Construction Site Charter in place since 2014, common to all its new home construction projects, which summarises internal and external best practice and environmental certification requirements for green construction sites to:

- Protect the environment through soil protection, waste management and cleanliness on construction sites;
- Significantly reduce negative impacts;
- Control site management costs, such as water and electricity consumption, waste removal and storage costs; but also
- Improve working conditions on site and promote the creation of local jobs.

3.2.4.4 Soil quality

Nexity pays particular attention to the quality of the soil and, before any acquisition of land or a building, through specialist consulting firms, conducts an environmental study on the quality of the soil, subsoils, and the site's land history. When soil samples indicate the possible presence of pollutants, the Group's obligation is also conditional upon environmental evaluations and, where necessary, site rehabilitation measures.

3.2.4.5 Water management

With regard to water management, in all Nexity developments and projects, the preservation of water resources is considered throughout a project. Early in the pre-design phase, noteworthy ecosystems such as watercourses on development sites are identified so that a "Water Act" can be initiated. This work stream identifies the steps needed to ensure that planned construction activities do not significantly affect a site's water resources or aquatic environments. When seeking NF Habitat certification for new residential developments, Nexity conducts site

The charter is **contractual** and commits all construction companies

For projects involving prior demolition, Nexity systematically carries out a waste diagnostic before demolition, to quantify the waste by category and encourage any form of recovery, by assessing the potential for reuse of materials on site, or failing that, by providing information on options for managing demolition waste.

In 2021, Nexity had 70 Residential Real Estate projects (42% of the sites validated by the Land Acquisition Committee) that had adopted the Environmentally Responsible Construction Site Charter, and 100 sites validated by the Acquisition Committee (60% of validated sites) were involved in a larger environmental certification process (NF Habitat, HQE™, Promotelec, Habitat Neuf, etc.) including environmentally responsible construction site criteria.

Finally, Villes & Projets supports the optimisation of the principles of refurbishment of industrial sites, particularly in terms of decontamination. In this way, the innovative decontamination of the ZAC PSA site in Asnières-sur-Seine (Hauts-de-Seine) was noteworthy for the majority of treatments carried on-site to eliminate the main pollutants (heavy metals, chrome, etc.). To go further, Villes & Projets, between 2012 and 2014, took part in the "polluted sites and soils" working group of the French Ministry for the Ecological and Inclusive Transition to finalise the decrees of the ALUR law, making the procedures for reconversion and rehabilitation of polluted soils in urban projects more "fluid". This working group has been a source of proposals for the adaptations of the third party claimant procedure, through the ASAP law (French law on the acceleration and simplification of public action) of December 2020.

analyses on soil sealing and other practices. The findings of these analyses help identify appropriate solutions to encourage water infiltration and thus manage rainwater runoff. In the design phase itself, water management is addressed in three main areas: management of rainwater, control of drinking water consumption and production of domestic hot water. During the works phase, for new residential developments, Nexity sets up regular monitoring of water consumption by the building site by separating out the site accommodation where technically possible.

3.2.5 Responsible finance and the European taxonomy of sustainable activities

Green Bond

Nexity wanted to align the financing of its real estate projects with its CSR objectives, as of 2019, by issuing €240 million in Green Bonds. The proceeds of the issuance will be used to finance and/or refinance the development and construction of Residential Real Estate projects in France that meet several criteria, such as the European NZEB ("Nearly Zero-Energy Buildings") standards. The allocation of funds to the Group's eligible projects will be subject to specific traceability, and an annual reporting process that will be audited and published. The 2021 report is available on the Group's "Responsible Finance" page. This issuance was conducted in accordance with the best market practices and with the Green Bond Principles published by the International Capital Markets Association (ICMA). See Note 21.1 "Bond debt" in Chapter 5.1 "Consolidated financial statements" of this Universal registration document.

The 2021 Report on the European Taxonomy of Sustainable Activities

Regulatory framework

Regulation (EU) 2020/852 on the establishment of a framework to promote sustainable investments, or the Taxonomy Regulation, is a system for classifying activities common to the European Union aimed at identifying economic activities considered as sustainable. Its objective is to establish a common language on the notion of "sustainable" activities and to redirect capital flows towards sustainable investments. Pursuant to Article 8 of this text, financial players must publish the share of their portfolios associated with sustainable activities, and companies meeting certain criteria must publish the share of their revenue, their capital expenditure (CapEx) and their operating expenses (OpEx) associated with sustainable activities.

An activity can be considered sustainable when it contributes substantially to one of the following six environmental objectives: climate change mitigation, adaptation to climate change, sustainable use and protection of hydrological and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems; that it does not cause any major harm to the other five environmental objectives and that it complies with minimum social guarantees.

Two delegated regulations have been published: Delegated Regulation (EU) 2021/239 specifies the technical criteria for substantial contribution and absence of harm relating to the two climate objectives (mitigation and adaptation to

climate change) and Delegated Regulation (EU) 2021/2178, "Article 8", specifies the content and presentation of the information to be published by companies. Delegated regulations for the other four environmental targets are expected to be published in 2022.

The 2021 financial year, the first year of application, was a year of transition. Companies must only publish the so-called "eligible" portion of their revenue, capital expenditure (CapEx) and operating expenses (OpEx).

From the 2022 financial year, companies will have to publish the so-called "aligned" portion of their activities and therefore meeting the technical criteria associated with each of the eligible activities:

- Substantial contribution to an environmental objective;
- No significant harm to other environmental objectives; and
- Compliance with minimum social guarantees.

Nexity's version

Scope

The revenue, capital expenditure and operating expenses reviewed cover all Nexity group activities within the scope of financial consolidation. Revenue and capital expenditure can thus be reconciled with the consolidated financial statements as at 31 December 2021.

Revenue

Net revenue refers to "the amount resulting from the sale of products and the provision of services, net of sales discounts, value added tax and other taxes directly linked to revenue". The definition also refers to paragraph 82 (a) of IAS 1 and must therefore correspond to revenue presented in the income statement. Net revenue does not include Joint Ventures (JV) recognised using the equity method, discontinued operations, and internal reciprocal transactions. The same will apply to CapEx and OpEx.

For the Nexity group, this is revenue presented in the simplified consolidated income statement without any specific restatement.

The taxonomy activities covering Nexity's eligible activities are as follows:

- 7.1 Construction of new buildings;
- 7.2 Building renovation; and
- 7.7 Acquisition and exercise of ownership of buildings.

Residential and commercial real estate development activities are included in activities 7.1 and 7.2.

Residential (Studéa and Domitys⁽¹⁾) and commercial (Morning) operating activities are included in activity 7.7.

1) The activities of the Ægide-Domitys group were consolidated up to 30 June 2021.

Thus, **the Nexity group's eligible revenue for 2021 amounted to €3,801.81 million out of a total revenue of €4,468.37 million, i.e. an 85% share** (see the consolidated income statement presented in Section 5.1.1 "Consolidated income statements" of this Universal registration document).

The following activities, representing €665.25 million, were not identified as eligible for the European taxonomy because they do not correspond to any of the activities or definitions covered by the "Construction and real estate activities" activity: Property Management and administration (rental, technical and accounting management, and associated additional missions⁽¹⁾), Land Development and sale of land for construction (only buildings are mentioned in and eligible under the "Climate" delegated act). Certain specialised services related to the energy performance of buildings could fall under activity 9.3, but these services are currently insignificant and could not be isolated for this first financial year; the corresponding revenue is therefore included this year in the non-eligible portion.

Capital expenditure (CapEx)

Capital expenditure covers increases in property, plant and equipment and intangible assets and right-of-use assets for the year (before revaluation, depreciation, amortisation and impairment and excluding changes in fair value) as well as increases related to business combinations.

Based on the key performance indicator calculation methods defined by Article 8 of the European taxonomy, the eligible investment expenses identified for the Nexity group can be identified in two ways:

- When they are related to assets or processes associated with (eligible) economic activities (pursuant to paragraph 1.1.2.2 (a));
- When they are related to the purchase of the output of (eligible) economic activities per the taxonomy and to individual measures (pursuant to paragraph 1.1.2.2 (c)).

For the Nexity group, these are capital expenditures and increases in right-of-use assets covered by the following IFRS standards applied by Nexity: IAS 16 "Property, plant and equipment", IAS 38 "Intangible assets" and IFRS 16 "Leases".

These CapEx mainly relate to the following items:

- Vehicle leases (6.5: transport by motorcycle, passenger car and light commercial vehicle);
- Leases for subleased buildings for serviced senior residences (Domitys⁽²⁾), for student residences (Studéa) and for coworking activities (Morning) (7.7);

- CapEx relating to the head office and holding company activities (7.7).

Thus, **the Nexity group's eligible capital expenditure for 2021 amounted to €273.46 million out of a total of €320.62 million, i.e. an 85% share** (see the consolidated financial statement presented in Section 5.1 "Summary statements" of this Universal registration document).

It should be noted that Nexity's main real estate development activity, because of its nature, does not require significant CapEx by Nexity, as ongoing projects are recognised as current assets. Thus, the share of ineligible CapEx represents €47.16 million.

Operating expenses (OpEx)

These are direct non-capitalizable costs covering R&D, short-term leases and other IFRS 16 exemptions, upkeep, maintenance and repair of assets, building renovation measures and any other expenses related to routine maintenance of assets. It should be noted that the interpretation of the OpEx recommended by the CNCC (French national institute of statutory auditors) is very strict, pursuant to the definition of Article 8 of the delegated act; it could be subject to change.

Similar to CapEx, the eligible OpEx identified for the Nexity group can be identified in two ways:

- When they are related to assets or processes associated with (eligible) economic activities (pursuant to paragraph 1.1.3.2 (a));
- When they are related to the purchase of the output of (eligible) economic activities per the taxonomy and to individual measures (pursuant to paragraph 1.1.3.2 (c)).

At Nexity, no R&D costs were identified, and maintenance and repair costs would be limited to the head office where applicable. Renovation and maintenance costs, because of their nature, are not borne by Nexity on real estate projects. Consequently, OpEx was limited to only rental expenses recorded in the income statement.

These OpEx mainly relate to the following items:

- Expenses related to the head office and holding company activities (7.7).

According to this definition, the Nexity group's share of eligible operating expenses for 2021 amounted to €12.68 million out of a total of €4,094.97 million, which represents a non-material share of Nexity's total operating expenses. The Group therefore decided to apply the OpEx materiality exemption. The share of Nexity group eligible OpEx for 2021 was therefore zero.

1) Activity 7.7 requires economic ownership of the underlying asset, which is not the case for property management carried out on behalf of third parties. When this activity is carried out on its own behalf, it does not appear in the consolidated financial statements.

2) The activities of the Aegide-Domitys group were consolidated up to 30 June 2021.

Breakdown of revenue and CapEx from products or services associated with economic activities eligible for the European taxonomy of sustainable activities

Activity (in millions of euros)	Revenue		CapEx	
6.5 Transport by motorcycles, passenger cars and light commercial vehicles			5.7	2%
7.1 Construction of new buildings and 7.2 Building renovation ⁽¹⁾	3,601.78	95%		
7.7 Acquisition and exercise of ownership of buildings	200.03	5%	267.76	98%
TOTAL	3,801.81	100%	273.46	100%
TOTAL KPIS	4,468.37		320.62	
Share of eligible activities	85%		85%	

1) The distinction between 7.1 and 7.2 activities could not be made for the 2021 financial year and will be refined for the 2022 financial year in order to be able to assess the technical criteria.

3.2.6 2025 climate and biodiversity strategy

The Nexity group, France's main developer and the leading player in integrated real estate, has developed an ambitious environmental policy for several years. The main challenges in relation to the Group's activities are climate and biodiversity, notably for the real estate development

business. These two subjects, which are intimately linked, must therefore be dealt with at the same time, and taking them into account implies a large-scale change in the design of the Group's real estate projects, as well as transparency regarding its objectives.

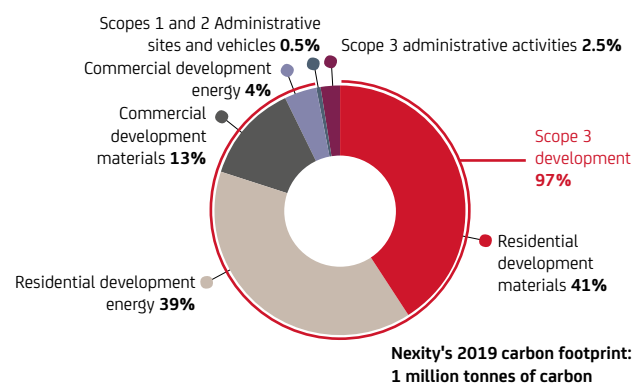
3.2.6.1 Climate strategy

Context and challenges

The building sector accounts for 25% of greenhouse gas (GHG) emissions ⁽¹⁾. The Nexity group, through its development activity, is a real estate player. While it is neither a materials manufacturer nor a construction company, it is responsible during construction, as a specifier.

The Group's internal carbon emissions are linked to vehicles and administrative buildings (Scopes 1 and 2) and the carbon emissions of its sphere of influence are linked to buildings delivered as part of the development activity (Scope 3).

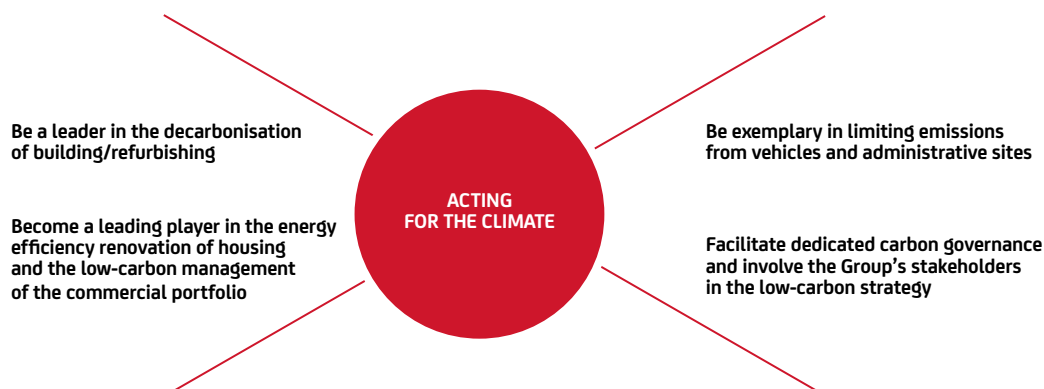
Thus, acting for the climate is the priority of Nexity's environmental strategy. This requires major changes to its business. This involves changes in its activities: notably, a change in the materials used and the energy solutions chosen, a switch of its businesses towards more refurbishment and renovation, a reduction in the share of construction, or the development of new products and low-carbon services.



1) Greenhouse gas emissions in France: official 1990-2020 assessment; Citepa (Technical Reference Centre on Air Pollution and Climate Change); 30 June 2021.

Ambition

In this context, Nexity aims to become the real estate leader in decarbonisation. This goal takes the form of four commitments.



After the “well below 2 °C” certification of its carbon trajectory on Scopes 1, 2 and 3 by the SBTi⁽¹⁾ in March 2021, Nexity raised its carbon goals and is targeting a certified trajectory which is 1.5 °C-aligned. Moreover, work on the contribution to neutrality will be carried out from 2022.

Focuses of the carbon strategy**Focus no. 1: Be a leader in the decarbonisation of building/refurbishing**

The carbon emissions related to its business as a developer are not emitted directly by Nexity, but by the players mobilised by the Group upstream of a project, and by the users of the buildings thereafter. These emissions therefore involve its entire value chain.

Most of Nexity's carbon emissions are related to the developer business. In the GHG emission calculation process, this relates to “Scope 3”, which falls under the extended responsibility of the Group. In 2019, this “extended” carbon impact, included in Scope 3, represented 97% of total emissions, i.e. around 1 million metric tons of CO₂. These emissions are calculated taking into account the entire life cycle of the building, over a conventional term of 50 years. The following are considered: the extraction of materials, the manufacture and transport of construction products, the construction phase of the building, energy consumption during the project, as well as the dismantlement of the works.

The Group's objective is to **reduce its CO₂ emissions per square metre delivered by 42% in 2030 compared to 2019 for Scope 3 development.**

To achieve this objective, Nexity is undertaking actions that will gradually change its business:

Key actions:

- Develop the share of refurbished and new low-carbon offers;
- Develop the use of low-carbon materials and construction methods resulting from reuse, by developing buildings with high energy performance and decarbonised energy vectors; and
- Establish a dedicated performance management governance.

1) SBTi: the Science Based Targets (SBT) initiative aims to drive “ambitious climate action” in the business world, by making its targets a means for companies to make the transition to a low-carbon economy a competitive advantage. Its guiding principle is to match greenhouse gas reduction targets with climate science data.

Focus no. 2: Be exemplary in limiting emissions from vehicles and administrative sites

For the sake of consistency and exemplarity, it is important for the Group to act within its direct scope of responsibility,

i.e. on Scopes 1 (mainly emissions related to vehicles), 2 (mainly emissions related to administrative sites) and 3 (mainly related to employee commuting).

Year 2019 - Administrative sites and vehicles	Scope 1	Scope 2	Scope 3	Total
CO ₂ emissions (in t. CO ₂ eq.)	5,071	605	26,039	31,715
Breakdown of the rate in relation to the Group's total emissions	0.4%	0.1%	2.5%	3%

The Group has set itself a target for Scopes 1 and 2 in order to have it validated pursuant to the SBTi methodology. Its goal is a 47% reduction in its CO₂ emissions in 2030 compared to 2019 for Scopes 1 and 2.

Nexity did not set targets or a trajectory for Scope 3 in relation to emissions from its administrative activities⁽¹⁾, because they have little impact (2.5%) with regard to Scope 3 "development" (97%), which is already included in the SBTi certification. Nevertheless, reduction actions have already been put in place. Their results are assessed by carrying out an annual carbon assessment ("Bilan Carbone").

To achieve the exemplarity objective, the Group is taking actions that will gradually change its internal practices:

Key actions:

- Reduce fuel consumption related to the fleet of service and company vehicles by optimising the fleet (number of vehicles), increasing the number of electric and hybrid vehicles, and providing eco-driving training for drivers;
- Improve the management of the energy performance of administrative sites and group teams in high-performance buildings; and
- Policy to reduce the carbon impact of business travel.

Focus no. 3: Become a leading player in the energy efficiency renovation of housing and the low-carbon management of the commercial portfolio

Nexity aims to support its clients in the decarbonisation process. The Group is therefore committed to supporting its clients in their decarbonisation initiatives. It has set up dedicated support services.

As regards its Real Estate Services to Individuals business, Nexity has been actively involved, for several years, in the energy efficiency renovation of condominium properties (see Section 3.2.2.5 "Avoiding emissions for the Group's clients through Real Estate Services to Individuals and companies" of this chapter).

The Group's target for 2025 is to have 150 renovated condominium properties.

For Real Estate Services to Companies activities, Nexity is developing offers aimed at optimising the energy and low-carbon use of its clients' portfolios. Our goal: to become a preferred player in decarbonising the operation of the commercial portfolio. Nexity Property Management (NPM) thus developed a range of services aimed at improving the environmental performance of its clients' assets while controlling the resulting economic impact:

The Group's target is to reach, by 2025, 3,500,000 square metres of low-carbon managed space⁽²⁾.

As part of its carbon strategy, the Group therefore intends to continue to develop these low-carbon services according to three priority areas:

Key actions:

- Identifying and supporting condominium properties in energy efficiency renovation;
- Supporting individual clients in the energy efficiency of their homes; and
- Supporting corporate clients in decarbonising the operation of their commercial portfolio.

Focus no. 4: Facilitate dedicated carbon governance and involve the Group's stakeholders in the low-carbon strategy

The risks and challenges related to carbon emissions impact the Group's business model and its value creation system. Thus, the climate is becoming increasingly important internally. Since 2021, it involves the organisation of a specific and dedicated governance, the structure of which is still under development, notably in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

Today, this governance is already organised at the highest level with the Remuneration, Appointments and CSR Committee (CSR CRN), an entity of the Board of Directors, which validates the Group's climate strategy, and the Group's Executive Committee.

1) Business travel and commuting for Nexity employees, purchase of supplies, etc.

2) The areas under low-carbon management correspond to the following missions: Support for the Tertiary Decree, Support for the implementation of an SRI strategy, Environmental certification, Management of a guarantee of expenses, Commissioning of new buildings, Implementation of a renewable energy supply contract, Environmental performance monitoring via green committees, Deployment of a carbon performance contract.

Nexity wants to mobilise employees to take action and has set **a target of raising awareness among all⁽¹⁾ employees, through the Climate Fresk, by 2025.**

To achieve this target while working with its other stakeholders, the Group is undertaking actions that will change its risk management and relations with its internal and external stakeholders:

Key actions:

- Mobilise and raise employee awareness of climate change and low-carbon construction and train them in the specific challenges of the of the Group's business lines;
- Support clients with the challenges of the low-carbon city; and
- Strengthen climate governance in line with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

3.2.6.2 Acting for the biodiversity

Context and issues

In most parts of the world, nature has now been significantly altered by multiple human factors, and the vast majority of ecosystem and biodiversity indicators show a rapid decline. In total, 75% of the Earth's surface is significantly altered, 66% of the oceans are experiencing increasingly significant cumulative impacts and more than 85% of the wetlands have disappeared. Around 1 million species are already threatened with extinction, unless measures are taken to reduce the intensity of the factors causing biodiversity loss. According to the IPBES, the overdevelopment and urban sprawl are one of the main causes of the collapse of biodiversity.

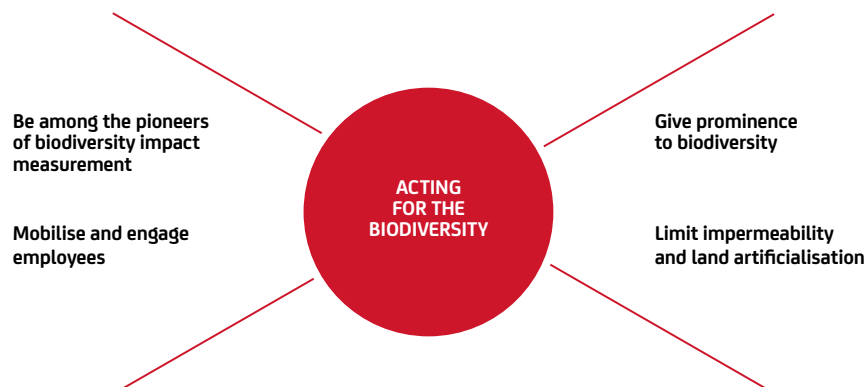
In this context, building and urban stakeholders have a major role to play and must initiate profound changes to better take into account biodiversity. Our biodiversity impacts must be further quantified, in particular in order to identify the most impactful action levers. Limiting urban sprawl and the resulting loss of biodiversity involves changing our projects towards greater density, refurbishment and construction on sites that are already developed. Promoting biodiversity also means giving greater importance to nature in projects. This transformation must be based on an increase in the skills of employees, and more broadly, the awareness of our clients and the promotion of biodiversity with and among our stakeholders.

Ambition

Nexity's ambition is to be among the companies most committed to the positive impact in favour of biodiversity. Its main objective is to plant 100% of the residential and commercial projects delivered in 2023 to provide access to nature and biodiversity.

Biodiversity focuses

Four commitments make up the new biodiversity strategy:



1) Excluding people affected by an extended work stoppage, maternity leave, workplace accident, or any other leave/absence preventing him/her from being available at the time of the organisation of the Climate Fresk on the dates proposed.

Focus no. 1: Be among the pioneers of biodiversity impact measurement

Being able to measure the impact of activities on biodiversity is a prerequisite to better guide and prioritise action levers that promote biodiversity. However, an abundance of indicators and methodologies exist. The biodiversity footprint measurement is recent and is part of the exploratory approach. This is prompting Nexity to actively participate in the development of tools and indicators to measure the impact of biodiversity.

Thus, **the Group's objective is to measure its biodiversity footprint across all its business activities.**

This knowledge will enable it to update its action plans to promote the most impactful levers.

Key actions:

- Measure the Group's biodiversity footprint by integrating all of its activities;
- Identify new indicators to measure the biodiversity impacts of development projects; and
- Incorporate this knowledge into the update of action plans to promote the areas with the most impact.

Focus no. 2: Give prominence to biodiversity in design and development projects

As a designer and developer, Nexity has a real role to play in promoting biodiversity in the city. This is a demand from its clients, who aspire to have an outdoor environment and express a need to be in contact with nature. Acting on nature and the preservation of biodiversity, but also on the quality of the spaces created in order to make them as hospitable as possible to the local flora and fauna are aspects that the Group wants to take into account systematically.

Its goal is to **ensure that each project delivered from 2023 benefits from a planted area.**

Key actions:

- Make nature accessible to all occupants of the Group's operations;
- Systematise new biodiversity requirements in the design of green spaces for development projects; and
- Continually improve the environmental quality of development projects.

Focus no. 3: Contribute to limiting impermeability and land artificialisation

In France, an average of 20,000 to 30,000 hectares of natural, agricultural and forest areas are consumed each year⁽¹⁾. This corresponds to the equivalent of a department

such as Var or Nord developed every 10 years. The land artificialisation is one of the major causes of biodiversity loss in France. It is mainly used for housing. Also, helping to limit impermeability and land artificialisation is a major priority for reducing our impact.

Nexity's action levers involve building the city on the city to limit urban sprawl and therefore overdevelopment but also by systematically using concrete solutions to reduce the negative effects of development in its projects (revegetation), use of permeable coverings, preservation of open ground, etc.).

The Group's goal is to have systematically reviewed and if possible implemented technical solutions to limit impermeability in all development projects delivered from 2024.

Continue to develop solutions to participate in the effort to combat land use alongside local authorities: waterproofing work, study on the potential for mutability of brownfield sites and commercial sites.

Key actions:

- Generalise solutions to limit waterproofing in all operations; and
- Develop urban regeneration, refurbishment and work on density.

Focus no. 4: Mobilise employees and manage dedicated governance

Taking better account of biodiversity requires increasing the skills of employees as well as the creation of a dedicated internal governance to steer the Group's performance and continuous improvement on these issues.

Nexity aims to **train 100% of the employees concerned by the end of 2022.**

The Group also wants to take an active part in raising awareness among residents of the developments by, for example, posting signage on site to raise awareness of the biodiversity present on and around the site.

Key actions:

- Steering a governance dedicated to biodiversity to continue to prioritise this issue within the Company;
- Raising employee awareness and improving skills in key business lines; and
- Co-constructing actions with stakeholders and raising awareness of biodiversity among users of operations.

1) Source: website of the French Ministry for Ecological Transition, Artificialisation of land, 31 January 2022.

3.3 MAKING CITIES MORE INCLUSIVE

3.3.1 The main strategic societal objectives

The subject of the inclusive city has been part of Nexity's DNA since its creation. This commitment is reflected both in the nature of the Group's offerings and in the actions of the Nexity Foundation and Nexity Non Profit. The Group has committed to a number of objectives to manage this issue.

The main strategic societal objectives

Objectives	Maturity	2020	2021
Produce 1,000 places in family shelters	2021	591 housing units	1,220 housing units
Have at least 5,000 housing units reserved in the context of block sales to social housing operators	2021	4,283	6,074
Support for 5 housing projects for the most disadvantaged populations	2021	N/A	6
Support for 10 projects promoting equal opportunities	2021	N/A	14
Support for 5 projects for women and girls	2021	N/A	6

3.3.2 Promoting access to housing

The Group's historical commitment to promoting housing for all is reflected in its desire to develop multiple responses adapted to the differing needs of the public and living practices.

3.3.2.1 A social and affordable offer

Being a major private player in urban renewal

The Group's historical commitment to promote housing is notably shown in its support for local authorities in neighbourhoods targeted for urban regeneration by the French National Urban Regeneration Agency (Agence nationale de la Rénovation Urbaine – ANRU) and their immediate vicinity. Out of the Group's total reservations, nearly half of the first-time buyers buy in these neighbourhoods (reduced ANRU and VAT). Since the launch of the system, Nexity has marketed 36,900 housing units in these areas.

Nexity uses specific know-how to launch programmes in these areas. Its involvement in the life of the neighbourhood is making the difference, ensuring consultation meetings before and after the commercial launch, as well as educational work with the residents of the neighbourhood to make them aware that they can become homeowners in this programme. The Group is also committed to working alongside local authorities and neighbourhood associations to play an active role in the dynamics necessary for the success of such projects.

Nexity remains among the leaders in low-VAT areas with a market share of 12.4% in accession sales.

Being the leading partner of social housing operators

As a developer of social housing programmes, Nexity is currently the leading partner of social housing operators in France. Approximately 30% of housing developed by Nexity is reserved by social housing operators (PLAI, PLUS, PLS) in all regions and areas of France.

The Group's objective is to provide the most appropriate solutions for each social housing operator, in particular by offering off-plan homes that meet the criteria set in terms of both geographical area and price or environmental requirements.

In addition to the traditional arrangements of ordinary or thematic housing sold in blocks to social housing operators, Nexity covers the entire range of needs of social housing and intermediate housing.

Promoting home ownership

More generally, through its offering of homes at controlled prices, the Group facilitates access to home ownership for first-time buyers, who accounted for 14% of its clients in 2021. This type of marketing requires specific expertise in the area of sales but also legal matters, which is a speciality of Nexity's teams.

In this sense, Nexity is developing social home ownership under "Solidarity-based Real Leases".

This is a contract between an OFS (Organisme de Foncier Solidaire) and a lessee. This system enables low-income households to acquire a property by subtracting the price of the land. Indeed, it makes it possible to separate the land from the buildings, which means that the OFS remains the owner of the land while the lessee becomes the homeowner. The lessee then becomes the homeowner and the lessee of the land.

In addition to these offerings, Nexity can provide innovative housing financing solutions such as social lease-ownership loans, social rental usufruct and intermediate rental usufruct. Nexity thus covers the entire range of social housing and intermediate housing needs.

Following the health crisis and the economic conditions that led to tightened conditions for granting bank loans to individuals, in 2020 Nexity supported first-time buyers in the private sector to obtain a mortgage by launching the Cagnotte Immobilière. This scheme makes it easier for them to raise the contribution that is essential for any real estate project financing. This “money pot” is created by asking relatives of the buyer for financial contributions, coupled with a contribution from Nexity capped under certain conditions.

By signing up to this offering, first-time buyers benefit from the resale protection guarantee and the income protection guarantee offered by Nexity. Since the launch of the initiative, more than 585 reservations have been made and around 1,500 “money pots” have been created.

In addition, the Group’s solidarity was expressed in response to the concerns and needs of the professionals of the Public Assistance-Hospitals of Paris. In 2020, Nexity developed a new offering dedicated to these professionals. It provides preferential conditions for the purchase of new Nexity housing, the rental of housing managed by the Group or the rental of housing in Nexity student residences.

3.3.2.2 Supporting the most disadvantaged with Nexity Non Profit

Launched in 2018 with a financially neutral business model, Nexity Non Profit reflects the Group’s conviction of the need for everyone to have a real estate option, even the most financially-vulnerable. It works with non-profit partners such as the Fondation Abbé Pierre, Habitat & Humanisme, the SOS Group, Aurore, Emmaüs Solidarités, Cités du Secours Catholique, Restos du cœur and the Samu Social de Paris, as well as landlords and managers and, lastly, governmental and regional departments (Île de France Region, Lille European Metropolis, Eurometropolis of Strasbourg).

Several types of offerings have been created in this context:

- **Family shelters**, in partnership with a social housing operator and an association that manages it. A first family shelter with 18 housing units was delivered in La Ciotat in 2019, and 10 other residences are under construction in Cergy, Arles, Montpellier, Auray, Le Pré Saint Gervais, Tarbes and Aix-les-Bains. These family shelters do not generate any profit for Nexity;
- **Emergency shelters**: in 2020, a first emergency shelter with 62 places was delivered in Périgueux (24) for homeless people, isolated women and men or families of four people and replaces the existing buildings, chalets accommodating 30 people. This project also has an environmental dimension and a circular economy approach as it involves modular construction using containers from reconverted shipyards; and

- From the **management of vacant housing units** through the implementation of solidarity leases: effective since January 2017, the “Affordable Rent” scheme allows owners to rent their homes to low-income households. To join the scheme, the owner must sign an agreement with the National Housing Agency (Agence nationale de l’Habitat – ANAH). Nexity’s role in this context is to rely on its rental management business to identify housing units that have been vacant for more than three to four months in the private portfolio and to undertake an educational approach to convince owners to rent them through an association. It will provide support to the occupants offered accommodation, guarantee the payment of rent and ensure that the accommodation is restored to its original state when the tenancy ends. In 2021, 72 leases of this type were signed.

Nexity Non Profit continues to develop new partnerships with associations and federations of associations fighting against poor housing in France.

New areas of action were addressed such as housing for seasonal workers. A first residence is opened in Le Lavandou (83), and new collaborations are being set up for new developments with socially responsible investment funds.

3.3.2.3 Multi-generational housing and inclusive, senior and disabled housing

To go beyond intergenerational cohabitation, Nexity has created the Complicity concept, residences open to their neighbourhood, in which all residents can discuss and meet in common spaces, central places of social bonding. A facilitator organises workshops in each residence that help preserve seniors' autonomy, and, beyond that, promote living together, support and develop the common projects of residents. Residents are also free to choose a range of services.

Nexity also carries out projects developed with associations working to promote disability, and ensures that housing complies with the regulations in force.

- Construction of a new home for the Association for the Deaf and Blind (APSA) in Saint-Benoît (Vienne) (delivered in January 2021) in partnership with the lessor Habitat de la Vienne: the centre has 30 housing units for people with disabilities and is accessible to people with reduced mobility and sensory impairments. It incorporates various devices: handrails, colour contrasts to more easily distinguish the doors, handles, particular attention to the direction of opening, also visual bells with a "flash" system, motorised roller shutters, etc. The teamwork placed people at the heart of the project with a different approach to the building which again enhances the expertise of the Nexity teams;

- Design of an intergenerational block, on the major axis of the city centre of Saint Saturnin (Sarthe) delivered in 2021 to the lessor Podeliha: the residence consists of 39 housing units intended primarily for seniors thanks to adapted developments. Nine units in the residence are accessible to people with severe physical disabilities, with large sliding doors for wheelchair access (or specialist equipment), secure bathrooms equipped with walk-in showers, grab bars and harness system, as well as automated lighting, shutters, an emergency call button, etc. A common space on the ground floor of the residence, open to associations, should facilitate exchanges and meetings between residents.

In addition, the Group has made disability a focus in the design of public and shared spaces. For example, the future Athletes' Village for the 2024 Olympic Games in Saint-Ouen (93) will incorporate a sensory landscape for people with disabilities. Through this project, Nexity has gone beyond the standard approach to adopt a logic of use and comfort for all users and thus promote living together.

3.3.3 Promoting solidarity actions with the Nexity Foundation

The Nexity Foundation, created in 2017, embodies the Group's corporate purpose, "Life Together", and reflects its civic and societal commitment. Its management is independent and composed of members representing the Group's founders, employee representatives, qualified external parties and a general delegate.

Its work stimulates and organises collective solidarity dynamics in the heart of cities, for vulnerable people by supporting local actors in the setting up, financing and implementation of solidarity projects based on the three priority areas described below.

3.3.3.1 Social inclusion through housing

The Nexity Foundation believes in a framework in which everyone can see themselves, live and act. In support of the regions and with non-profit partners, it works on social support and social innovation projects for the most vulnerable people.

The year 2021 was marked by an increase in the precarious conditions of the most vulnerable and by the shift of certain populations into poverty. This reinforced the need to support associations working in the field of housing, homelessness and more broadly, poverty.

In 2021, 11 associations and more than 20 projects were supported.

In addition, as part of the Foundation's annual call for projects, six associations with a housing inclusion project were supported.

Lastly, a call for projects for students living in Studéa residences enabled the emergence and financing of three solidarity projects, for a total amount of €7,000, aimed at reducing the precarious conditions of the most disadvantaged students, particularly in terms of food aid.

The Foundation raised €370,000 for this area in 2021, as well as €44,000 for the six winning associations, *i.e.* a total of €414,000.

3.3.3.2 Social inclusion through education, training and employment (equal opportunities)

The Nexity Foundation works for a more inclusive city that gives everyone a chance to realise their full potential. The resulting projects focus on supporting young people between the ages of 14 and 26 from low-income neighbourhoods and/or QPV priority urban planning districts in their education and career.

Positioned as an operating company foundation, it develops, in partnership with associations or directly, around fifteen programmes aimed at supporting young people in their education. In 2020, projects focused on dropping out of school to meet the increased need of students who have taken their courses remotely.

In 2021, more than 16 associations were supported by the Nexity Foundation, which raised €369,000 in this context.

In addition, the Nexity Foundation continued to operate programmes for young people through job discovery operations and the organisation of career guidance workshops with the target groups of partner associations and thus provided guidance for 179 young people.

3.3.3.3 The solidarity commitment of Nexity employees

The Nexity Foundation relies on the dynamism, societal commitment and know-how of the Group's employees. Different action models are proposed:

- Skills-based sponsorship, in which employees help partner associations for a day. The pandemic required this event to be cancelled in 2020, and it was replaced by the donation of days off. In 2021, the "Solidarity Day" event was limited but nevertheless made it possible to mobilise nearly 200 employees for 29 actions with 16 partner associations in 22 cities; and

- Collections are organised for the benefit of partner associations. From 21 June to 2 July 2021, a professional clothing drive for La Cravate Solidaire raised more than one tonne of clothing. From 15 through 26 November 2021, a food drive collected more than 400 kg of food and hygiene products. From 1 through 31 December, a book drive was also organised in Nexity branches for the French Secours Populaire.

3.3.3.4 Contributions made following the Covid-19 crisis

In 2020, Nexity played its role as a citizen and released nearly €3 million in 2020 and 2021, supporting:

- The most affected hospitals in the Paris region (Seine Saint Denis and AP-HP hospitals) and the Fondation Hôpitaux de Paris – Hôpitaux de France for hospitals in eastern France;
- Associations fighting against extreme poverty, with donations to the Samu Social de Paris, the Secours Populaire and the Salvation Army; and

- Support structures for women affected by domestic violence or poverty, with three associations: Agir pour la santé des femmes, Fondation des Femmes, and the Fédération Nationale Solidarité Femmes.

Each year, the Nexity Foundation publishes its annual report and has a website: <http://www.fondationnexity.org>.

3.3.4 Supporting regional development

Through the diversity of its offering, from consultancy to planning, real estate development and services that ensure a long-term local presence, through its complete coverage of mainland France and a growing presence in Europe, Nexity, thanks to its strong regional presence over the long term, is committed to supporting the sustainable development and resilience of the regions.

Aware of the responsibilities that this entails, particularly in its planning activities, the Group pays particular attention to the living environment, taking into account local history, geography, demographics and development prospects in the design of its projects. As a developer, it strives to reduce

the impact of its activities on biodiversity and the environment, and is attentive to the comfort of local residents. As an economic player, in the regions where it operates, the Group also contributes to the vitality of the local economy by entering into contracts with an ecosystem of suppliers and subcontractors composed mainly of VSEs/SMEs. It develops support services for local authorities in the revitalisation of underprivileged areas, and supports the most vulnerable through social inclusion hours. Lastly, beyond the direct impact of its activity, in accordance with its purpose, living better together, Nexity supports the regions through the Nexity Foundation.

3.3.4.1 Planning in accordance with regional outlooks and needs

Thanks to its service platform, Nexity positions itself as an urban designer serving neighbourhoods, towns and cities. Its various business lines give it a complete overview, enabling it to highlight the coherence and performance of a region to boost its appeal.

This approach is often based on a co-construction approach with residents. By way of illustration, the Toulouse Jolimont project led by Nexity Villes & Projets (delivery scheduled for 2025), located on the site of the Jolimont metro station, one of the two overhead stations of the Toulouse metro network, aims to create a new central location in the heart of a rapidly changing neighbourhood. Through the emergence of a mixed-use neighbourhood, with housing, a residence for young working people, coworking spaces, and commercial premises with a cooperative and participatory supermarket, the project meets the ambition of reconciling the station with its surroundings. The project is based on a demanding approach to facilities constructed in conjunction with residents, opening the door to a re-appropriation of public space. It houses co-design workshops as well as an exhibition space, and hosts awareness-raising sessions on future urban developments.

The Group's service platform also makes it possible to design a layout taking into account a sector's expected **economic attractiveness**. Thus, since 2020 with Nexity Solutions Commerces, the Group has also been able to offer a complete insight into the commercial dimension of an urban area (from the city centre to the outlying shopping centres) or a neighbourhood. By way of illustration, the

subsidiary Accessite was selected in 2016 following a call for tenders as a retail operator for a long-term consultancy assignment to support Société Villeurbannaise d'Urbanisme, (SEM of Villeurbanne which owns all the shops in its city centre, known as the *Gratte-Ciel* district and some of the housing units) and is currently involved in:

- The planning of all shops, services and restaurants in order to have a dynamic and optimised retail platform;
- The design of the client experience in the city (organisation of flows, events, services) to create a lively neighbourhood at different times of the day and throughout the year;
- Taking potential nuisances (waste management, deliveries, etc.) into account upstream of projects to reduce their impact on the neighbourhood while ensuring they are properly managed; and
- The technical description of the commercial premises to be included in the specifications of the developers in order to ensure their future marketing.

The challenge is to regularly adapt the retail component to market changes, project changes and new consumer trends for the duration of the urban project to ensure that the result is in step with the prevailing conditions at the time of its inauguration and not already obsolete due to having been designed five years previously. The ongoing health crisis and its consequences shows the benefit of this type of approach which makes it possible to adapt the strategy adopted and gives resilience to the project initially outlined.

3.3.4.2 Social inclusion as a driver for development and job creation

Nexity is often asked to include social inclusion clauses in contracts with subcontractors, particularly for developments in areas eligible for reduced-rate VAT.

In 2021, 11% of construction sites launched or validated by the Land Acquisition Committee were affected by social inclusion clauses.

3.3.4.3 Nexity's economic and social impact

In 2019, Nexity carried out a study on its socioeconomic footprint in the regions. This revealed that for each direct job within the Group, 10.3 additional jobs are supported in the French economy. This represents nearly 104,000 jobs, including:

- Direct jobs within Nexity;
- Indirect jobs, *i.e.* jobs supported in the supplier chain; and

- Induced jobs, *i.e.* jobs supported by household consumption (Group employees and employees of the supplier chain) and by government expenditure related to taxes paid.

This study will be updated in 2022.

3.4 DEVELOPING HUMAN CAPITAL

Nexity's Human Resources Department is responsible for developing the skills and human capital needed by the Group to meet the short-, medium- and long-term objectives set by its Executive Management. To guarantee the human capital Nexity needs to implement its strategy, one of its key challenges is to retain employees and develop their employability.

THE STRATEGIC SOCIAL OBJECTIVES

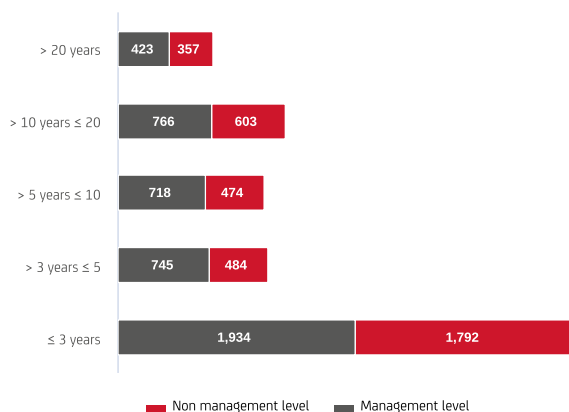
Objectives	Maturity	2020	2021
Maintain Great Place to Work certification	2021	Certified	3 rd place in the Best Workplaces competition in its category
Increase employee shareholding, with at least 80% of employee shareholders	Continual	80%	80%
Have at least 40% of women on the Executive Committee	2023	43%	54%
Have at least 40% women in the Club 1797	2023	36%	38%
Hire work-training students for 5% of the workforce	2024	4%	6%

At 31 December 2021, Nexity group had 8,296 employees (of which 91% were on permanent contracts), compared with 11,391 at the end of 2020 and 11,003 at the end of 2019.

(in number of employees)	2021	2020	2019
Development	2,746	2,706	2,657
Residential Real Estate	2,632	2,592	2,542
Commercial Real Estate	114	114	115
Services	4,939	8,057	7,786
Property management	4,538	4,582	4,593
Services for Individuals	-	2,939	2,683
Distribution	401	536	510
Other activities	611	628	560
TOTAL	8,296	11,391	11,003

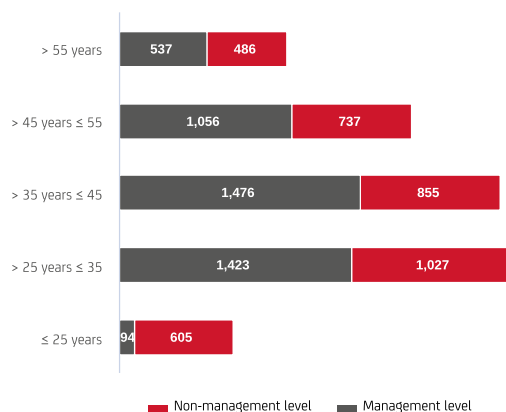
Women account for 62.4% of Group employees and men for 37.6%.

Workforce structure by length of service at 31 December 2021



The average length of service was 7.1 years (7.2 years for management-level staff and 7 years for non-management level staff). The average age of employees is 40.1 years (41.1 for management-level staff and 38.8 for non-management level staff).

Workforce structure by employee age at 31 December 2021



The type of employment contracts and the average length of service rates illustrate the Group's ability to retain its employees. The Group's turnover rate⁽¹⁾ is 15.6% (14.8% excluding Ægide). In addition, the turnover rate fell to 11.1%⁽²⁾ (excluding Ægide: 10.4%). The increase compared to 2020 is due to an upsurge in the number of resignations, this trend also being observed at the national level from the second half of the year (DARES study

1) Number of redundancies, resignations and terminations of permanent contracts/average permanent workforce – Including Ægide-Domitys.

2) Number of resignations and end of probationary periods at the initiative of the employee/average permanent headcount – Including Ægide-Domitys; the turnover rate has been a component of the variable remuneration of Nexity Club 1797 members since 2019.

November 2021).

The monitoring and tight management of this voluntary turnover rate have become key elements of Nexity's policy. Given the speed with which business lines are changing and the transformation of companies, talent retention and the development of employee skills remained key priorities in 2021.

For this reason, the Group wants its employees to view it as a “**preferred employer**”, with regard to five commitments:

1. **Respect for workplace requirements** through sustainable and constructive social dialogue. Indeed, Nexity firmly believes in the need for social dialogue and the role of employee representative bodies in supporting and informing employees. To this end, it assumes a socially responsible role by intervening as a true social partner with the employee representative bodies;

2. **Make inclusion a performance factor driven by Executive Management** by promoting the values of professional fairness and diversity among all managers and employees;
3. **Guarantee fair remuneration for individual and collective performance** while maintaining solidarity;
4. **Develop talents** by offering diversified training and support to enhance employability;
5. **Promote quality of life at work** by offering all employees concrete actions and a full range of measures; and
6. **Listen and exchange** by creating areas where employees with different professions can meet and share information.

To meet these commitments and strengthen employee loyalty, the Group has identified three major issues detailed below.

3.4.1 Improving employee retention and enhancing the Company's appeal

The men and women who make up Nexity's teams constitute the Group's “human capital”. Nexity considers this human capital as its main resource, the centrepiece of its business model and the risk of loss of skills is considered as a significant risk by the Group, in order to control the retention rate (turnover), and to attract and retain talent, the Group has chosen to develop two levers: remuneration and quality of life at work.

3.4.1.1 Remuneration

Remuneration is a key factor in attracting and retaining employees. Therefore, Nexity is committed to ensuring that its employees are rewarded for their contributions, by valuing both individual and collective performance, while preserving fairness and solidarity.

At the individual level, performance is recognised and rewarded through the allocation of salary measures, and for executives and sales staff depending on their position, by the allocation of individual variable remuneration according to their individual contribution. These measures are decided during the salary review process.

In 2021, the Group's average gross annual remuneration (excluding employer social security contributions) amounted to €47,417, an increase of 11.4% ⁽¹⁾ compared to 2020, which is explained by the business recovery and the impact of partial employment in 2020.

1) Including Aegide-Domitys for half of the financial year.

Salary reviews: a structured and uniform process based on the recognition of individual contributions and performance

Employees' fixed individual remuneration constitutes the counterpart of the good performance of their role. Variable remuneration, immediate or deferred, serves to reward individual contributions to the Group's performance by achieving specific objectives over a given period.

Remuneration is reviewed at least once a year through a structured, global process that is applied by all Group entities, which ensures that remuneration principles are uniformly applied.

In order to guarantee the fairness of wage measures granted and identical pay levels for equivalent positions and profiles, the salary review process is underpinned by the principle of non-discrimination. This is notably ensured by a two-stage review process of each employee's situation (carried out by managers on the one hand and by the Human Resources Department on the other) which allows for a factual and objective assessment.

The Group also seeks to safeguard the principle of solidarity, with specific attention paid each year to employees on the lowest incomes.

As part of the 2021 campaign, 50% of employees eligible for salary reviews (employed for over one year) benefited from a revaluation measure totalling €7.1 million.

Transparency in relation to employees

To improve the legibility and understanding of the different payment mechanisms, a secure "My remuneration space" application has been developed and is made available to each employee. It lists all the elements of the remuneration paid out over one year, together with all the individual employee benefits and links to the services proposed.

Since 2021, a remuneration guide is available on the app and distributed during salary reviews. It enables employees and managers to better understand the Group's remuneration policy and its importance in the overall strategy.

This application also allows managers to have visibility on the remuneration of employees in their team.

Pay equity

Nexity is committed to ensuring equal pay for women and men and to fighting against gender pay gaps and unjustified treatment. In this respect, audits of the components of remuneration between men and women are carried out on a regular basis. The last audit carried out on remuneration for 2021 highlighted that for equal skills and profiles, pay equity was respected between men and

women. Furthermore, in accordance with the decree implementing the French *Avenir professionnel* Act (Professional Future Act), Group entities whose workforce is affected have measured the indicators defined by the "gender-equality" index in respect of the 2021 financial year. Thus, 99% of the workforce is located in entities with a score > 75 (legal threshold). In addition, the average score of the main entities that make up the Group is 86/100.

(/100)	Equality index 2021
UES PC	84
UES NPS	88
UES Lamy	80
ISelection	91
Perl	85
Accessite	96
Lespace	75
AVERAGE	86

It should be noted that due to the diversity of the Group's business lines there is a dispersion of remuneration levels depending on the different roles. These averages are therefore provided for information purposes only. Furthermore, remuneration paid to management-level employees may, depending on their specific duties and the corresponding level of responsibility, involve a variable component included in this amount.

In addition, in order to improve the purchasing power of employees with lower salaries, Nexity wanted to increase the €100 aid provided by the Government in response to the increase in energy prices. As such, the State compensation was doubled for all beneficiaries in December 2021. The payment in February 2022 of an exceptional purchasing power bonus of €200 was for employees receiving an annual salary of €28,000 or less.

At the collective level, performance is measured on the basis of the economic results achieved by the Company and/or the Group. The efforts made by each company are reflected in the possible payment of incentive and profit-sharing bonuses (provided that the entity's workforce, economic maturity and results allow it). More generally, at Group level, employees benefit from an employee savings scheme based on the following pillars: the Group Savings Plan (PEG) and the Group Collective Retirement Savings Plan (PERCOLG), which allow employees to build up savings and a profit-sharing scheme set up in June 2021 that awards collective performance in that the calculation formula is based on the Group's profits. In addition, to foster the involvement of all staff members, the Group has set up a shareholding policy enabling employees to be associated, as shareholders, with the Group's development and growth strategy.

Employee savings (scheme)

Employee profit-sharing

At the level of the various structures

Employee profit-sharing is specific to each eligible Group structure to reflect the specific nature of the different business lines on the one hand, and to reward the collective contribution of employees to the results of their entity, on the other. Profit-sharing agreements are concluded within each structure, if their workforce, economic maturity and results allow it.

In 2021, the Group paid its employees €4.9 million in profit-sharing bonuses and €4.2 million in incentives in respect of the 2020 financial year (gross amount before CSG/CRDS). In 2021, 91% of employees benefited from an incentive and/or profit-sharing bonus.

At Group level

In order to strengthen synergies between the Group's various activities and to reward employees fairly for their participation in the Group's results, it was decided to set up a Group profit-sharing agreement.

This new system, in addition to the incentives and/or profit-sharing agreements of the entities, was signed unanimously by Management and the trade union and employee representatives in June 2021.

Group Employee Savings Plans

In order to strengthen the minimum welfare benefits, Nexity has set up a global employee savings scheme.

Composed of a Group Savings Plan (PEG) and a Group Collective Retirement Savings Plan (PERCOLG), this system was set up in 2015 by unanimous collective agreements with the trade union and employee representatives, and provided for a matching contribution directly linked to the Group's results.

This system changed in 2020, in order to take into account the provisions of the PACTE Act and to further encourage employee shareholding.

In view of the new Group profit-sharing agreement, the contribution scheme has been revised, excluding a link with the Group's results and maintaining the incentive for savings through employee shareholding.

Group Savings Plan

The Group Savings Plan (PEG) is funded by various sources: profit-sharing, incentives, voluntary contributions by employees, rights deriving from accrued paid leave and free share awards. Employees are not allowed access to funds invested in the plan for a period of five years, except in cases of early redemption permitted by law.

The PEG offers a comprehensive and clear range of investment funds: four Amundi FCPEs (mutual funds) and two dedicated FCPEs, Nexity Actions and Nexity Levier 2017, invested only in Nexity shares.

In order to promote employee shareholding, only the payment of funds into the FCPE Nexity Actions is now matched with a contribution.

Group Collective Retirement Savings Plan

To enable Group employees to build up a long-term savings supplement in preparation for their retirement, Nexity set up a Group Collective Retirement Savings Plan (PERCOLG).

Employees cannot access funds invested in the plan until their retirement, except in cases of early redemption permitted by law. The PERCOLG offers a clear and comprehensive range of investment funds, consisting of four Amundi ("FCPE") mutual funds. In addition, the PERCOLG offers employees the possibility of opting for guided investment management.

Employee Savings Plans are widely used by Group employees, as 61% of them saved in 2021 and benefited from the matched contribution totalling around €2.017 million.

At 31 December 2021, the Nexity Actions mutual fund and Nexity Levier 2017 held 1,668,112 Company shares, representing 2.97% of Nexity's share capital.

Sharing added value: free share awards

To involve employees as shareholders in the creation and sharing of value, employee shareholding operations are regularly proposed to Nexity employees (collective plans for the free share award plans and a capital increase reserved for employees).

At 31 December 2021, 80% of Group employees hold Nexity shares directly or *via* the PEG mutual funds. The percentage of Nexity's share capital held by Group employees (excluding managers), represented 3.56% of the share capital on 31 December 2021.

Plans in force at 31 December 2020 Grant date by the Board of Directors	22/05/2019 (plan 1)	22/05/2019 (plan 2)	24/10/2019 (plan 1)	24/10/2019 (plan 2)
Date of authorisation given by the Shareholders' Meeting	22/05/2019	22/05/2019	22/05/2019	22/05/2019
Total number of shares initially awarded	10,000	212,700	61,000	174,500
Number of shares vested	-	-	-	-
Number of shares cancelled	-	34,550	-	21,500
Number of shares awarded and not yet vested	10,000	178,150	61,000	153,000
Total number of shares awarded to company officers	-	-	-	-
Total number of shares awarded to the top ten recipients	10,000	47,000	61,000	174,500
Number of initial plan recipients	1	175	4	51
Number of initial recipients of the top ten awards granted	1	14	4	51
Vesting period expiry date	31 May 2022	31 May 2022	24 October 2022	24 October 2022
Vesting period	3 years	3 years	3 years	3 years
Vesting terms and conditions	Performance and continued employment	Performance and continued employment	Performance and continued employment	Performance and continued employment
Performance criteria	For 100% of the awards No shares subject to the achievement of an objective shall vest if less than 85% of the target is met Criteria: 60%: cumulative 18-19-20-21 Group EBITDA* level 20%: minimum backlog level* at 31 December 2021 in line with the MTP approved by the Board of Directors on 19 December 2018 for the duration of the plan 10%: level of reduction of carbon footprint 10%: level of 2021 equality index *according to IFRS standards used for the financial statements in 2018	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 85% of the target is met Criteria: 31%: cumulative 18-19-20-21 Group EBITDA* level 10%: minimum backlog level* at 31 December 2021 in line with the MTP approved by the Board of Directors on 19 December 2018 for the duration of the plan 5%: level of reduction of the carbon footprint 5%: level of the 2021 equality index *according to IFRS standards used for the financial statements in 2018	For 100% of the awards No shares subject to the achievement of an objective shall vest if less than 85% of the target is met Criteria: 60%: cumulative 18-19-20-21 Group EBITDA* level 20%: minimum backlog level* at 31 December 2021 in line with the MTP approved by the Board of Directors on 19 December 2018 for the duration of the plan 10%: level of reduction of the carbon footprint 10%: level of 2021 equality index *according to IFRS standards used for the financial statements in 2018	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 85% of the target is met Criteria: 31%: cumulative 18-19-20-21 Group EBITDA* level 10%: minimum backlog level* at 31 December 2021 in line with the MTP approved by the Board of Directors on 19 December 2018 for the duration of the plan 5%: level of reduction of the carbon footprint 5%: level of the 2021 equality index *according to IFRS standards used for the financial statements in 2018
% of shares awarded subject to continued employment only	0%	49%	0%	49%
% of shares awarded subject to continued employment and performance conditions	100%	51%	100%	51%
Share price on grant date (in euros)	€40.46	€40.46	€44.96	€44.96

STATEMENT OF NON-FINANCIAL PERFORMANCE

Developing human capital

Plans in force at 31 December 2020 Grant date by the Board of Directors	06/04/2020	18/05/2020	19/05/2020	19/05/2020 all employees
Date of authorisation given by the Shareholders' Meeting	22/05/2019	22/05/2019	19/05/2020	19/05/2020
Total number of shares initially awarded	48,000	48,000	60,000	222,670
Number of shares vested	-	-	-	175
Number of shares cancelled	8,000	24,000	60,000	44,905
Number of shares awarded and not yet vested	40,000	24,000	-	177,590
Total number of shares awarded to company officers	-	-	60,000	-
Total number of shares awarded to the top ten recipients	48,000	48,000	60,000	222,670
Number of initial plan recipients	12	2	1	6,362
Number of initial recipients of the top ten awards granted	12	2	1	6,362
Vesting period expiry date	5 April 2023	18 May 2023	18 May 2023	18 May 2023
Vesting period	3 years	3 years	3 years	3 years
Vesting terms and conditions	Performance and continued employment	Performance and continued employment	Performance and continued employment	Continued employment
Performance criteria	For 70% of the awards No shares subject to the achievement of an objective shall vest if less than 95% of the target is met Criteria: 25%: cumulative 20-21-22 Group current operating profit* 45%: operational level specific to Aegide's business (15% for the number of housing units operated and 30% for the number of housing units occupied) *according to IFRS standards used for the financial statements in 2018	For 100% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 15%: level of Group current operating profit for 2021 as approved by the Board of Directors on 31 December 2020 35%: level of Group current operating profit for 2022 as approved by the Board of Directors on 31 December 2021 15%: leverage ratio level in respect of 2021 and 2022 5%: level of reduction of 2022 carbon footprint 5%: level of equality index 5%: level of client satisfaction (2020-2021-2022 improvement) 20%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2022	For 100% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 15%: level of Group current operating profit for 2021 as approved by the Board of Directors on 31 December 2020 35%: level of Group current operating profit for 2022 as approved by the Board of Directors on 31 December 2021 15%: leverage ratio level in respect of 2021 and 2022 5%: level of reduction of 2022 carbon footprint 5%: level of equality index 5%: level of client satisfaction (2020-2021-2022 improvement) 20%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2022	
% of shares awarded subject to continued employment only	30%	0%	0%	100%
% of shares awarded subject to continued employment and performance conditions	70%	100%	100%	0%
Share price on grant date (in euros)	€26.26	€28.12	€27.84	€27.84

STATEMENT OF NON-FINANCIAL PERFORMANCE

Developing human capital

Plans in force at 31 December 2020	28/07/2020 Managers	30/03/2021 Executive Committee	28/04/2021 Managers	19/05/2021 Managers
Date of authorisation given by the Shareholders' Meeting	19/05/2020	19/05/2020	19/05/2020	19/05/2021
Total number of shares initially awarded	122,400	139,000	8,700	373,400
Number of shares vested	-	-	-	-
Number of shares cancelled	8,900	-	-	7,100
Number of shares awarded and not yet vested	113,500	139,000	8,700	366,300
Total number of shares awarded to company officers	-	-	-	-
Total number of shares awarded to the top ten recipients	120,400	139,000	8,700	186,700
Number of initial plan recipients	114	10	12	302
Number of initial recipients of the top ten awards granted	109	10	12	66
Vesting period expiry date	27 July 2023	1 July 2024	1 July 2024	1 July 2024
Vesting period	3 years	3 years and 3 months	3 years and 2 months	3 years and 1.5 months
Vesting terms and conditions	Performance and continued employment	Performance and continued employment	Performance and continued employment	Performance and continued employment
Performance criteria	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 6%: level of Group current operating profit for 2021 as approved by the Board of Directors on 31 December 2020 15%: level of Group current operating profit for 2022 as approved by the Board of Directors on 31 December 2021 10%: level of reduction of 2022 carbon footprint 10%: level of client satisfaction (2020-2021-2022 improvement) 10%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2022	For 100% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 35%: cumulative 21-22-23 Group current operating profit 10%: level of backlog on 31 December 2023 10%: level of debt/ EBITDA ratio (excluding IFRS 16) for 2021, 2022 and 2023 10%: level of reduction of 2023 carbon footprint 10%: level of equality index 10%: level of client satisfaction (2021-2022-2023 improvement) 15%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2023	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 18%: cumulative 21-22-23 Group current operating profit 5%: level of backlog on 31 December 2023 5%: level of debt/ EBITDA ratio (excluding IFRS 16) for 2021, 2022 and 2023 5%: level of reduction of 2023 carbon footprint 5%: level of equality index 5%: level of client satisfaction (2021-2022-2023 improvement) 8%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2023	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 18%: cumulative 21-22-23 Group current operating profit 10%: level of backlog on 31 December 2023 5%: level of debt/ EBITDA ratio (excluding IFRS 16) for 2021, 2022 and 2023 5%: level of reduction of 2023 carbon footprint 5%: level of equality index 5%: level of client satisfaction (2021-2022-2023 improvement) 8%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2023
% of shares awarded subject to continued employment only	49%	0%	49%	49%
% of shares awarded subject to continued employment and performance conditions	51%	100%	51%	51%
Share price on grant date (in euros)	€27.62	€43.16	€46.04	€45.16

STATEMENT OF NON-FINANCIAL PERFORMANCE

Developing human capital

Plans in force at 31 December 2020 Date granted by the Board of Directors	26/10/2021 Executive Committee	26/10/2021 Managers
Date of authorisation given by the Shareholders' Meeting	19/05/2021	19/05/2021
Total number of shares initially awarded	18,000	4,000
Number of shares vested	-	-
Number of shares cancelled	-	-
Number of shares awarded and not yet vested	18,000	4,000
Total number of shares awarded to company officers	-	-
Total number of shares awarded to the top ten recipients	18,000	4,000
Number of initial plan recipients	2	1
Number of initial recipients of the top ten awards granted	2	1
Vesting period expiry date	25 October 2024	25 October 2024
Vesting period	3 years	3 years
Vesting terms and conditions	Performance and continued employment	Performance and continued employment
Performance criteria	For 100% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 35%: cumulative 21-22-23 Group current operating profit 10%: level of backlog on 31 December 2023 10%: level of debt/EBITDA ratio (excluding IFRS 16) for 2021, 2022 and 2023 10%: level of reduction of 2023 carbon footprint 10%: level of equality index 10%: level of client satisfaction (2021-2022-2023 improvement) 15%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2023	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 18%: cumulative 21-22-23 Group current operating profit 5%: level of backlog on 31 December 2023 5%: level of debt/EBITDA ratio (excluding IFRS 16) for 2021, 2022 and 2023 5%: level of reduction of 2023 carbon footprint 5%: level of equality index 5%: level of client satisfaction (2021-2022-2023 improvement) 8%: relative level of TSR (stock market value creation) compared to the SBF 120 between 2020 and 2023
% of shares awarded subject to continued employment only	0%	49%
% of shares awarded subject to continued employment and performance conditions	100%	51%
Share price on grant date (<i>in euros</i>)	€39.00	€39.00

STATEMENT OF NON-FINANCIAL PERFORMANCE

Developing human capital

Plans having expired in 2021 Grant date by the Board of Directors	31/05/2018 Managers	31/05/2018 All employees	30/10/2018
Total number of shares initially awarded	284,950	209,070	24,000
Number of shares vested	231,742	135,930	12,900
Number of shares cancelled	53,2080	63,480	11,100
Total number of shares awarded to company officers	-	-	-
Total number of shares awarded to the top ten recipients	52,000	209,070	24,000
Number of initial plan recipients	179	6,969	12
Number of initial recipients of the top ten awards granted	13	6,969	12
Vesting period expiry date	30 May 2021	30 May 2021	29 October 2021
Lock-up period as from transfer of share ownership	3 years	3 years	3 years
Vesting terms and conditions	Performance and continued employment	Continued employment	Performance and continued employment
	For 51% of the awards No shares subject to the achievement of an objective shall vest if less than 80% of the target is met Criteria: 70%: cumulative 18-19-20 Group EBITDA* level 30%: minimum backlog level* at 31 December 2020 in line with the MTP approved by the Board of Directors on 19 December 2017 for the duration of the plan EBITDA criterion 90% met Backlog criterion 100% met		For 70% of the awards No shares subject to the achievement of an objective shall vest if less than 95% of the target is met Criteria: 25%: Group EBITDA* level 45%: operational level specific to Ægide's business (15% for the number of housing units operated and 30% for the number of housing units occupied) EBITDA criterion 90% met Housing units in use criterion 80% met Occupied housing units criterion not met
	Grant rate for beneficiaries still present: 93% for tranches where 100% of the grant was based on performance conditions. 96.4% for tranches where 51% of the grant was based on performance conditions.		Grant rate for beneficiaries still present: 65% for tranches where 70% of the grant was based on performance conditions.
Share price on grant date (in euros)	€49.80	€49.80	€42.10

3.4.1.2 Quality of life at work

Quality of life in the workplace enhances the attractiveness of the Company and fosters staff retention since employees want to work in a company that is concerned about their health and well-being.

Nexity has implemented several actions to promote the well-being of its employees, improve their working conditions and facilitate the balance between their personal and professional lives. These various measures are intended to benefit the greatest number of employees, regardless of their parent company (health prevention, telemedicine service for all, parenting management, remote working, etc.).

This approach enhances the Company's economic performance by providing employees with working conditions that foster concentration and well-being, on the one hand, and by reducing absenteeism, on the other. It

should also be noted that the preventive health actions and support for employees in the organisation of work during the health crisis made it possible to control the rate of absenteeism, unlike the national level. At the same time, contrary to the trend observed in other companies, contributions to the health care plan have not increased for employees. The absenteeism rate ⁽¹⁾ in France was 4.4% in 2021. It remains well below the national absenteeism rate of 6.87% (according to the 13th absenteeism barometer produced by Ayming in 2020). The reported number of occupational illnesses was very low considering the Group's business activities (12 cases declared in 2021). The decrease in the number of workplace accidents, the frequency rate and the severity rate is explained by the sale of Ægide-Domitys during the year (see table below), whose business activity leads to more work stoppages than that of Nexity.

France scope	Nexity group		Excluding Ægide-Domitys	
	2021	2020	2021	2020
Workplace accidents	140	244	32	35
Commuting accidents	35	43	26	33
Frequency rate ⁽¹⁾	7.8	12.8	2.2	2.5
Severity rate ⁽²⁾	0.5	0.8	0.2	0.3

(1) Number of lost-time workplace accidents in the year x 1,000,000/number of hours theoretically worked in the financial year.

(2) Number of calendar days lost due to a lost-time workplace accident over the year x 1,000/number of hours worked in the financial year.

In 2021, 175 lost-time work-related accidents were reported (compared with 287 in 2020), broken down into 140 workplace accidents and 35 commuting accidents. This decrease is due to the sale of the Ægide-Domitys entities during the year, whose business sector is more sensitive to workplace accidents.

Adopting a recognised approach to improving quality of life at work

After obtaining the Great Place to Work certification in 2020, Nexity became the leading real estate company with more than 2,500 employees in 2021 in the **Great Place to Work®** Best Workplaces To Work ranking, which is **the highest level of recognition of a company's quality of life at work**.

This distinction reflects the quality of life at work at Nexity. It also perfectly illustrates the reality of the Group's purpose – Life Together – at the employee level. Life Together is of course a milestone for the Group's actions and

development, but above all, it is a shared culture that places human capital and trust at the heart of Nexity's model and gives each employee freedom to act. And it is an essential element of the quality of the service the Group provides to its clients.

Home-Working: optimising how work is organised

With the upheaval in the organisation of work during the health crisis, Nexity has increased home-working, which can take place up to two days per week if the position held allows it. In addition, hybrid work support has been developed since 2020.

At 31 December 2021, 2,982 Group employees had opted to use this system. The objective fixed for 2022 (2,000 employees) has already been achieved.

Nexity was a pioneer in this field since it had been developed in 2017 with remote work allowing each voluntary and eligible employee to work, at home or in a Nexity third-place, one day per week.

1) The absenteeism rate is calculated on the basis of calendar days. It corresponds to the consecutive days of leave due to illness, occupational illnesses, workplace accidents and commuting accidents of employees on permanent contracts divided by the average number of permanent employees multiplied by 365 days. This rate excludes foreign subsidiaries.

Promoting a work-life balance

Quality of life in the workplace calls for a better balance between personal and professional life, which is why the Group has chosen to implement measures to promote this balance, in favour of its employees.

To enable all employees regardless of their profile to benefit from this approach the Group has implemented several measures. These measures include:

The right to disconnect

A system relating to the right to disconnect was introduced in 2017 for all Group employees by way of a collective bargaining agreement concluded within the UESs as part of the negotiations on the quality of life in the workplace and in the context of unilateral charters within subsidiaries excluding UESs.

This system consists of incentives and educational measures to promote the reasonable use of digital tools made available to employees: disconnection period reminders, dissemination of best practices, provision of a toolbox to facilitate disconnection, awareness-raising actions.

A reminder of this system and related best practices was regularly carried out during the Covid-19 health crisis.

Parenthood support

Nexity wanted to offer its employees who are parents the benefit of a number of services relating directly to childcare that are provided by recognised professionals in the early childhood sector.

To deal with difficulties related to the search for childcare services, Nexity concluded a partnership concerning the reservation of places in nurseries and related services.

In this context, in 2021, 85 employees received a nursery place near their home or workplace. This network of crèches also offers an additional emergency service to employees who need it.

In addition, in order to encourage the employees concerned to benefit in full, Nexity ensures that their full salary is maintained throughout the period of paternity and childcare leave.

Company concierge service

To facilitate the everyday life of its employees, Nexity has launched a dedicated digital concierge service. The purpose of this service is to delegate certain personal administrative and organisational tasks so that employees can be more relaxed at work. In 2021, nearly 2,900 employees were registered to benefit from this service, with almost 1,000 requests on average per month.

Caregiver support service

As part of its prevention policy, Nexity has introduced a caregiver support service in 2019 for its employees who are looking after immediate family members (ascendants, descendants, spouses, etc.) or close relatives.

This service involves assisting employees in all of their procedures, from analysing their needs, through monitoring all administrative formalities, to implementing solutions adapted to the loss of autonomy of their relative.

In 2021, 14 employees received support.

Health and welfare and work-related stress

Social protection

In 2011, Nexity established a shared foundation in terms of social protection for its employees to demonstrate its commitment to fairness and its desire to create a social protection system favourable to all employees.

Against the backdrop of restrictions on healthcare spending with legislation relating to top-up health insurance, Nexity increased its minimum welfare benefits in 2017 to include new social protection. Applicable benefits improved again in 2019.

Developed with trade union and employee representatives, who unanimously supported the change, the system is based on high quality healthcare and welfare guarantees and gives prominence to preventive healthcare.

This preventive approach involves the provision of services such as medical tele-consultation, a confidential listening service, return to work support and daily living assistance.

These systems were particularly useful and appreciated by employees in 2020 and 2021 during the health crisis.

In addition, in 2021, breast cancer risk screening, in partnership with Prédilife, was offered to employees between the ages of 40 and 50. In total, more than 250 employees took part.

Awareness of work-related stress

In order to raise managers' awareness of stress-related issues, a training course entitled "Managing personal stress and that of others" is proposed as part of their training, the aim being to develop the specific skills needed to manage situations of stress and tension. In addition, a training module on "Acting on stress" is offered to employees and is open to all those who wish to participate. In 2021, 71 managers and 24 employees participated in these training sessions.

Prevention and safety

In 2021, the Prevention and Safety Department, attached to the Enterprise Risk Management Department (ERMD), continued to carry out its regular missions concerning:

- The organisation of training sessions on health and safety for Group employees;
- Prevention of occupational risks to which employees are exposed, with particular attention to road risk prevention;
- Supervision of the verification of electrical and fire hazards, as well as means of evacuating people from Nexity agencies and premises; and
- Raising awareness of prevention and safety through interventions within all the Management Committees of the Group's Real Estate Development subsidiaries and with the Risk and Compliance Officers.

Protection of employee health in the context of the Covid-19 health crisis

In order to preserve the health of employees, both physically and psychologically, specific measures and arrangements have been put in place:

- During lockdowns, full-time remote working was introduced for all employees whose duties permitted it. In this context, dedicated support was offered to them via training modules on best practices to adopt, in particular in terms of remote management and protection of their personal lives, as well as sharing groups. In addition, employees were regularly reminded about the support mechanisms for their work-life balance (disconnection, counselling service and medical teleconsultation);
- During periods of return to the site, special instructions and arrangements were adopted. A dedicated crisis unit has been set up to answer questions from employees and monitor cases and suspicions. In addition, protective masks and hydroalcoholic gel have been made available to employees. Lastly, work sites have been adapted to comply with the constraints related to the risk of Covid-19 (compliance with distancing rules, regular disinfection of premises, etc.); and
- Information on changes in the applicable health rules is regularly circulated by the crisis unit, after consultation with employee representatives.

3.4.2 Recruiting and developing talent and reinforcing employee commitment

3.4.2.1 Appeal

Various levers are deployed to make Nexity visible to candidates and promote employee engagement, notably:

- An employer brand platform and a new and adapted employer proposition will be rolled out in 2022;
- A digital ecosystem via the careers website, social media and job boards; and
- A strategy for relations with schools

Many partnerships with key schools and universities in the real estate sector have been set up. In addition to recruitment-related actions (forum, job dating), events are organised: site visits when the health context allows (University of Créteil, Marne-La-Vallée, EIVP, etc.), distance learning courses in specialised training courses in real estate (ESTP, ESPI, Université de Paris-Dauphine, Sorbonne). Sponsorship-type partnerships are also set up with the schools, punctuated by Group presentations and conferences by internal experts; “Nexity Master Class”

courses for executives and site visits. Sponsorship-type partnerships are also set up with schools and are marked by Group presentations, conferences with internal experts, “Nexity Master Class” courses for executives, and site visits.

For example, Véronique Bédague, the Nexity Chief Executive Officer, was the sponsor of the GESIIC Master's at the Sorbonne for the 2020-2021 school year; Karine Olivier, the Managing Director of the Services to Individuals division, was the ESPI Lyon sponsor the same year, while Marjolaine Grisard, CSR Director, is the sponsor of the MIDI Master's programme at the ESPI Group for the 2021-2022 school year.

Numerous Nexity Master Classes took place in 2021, with around fifteen sessions carried out by our executives at ESTP, ESPI (Paris, Nantes, Lyon), and the Université de Paris-Dauphine. More than 20 are planned for the 2021-2022 school year.

3.4.2.2 Recruitment

In 2021, Nexity continued its talent acquisition momentum and recruited 2,047 employees on permanent contracts, of which 45% were managers (including Aegide-Domitys). To meet the major recruitment challenges and overcome the difficulties of sourcing for so-called short-term jobs, Nexity

was able to rely on CapRecrutement, its internal recruitment firm. It optimises recruitment efficiency and lead times, strengthening local HR support for managers and helping to improve the candidate experience. This firm enabled Nexity to cope with the tight job market in 2021.

3.4.2.3 Talent and skills development

Induction process

In 2021, Nexity redesigned the overall onboarding experience for all the talents joining the Company; a hybrid experience, co-built with more than 40 employees, to meet their expectations as closely as possible.

This unique Nexity onboarding experience “**Welcome to the City!**” meets three promises: “**Connect, Develop, Perform**” to enable employees to better understand the Nexity universe and to take a new step in their professional life by joining the Group.

An experience designed and lived as a didactic journey, which starts at the signing of the contract with access to a pre-onboarding site and which ends six months after his arrival.

A course that includes essential resources, punctuated by specific events: welcome video conferences by executives; Executive Master Classes; virtual classes to strengthen their real estate culture; dedicated seminars; escape games; afterworks, etc.

Group training

The launch of *La Cité*, in January 2020, responds to the ambition of the Chairman of the Board of Directors to make Nexity “a company where people come to leave their mark on the city, a place where people come to grow and develop”. *La Cité* is for all current and future Nexity employees who want to be active players in their real estate careers.

La Cité is an entity to develop and enhance human capital to serve the Company's sustainable performance. It operates thanks to an open collective of experts, and opens up possibilities in terms of skills development to accelerate Nexity's transformation into a learning organisation. *La Cité*'s DNA is to pool strengths, capitalise on what already exists and work as cross-functionally as possible with all departments on skills development topics to serve the organisation's strategic challenges.

La Cité is also an **experimental and scaleable** system, by capitalising on the actions launched by La Fabrique By Nexity since 2017, and by continuously developing the working methods of employees and managers.

With its “Les Apprentis de l'Immobilier” CFA (apprentice training centre), launched in the spring of 2021, *La Cité* is an open and inclusive certifying structure, from which the entire Nexity ecosystem benefits (employees, managers, executives, associations, students, etc.).

Lastly, it makes it possible to share the Group's expertise externally by developing new training programmes accessible to all, and thus positioning itself as a reference on the topics raised.

In 2021, the Group's training offer was significantly structured and enhanced.

La Cité's objective is to develop a common training base comprising knowledge (group and regulatory training), know-how (base of technical skills outside the business lines) and behavioural skills called "soft skills", *via* training, workshops and a consistent discourse.

The regulatory training on anti-corruption and influence peddling brought together nearly 2,000 additional participants.

Technical training, excluding business lines, necessary for professional efficiency (office automation, project management, time management, cross-functional management, etc.) has been renewed, and the offer dedicated to personal development was enriched with new open-access resources on Campus and during the 2021 training E-Tour.

Two additional dedicated offers complete this offer:

- Managerial training (the Managerial Training Centre);
9 new training courses were added to the offer dedicated to the Group's managers, to accelerate the managerial transformation (Management Fundamentals, Culture and Managerial Rituals, Leader-Boss-Coach Managerial Workshops, Remote Individual and Collective Performance Management, Communicating with Impact remotely, Identify an Employee in Difficulty, Hybrid Management, etc.);
The development of a new platform dedicated to Nexity managers centralises the training offer and the resources made available to them, to make them active in their professional development; and
- Training on strategic topics (Game Changers), serving the skills needs of tomorrow linked to the Group's strategy and thus making it possible to prepare for the future.

The **CSR passport**, the **client satisfaction visa** and new e-learning modules for the **Digital Academy** enhanced the offer in 2020.

In addition, the organisation of 30 **Climate Fresk** sessions will have raised awareness of climate change among executives.

The area dedicated to the evolution of **collaborative methods**, supported by *La Fabrique*, has also been enriched with new useful training courses:

- An "everyday intrapreneur" course to train in field-oriented innovation;
- Project management training revised to better respond to operational challenges and the current hybrid environment; and
- Training in design thinking to complement innovative project methods and approaches.

The Learning Studio of *La Cité*, a video recording space to film experts to disseminate knowledge, made it possible to produce 105 videos, from 26 projects throughout the Group, in which all the HR Departments were involved. The Learning Studio is also innovating, with the production of seven podcasts dedicated to internal programmes.

The second edition in 2021 of *La Cité* E-Tour was one of the highlights of the year.

Over the 11 dates organised, it brought together 1,300 employees in training and nearly 3,000 during the plenary sessions, *i.e.* 45% of employees.

With around ten training themes per date, and plenary sessions to highlight local initiatives that concretely illustrate the service platform, *La Cité* E-Tour is becoming an essential annual ritual.

The launch of the "Les Apprentis de l'Immobilier" training programme, a major achievement in 2021 to further Nexity's societal role and take part in the inclusion of young people.

With two training courses preparing for the "Real Estate Developer" and "Real Estate Advisor" professions, the CFA has 29 apprentices in its first year. There are no less than 28 training modules, developed and delivered internally, involving 42 stakeholders, including 32 Nexity employees.

Mr Alain Dinin's Masterclass was one of the highlights of the year when the CFA was launched.

Obtaining Datadock and Qualiopi certifications closes the 2021 assessment

These certifications, obtained for its apprenticeship training actions, make it possible to certify, on the basis of the single national benchmark, the quality of the training provided by *La Cité* to develop the employability of employees and support the Group's transformation.

Nexity's commitment with all the training players in *La Cité* ecosystem was to make this mandatory certification process an opportunity to professionalise the approach and harmonise practices for the benefit of learners.

In addition, for any training organisation, obtaining Qualiopi certification becomes, from 1 January 2022, the only way to access public procurement and financing from public and pooled funds, which allows Nexity to validate grants in 2021.

On the operational side, in 2021 **career paths and business line academies were enriched**, particularly in the areas of CSR and client satisfaction. These pathways have also been strengthened by integrating regulatory changes and the technological opportunities brought by digital technology.

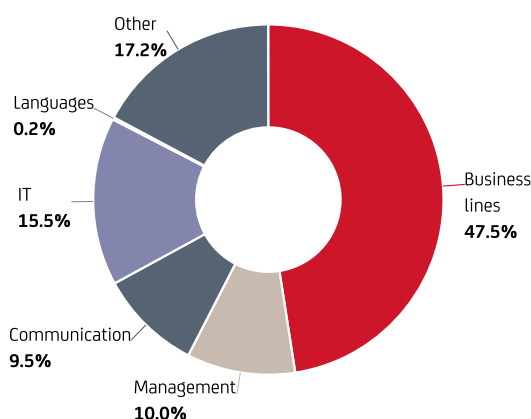
In 2021 Nexity invested €5.4 million in training, *i.e.* 117,339 hours, including 86,850 in remote training, as the Covid-19 pandemic forced the training teams to favour this new format:

- €5.0 million in ongoing training for all of its employees; and

- €0.4 million dedicated to the various costs inherent to the new e-learning platform (CSOD) including maintenance, purchase of licenses and creation of modules.

Given the health crisis, the planned training sessions were mainly held remotely throughout the year.

Breakdown of training hours by area



Development and Performance Interview

The annual Development and Performance Interview is a key ritual in the managerial relationship and the life of the employee in order to strengthen their sense of belonging and commitment by reconciling the quest for meaning and performance.

Conducted by the manager with his or her employee, it makes it possible to take stock of the year by assessing the objectives of the past year, skills and performance. It allows employees to plan ahead with their employees by setting annual objectives to be achieved and defining support needs related to their professional development. It is also an opportunity for employees to share their motivation drivers with their manager and to express feedback on his/her management method.

The rate of interviews carried out in 2021 was 91%. For 2022, the objective is to achieve a rate of 90% of interviews completed.

Development and Performance Interview – Midpoint

The interim report of the DPI offers managers and their employees the opportunity to make a mid-term review and take into account changes in the situation in the setting of objectives for the current year, without waiting for the next DPI campaign. It is also an opportunity to observe the evolution of employee motivations and to discuss possible actions in favour of commitment.

Peer feedback

To encourage discussion and cross-functionality, Nexity has made an online tool available to employees to request and collect feedback from their peers.

To develop the feedback culture, this system makes it possible to contribute to continuous improvement with both internal and external clients and to enrich the assessments already existing in the DPI.

Internal mobility

Internal mobility is strongly encouraged within the Group.

To facilitate access to internal mobility, a “mobility space” has been set up and easily accessible via Nexity’s intranet. It includes job offers open internally, useful documents such as the Mobility Charter, a mobility presentation tutorial, mobility videos, and the list of HR contacts in charge of mobility. Employees can apply for available opportunities and record their job searches in order to receive a notification when a position that meets their expectations is to be filled.

Internal mobility has a positive effect on the organisation and career management policy, it reinforces the sense of belonging and commitment of employees.

In 2021, 311 employees benefited from internal mobility (419 in 2020 including Aegide and 316 excluding Aegide). The share of internal mobility in the permanent contract hires (excluding Aegide) represents 21%.

Career – HR Professional Interview

In 2021, the HR work interview reinforced practices to further support employees’ career paths and promote their commitment and development.

Conducted by the HR teams, it provides an opportunity to discuss their careers and professional plans and to identify the development plans that can contribute to their achievement.

In 2021, 1,775 interviews were conducted by the HR teams.

Talent review meetings

Every year, talent review meetings are held which follow the Development and Performance Interview campaigns. They contribute to the challenges of developing and retaining talent.

The purpose of these Committees is to identify both the potential and risks among the managerial population in order to support employees' career development in a targeted manner.

The Talent review meetings held in 2021 identified 730 potential employees.

The Professional development programme to retain top talent: Next

Sponsored by Executive Management, the programme was launched in 2015. It is an individual Group professional development system for employees identified during the talent review meetings as having a high potential for advancement and high performance within the Group. The Next programme is a comprehensive support system designed to accelerate their careers. In addition to the visibility they benefit from, the Next programme gives them the means to move on to higher-responsibility positions,

with the tools they need to progress and develop within the Group.

Around its two central themes, which are management and new collaborative methods, the Next programme serves several purposes:

- Developing the network: by building a community of managers and transformative agents to increase cross-functionality and agility and create business opportunities;
- Developing agility: by understanding innovative managerial practices and collaborative methods (for the benefit of internal teams and clients); and
- Developing cross-functionality: by developing Nexity's vision as a service platform. This allows us to better understand the Group and the possible career development opportunities while creating new synergies.

In 2019-2021, the programme had 30 employees (of which 47% were women) who joined the Development Centre. Since its creation, 140 high-potential employees (36% of whom are women) have taken part in the programme in five groups representing all Nexity divisions.

3.4.2.4 Fostering a culture of societal responsibility

The purpose, an expression of the CSR culture

In 2020, Nexity decided to have a corporate purpose, Life Together, (see the "Life Together" introductory section of this Universal registration document), a driving force and consistency factor for the Group's CSR actions. The range of solutions, products and services aims to facilitate or create this life together, at the scale of a home, an office, a building, a street or a neighbourhood. As part of a shared progress approach, living together brings together employees around a common project, to become a real transformation accelerator for all business lines. It forms the basis of the Group's know-how, culture and values, and inspires the way it works with clients and partners.

Achievements in 2021

In 2020 Nexity developed a more systematic strategy to accelerate the consideration of CSR issues in its various business lines by making all its employees active participants, to promote the transition to a shared responsibility approach, both individual and collective. The various actions planned are developed by the CSR Department in conjunction with the Human Resources Department, *La Cité* and the three internal training academies for the Group's various business lines. The roll-out of these actions continued in 2021.

Raising awareness and informing in CSR: another way to give meaning and build loyalty

Launched in April 2021, the "CSR passport" was designed for all Group employees. This 30-minute e-learning module presents all of Nexity's CSR commitments. In 2021, 5,103 employees obtained their CSR passport, *i.e.* nearly 57% of the workforce.

In line with the CSR passport Nexity has launched several "Visas":

- The "eco-renovation visa", a mandatory training course for 1,000 Real Estate Services for Individuals employees (agency directors and managers, managers, condominium managers, assistants) giving them all the keys to renovating a building;
- The "Client Satisfaction Visa" designed primarily for Residential Real Estate and Real Estate Services to Individuals employees but open to all employees to raise awareness of the importance of client satisfaction in their daily lives, regardless of their profession. 3,265 employees obtained this visa in 2021;
- In early 2022, a "Building in wood Visa" was launched. Intended for technical professions but open to all employees, a 30-minute training module, as well as virtual classes, allows them to find all the information on wood-frame construction and its challenges at Nexity.

Professionalise: training and business communities on CSR topics

In 2020, Nexity developed a dedicated training course on greening residential and tertiary projects for employees concerned by nature in the city and impacts on biodiversity. At 31 December 2021, more than 850 employees had been trained. In addition, a collaborative space, a centre for the exchange of experiences and shared resources, was created in September 2020 on this theme to actively lead a community that now has more than 450 members.

For low-carbon design, operational staff have been continuously trained since 2018 by the CSR Department in the use of the *Carbone Pro* tool, enabling them to independently carry out the greenhouse gas (GHG) assessment of their real estate projects. In 2020, the focus was on the thresholds of the E+C- experiment launched in 2016, to anticipate the implementation of the future RE2020 Regulation.

Raising awareness among executives and managers about the challenges of climate change

In 2021, all members of the Executive Committee and nearly 480 managers and employees took part in the Climate Fresk for a total of 1,458 hours of training. This is a collaborative workshop where participants jointly construct a fresco summarising the mechanisms of climate change as explained in the IPCC reports.

3

3.4.3 Promoting inclusion and equal opportunities

Nexity aims to ensure that the principle of non-discrimination is observed, both during the recruitment process and for the full duration of the employment contract.

Any decision based on non-professional grounds or prohibited subjective criteria therefore is prohibited for ethical reasons, and to properly manage the image risk arising therefrom.

The Group therefore views inclusion and equal opportunities as a means of progress, and believes that the Company's performance is enhanced by the diversity of its staff. For this reason, it aims to boost diversity and inclusion measures, sources of rewards and greater commitment, based on three priority areas:

- Gender equality;
- Employment of people with disabilities; and
- Social and cultural diversity.

To ensure best practice as part of a continuous improvement mechanism, Nexity is a member of the French Association of Diversity Managers (Association Française des Managers de la Diversité – AFMD) and the Diversity Observatory (Observatoire de la Mixité). It participates in the various events organised (conferences, workshops, sponsorship programme, etc.).

In addition, Nexity used a questionnaire to collect all of its employees' opinions and expectations about the application of principles of diversity within the Group. More than 1,300 employees answered. A charter of concrete commitments was drawn up on the basis of the results obtained, called *Ensemble pour l'inclusion* (Together for Inclusion). It was signed by the Executive Committee and approved by all Nexity managers. It was submitted for approval by all the employees and will be included in the employment contract of new recruits.

An Inclusion Committee, whose members are Group employees located throughout the country, was created in 2021 to enable all employees, regardless of their region and their division, to benefit from local contacts in order to have easier access to inclusion schemes. The members of this Committee are responsible for:

- Local feedback: sharing of useful information, answers to employees' questions;
- Local player: participation in the deployment of Nexity's inclusion policy; and
- Ambassador: representation of Nexity's values internally and externally.

In addition, Nexity is now a signatory of the Charter of l'Autre Cercle, a French association that works for the inclusion of LGBT+ people in the professional world.

3.4.3.1 Strengthening the Group's commitments to gender equality

Nexity is particularly aware of the need to promote gender equality. For this purpose, the workforce structure is regularly monitored and analysed.

62.4% of our workforce is female (including 44% management-level staff and 56% non-management staff), and 37.6% male (including 74% management-level staff and 26% non-management staff).

50.3% of management-level staff are men and 49.7% are women.

In 2017, an action plan on gender equality and diversity, with quantified targets and specific measures, was drawn up. This plan, approved by the Board of Directors on the proposal of the Remuneration, Appointments and CSR Committee, has achieved real results:

- The objective of 35% women within Club 1797 was achieved in 2020 (23% in 2016);
- Nexity joined the Bloomberg Gender-Equality Index for the 3rd consecutive year; and
- Nexity improved its ranking in the ranking of women in the governing bodies of SBF 120 companies by moving from 47th to the 32nd place.

In order to sustain these results, a new action plan for 2023 has been drawn up. It aims to:

- Increase the number of women in management bodies and in jobs more traditionally held by men:
 - maintain at least 40% of women on the Executive Committee,
 - reach 40% of women within Club 1797,
 - reach 50% women among potential talents;
- Maintain equal pay between employees with equivalent positions, skills and backgrounds;
- Raise awareness among managers and intensify communication with employees; and
- Ensure work-life balance.

Ensuring equal pay for employees with equivalent jobs, skills and backgrounds

An audit carried out in 2021 confirmed that Nexity respects equal pay for men and women.

Moreover, when the 2021 salary reviews were carried out, the relevant managers were reminded of the principle of non-discriminatory pay by means of a framework memo, stating the principles of Nexity's remuneration policy, notably with regard to equal pay.

In addition, in accordance with the decree implementing the *Avenir professionnel* Act (Professional Future Act), the Nexity group entities concerned in terms of their workforce have measured the indicators defined by the "Gender-Equality Index", presented in Section 3.4.1.1. "Remuneration" in this chapter.

Increase the number of women in management bodies and in jobs more traditionally held by men

In order to achieve its quantitative targets in terms of increasing the number of women in management bodies, Nexity is continuing its actions: **internal network of discussions and work**, set up in 2018, is now composed of more than 100 members, women and men from all of the Group's business lines. Its purpose is to promote gender equality in the workplace, to help to implement practical and innovative actions and to share experiences and best practice.

To **support women in their career progression**, there has been a specific focus on identifying high-potential employees and candidates for the talent development and future executives training programme (Next); 53% of the intake was female.

Building on its success, the **mentoring** programme, set up in 2020, was continued in 2021 for the benefit of nearly 20 female employees. The aim is to give them the benefit of advice and experience from mentors in order, in particular, to develop their network, take stock of their professional career and identify opportunities.

In order to ensure that women are represented when **recruiting executives**, all new contracts entered into with recruitment firms include a clause whereby the shortlist of candidates must be in proportion to the number of female applications received, and consistent with the proportion of qualified women in that particular business sector.

Raise awareness among managers and intensify communication with employees

To make some of the Group's business lines which tend to be occupied by men more accessible and attractive, videos are shown containing testimonials of female Nexity employees working in field workstations.

Several communications were published in 2021 on Nexity's social network to raise employee awareness of gender equality. In addition, a communication campaign dedicated to inclusion and including a gender equality component for employees continued in 2021. It took the form of regular communication bulletins on the theme of inclusion.

Ensure work-life balance

In addition to the actions implemented to promote quality of life at work, Nexity encourages its employees to take paternity leave by offering 100% salary maintenance and encouraging them through a communication campaign.

3.4.3.2 Promoting the employment of people with disabilities

At 31 December 2021, the Group employed 179 people with disabilities in France. On a like-for-like basis, there was an increase of 19% year-on-year. This is due to the various communication and awareness-raising actions carried out and the support of employees by Mission Handicap.

Nexity is also committed to the inclusion of people with disabilities. To this end, partnerships have been forged with:

- The Élise and Cèdre networks: collection and recycling of office waste;
- Les Ateliers Denis Cordonnier: digitisation of receipts and expense reports;
- The disability-friendly company ATF Gaia: reconditioning of IT hardware; and
- The disability-friendly company ANRH: scanning of documents.

Nexity's disability policy makes use of two main areas of action raising awareness and supporting employees.

Raising awareness among employees

Committed to inclusion, Nexity launched a major awareness-raising campaign in 2020 with the firm PiDieM, a specialist in disability in companies with the aim of raising awareness among employees but also to collect their opinions and their perception on the subject.

Thanks to the mobilisation of everyone, the information collected made it possible to define a targeted action plan to promote the employment and support of people with disabilities. Thus, five areas were highlighted:

- Strengthen support for employees with disabilities;
- Intensify and harmonise the policy;
- Raise awareness among employees and managers;
- Increase the dissemination of the disability policy; and
- Recruit employees with disabilities.

In addition, in 2021, Nexity wanted to go further by strengthening and harmonising the existing systems for all Group employees:

- 3 days of authorised paid absence to carry out medical examinations or administrative procedures related to recognition as a disabled worker
- CESUs of €750 for employees with disabilities or their beneficiaries;
- Granting of an additional teleworking day; and
- The payment of an allowance of €1,200 for any new recognition of the status of disabled worker.

In addition, on the strength of its success, a new interview campaign with PiDieM was launched in the entities that were unable to take part in 2020.

Finally, as part of the European Week for the Employment of People with Disabilities (SEEPH), various actions were launched:

- The provision of a platform enabling each employee to carry out a self-assessment, completely anonymously, in order to identify any stereotypes and unconscious reactions to disability;
- The organisation of an online conference on innovation to introduce employees to new technologies dedicated to making life easier for people with disabilities, and
- The organisation of awareness-raising workshops, at the three main sites, led by a disability expert, allowing employees to test different technologies.

In addition, testimonials from employees who have benefited from the support of the Disability Mission are regularly posted on the Nexity Live social network to share their experience with all Group employees.

Employee support

A Disabled Persons Contact was appointed in November 2017 to improve employee support on all disability-related matters. His or her duties include:

- Inclusion and support of employees with disabilities;
- To provide guidance to people with disabilities and assist them with various processes; and
- To listen to them and ensure that any information shared remains confidential.

In 2021, 71 disability status recognition certificates were issued, and 33 employees benefited from adjustments to workstations, a specific assessment or a subsidy enabling them to cover all or a significant part of the costs. All these actions contribute to improving the daily working conditions of persons recognised as having disability status, and to improving their well-being at work.

In addition, 42 employees have benefited from the financial assistance set up by Nexity since 1 January 2020.

3.4.3.3 Developing social and cultural diversity

The Group, in conjunction with the Nexity Foundation, made a commitment in 2018 to open its doors to interns from grade-9 class, in particular from QPV priority urban planning districts.

Due to the health crisis, the reception of interns could not take place during the 2020-2021 school year. The campaign for the current school year has already enabled nearly 100 interns to discover Nexity's business lines.

In addition, 9 young people from disadvantaged neighbourhoods were sponsored in 2021 through the partnership with the Institut Télémaque and 38 through the Second Chance School.

The Nexity Foundation also continues to deploy its actions in favour of young people between the ages of 14 and 26, particularly from urban priority neighbourhoods and from modest backgrounds, by forging partnerships with recognised associations for equal opportunities. In 2021, more than 16 associations were supported by the Nexity Foundation by mobilising €369,000 in financial allocations.

Positioned as an operating company foundation, it develops, in partnership with associations or directly, around fifteen programmes aimed at supporting young people in their education. In 2021, projects focused on the issue of dropping out of school to meet the increased need of students who have followed their courses remotely.

In addition, the Nexity Foundation continued to run youth programmes through job discovery events and the organisation of career guidance workshops with the public of partner associations, thus providing guidance to 179 young people. More than 110 employees are involved in these actions.

The various actions taken by Nexity have been praised by its employees, 90% of whom consider that the Group treats its employees fairly regardless of their gender, age, origin or sexual orientation (Great Place to Work survey).

3.4.3.4 Additional information

Compliance with conditions for the use of subcontractors

The Group remains particularly vigilant with respect to its use of subcontracting and its compliance with legal provisions relating to both the working conditions as well as the safety of all personnel. Prior to signing any agreement with subcontractors, the Group systematically verifies that the subcontractors are not in arrears with their social security contributions. The managers of these firms are required to sign a sworn affidavit stating that they do not employ any unauthorised workers. These measures are set out in the Code of Conduct, which can be accessed on the Company's social network by all Group employees.

Compliance with the organisation and management of working hours

Each company or group of companies belonging to an Economic and Social Unit (UES) has its own specific arrangements for organising and managing working hours, laid down in a collective bargaining agreement, in particular by type of business and the terms of any applicable agreements. They depend upon an employee's status and level of responsibility.

Compliance with ILO conventions

Nexity only operates in countries that have ratified the ILO's eight fundamental conventions and complies with the regulations in force in those countries.

Similarly, the various recommendations of the ILO and international conventions prohibiting child labour are respected: Nexity does not employ any minors, except occasionally for internships or apprenticeship contracts.

Compliance with legislation on employee representative bodies

Each entity in the Group has a Social and Economic Committee (Comité social et économique – SEC) and Trade Union representatives, depending on the size of its workforce.

These bodies have clearly defined powers and their members are consulted and informed on a regular basis about the implementation of projects concerning the situation of employees within the Company.

Overall, Nexity has more than 124 employee representatives (including both the appointed representatives and their alternates) spread across 8 organisations, at companies where this is justified by the headcount in accordance with legal requirements, and 19 trade union representatives:

- Employees of the companies are informed and express themselves collectively in particular *via* **Social and Economic Committees** (SEC). The Nexity group has eight SECs (UES Nexity Promotion Construction, UES Nexity Property and Services, UES Nexity Lamy, Perl, iSelection, Service Personnel, Accessite and Moreau Experts). Nexity's contributions to the Group's various SECs for social and cultural activities in 2021 totalled €2.5 million. The total operating budget for the various SECs came to €0.8 million;
- Three **trade union** bodies are also represented within Nexity group;
- A Health, Safety and Working Conditions Committee (Commission Santé Sécurité et Conditions de Travail – CSSCT) has been created within three SECs (Nexity Promotion Construction, Nexity Lamy and Nexity Saggel Services) to discuss these matters. However, these Committees are part of the SECs and are not bodies in their own right, as was the case previously for the Committee on hygiene, safety and working conditions (Comité d'hygiène, de sécurité et des conditions de travail – CHSCT);

- Local representatives have also been appointed for certain entities (Nexity Promotion Construction, Nexity Lamy, Nexity Property and Services, Perl & Accessite). Their discussions with local management make it possible to take account of employees' issues; and
- At Group level, a **Group Works Council** was set up by collective agreement on 21 November 2008 and its members were most recently renewed in July 2020. This body serves as a forum for dialogue intended to ensure the effective exchange of information between Group Management and employee representatives. The Group Works Council thus receives information about the Group's business activities, financial position, employment trends and outlook.

Taking into account the importance of induction at all Nexity structures, the decision was made in April 2016 to broaden access to the Group Works Council by introducing observer seats for companies with their own Works Council but no members of the Group Works Council. Executive Management and the Group Works Council meet more than three times a year. When the most recent renewal took place in July 2020, and in order to take into account the reform of employee representation, it was decided – in agreement with the trade union and employee representatives – to maintain observer seats for companies with a Social and Economic Committee representing more than 90 employees.

Social dialogue

Minimum welfare benefits

At Group level, a programme of minimum welfare benefits for all employees, which currently comprises social protection guarantees, employee savings schemes (PEG, PERCOLG and a Group profit-sharing) and the establishment of an employee representative body, the Group Works Council, has been developed in order to consolidate Nexity's commitment in terms of fairness, solidarity and promoting collective performance.

Since 2021, these minimum welfare benefits have been extended with the conclusion of an agreement on the Management of Jobs and Career Paths (GEPP).

Collective bargaining agreements signed in 2021

In 2021, collective bargaining agreements negotiated at the level of Group entities mainly concerned the following topics:

- Group profit-sharing scheme;
- Quality of life at work;
- Employee savings scheme;
- Employee representative bodies;
- Creation of a UES; and
- Wage negotiations.

3.5 CROSS-CUTTING ISSUES: GOVERNANCE AND ETHICS, CLIENT SATISFACTION, RESPONSIBLE SUPPLIER RELATIONS, INNOVATION

The three pillars of Nexity's CSR strategy presented in paragraph 3.1.1.1 "The Group's CSR Strategy" of this chapter, are driven by cross-functional issues with a strong impact on the efficiency of the actions implemented and are subject to steering *via* objectives. Thus, it is necessary to

have an open and responsible governance, but also to produce goods and services that satisfy clients and, lastly, to produce them within the framework of balanced partnerships with suppliers.

3.5.1 The main strategic objectives related to cross-cutting issues

Objectives	Maturity	2020	2021
100% of classic homes with integrated services (Eugénie)	2024	18%	31%
100% of employees made aware of the prevention of corruption and influence peddling	2021	69% ⁽¹⁾	69%
100% of company officers and top management of the Group trained in the prevention of corruption and influence peddling	2021	N/A	85%

(1) Scope excluding Ægide-Domitys.

3.5.2 Promoting open and responsible governance

Having a governance that is open to dialogue with stakeholders and applying best practices in ethical terms is a major issue for Nexity.

Issues related to corporate governance, such as the number of women in management bodies or the independence of directors are discussed in detail in Chapter 4 "Corporate Governance report" of this Universal registration document.

Business ethics issues are managed within the Group by the Compliance Department and cover areas such as the

prevention of corruption and influence peddling, the fight against money laundering and the financing of terrorism, lobbying activities, the fight against tax evasion and data protection. These different themes are discussed in Section 2.3 "Business ethics and regulatory compliance" in Chapter 2 "Risk Management" of this Universal registration document, in addition to the duty of care, discussed in this chapter.

Dialogue with stakeholders is presented in Section 3.1.1.3, "Dialogue with stakeholders" of this chapter.

3.5.3 Improving client satisfaction and boosting client support

Nexity's commitment to ensuring client satisfaction addresses the risk of dissatisfaction with the quality of the product/service provided. The intrinsic quality of the products/services, the organisation put in place to ensure

an exemplary client experience and the ability to anticipate new uses, enable the Group to create the opportunity for clients to stay, return and recommend Nexity.

3.5.3.1 A commitment to client satisfaction

Individual Clients

The **Client Satisfaction Department** covers all Nexity business lines dedicated to individual clients and is structured around four divisions:

- The Measurement and Projects division, responsible for deploying a system for listening to clients throughout the process and managing client relations tools, as well as deploying an ambitious "selfcare" policy;
- The Client Experience Management division which introduces, trains and manages employees towards a client-centric outlook, in particular with the back-up of the Client Experience officers from each subsidiary;
- The Quality division is in charge of improving the quality of delivery of the Group's housing through the implementation of an internal quality process involving systematic and regular controls; and
- The Complaints and Loyalty division is in charge of processing requests and complaints sent to the head office.

This new organisation involves all of the Executive Managements and Regional Managements of the subsidiaries and agencies.

The business lines involved in improving client satisfaction have tools, reporting and management methods designed for this purpose:

- **A client listening system for all individual clients.** This system is used with owners of new and existing properties, tenants, landlords and co-owners. This listening system makes it possible to measure the level of satisfaction of individual clients, by business line, by subsidiary and by agency. It enables Nexity to standardise client satisfaction indicators and increase the recurrence of data collection in order to identify any areas of weakness and implement corrective action plans in the relevant areas;

- **A Client Satisfaction Action Plan (PAS)** in order to improve the client satisfaction level for each type of client and throughout their experience. In Residential Real Estate, the PAS 2021 programme has increased the overall satisfaction of clients who buy new homes throughout their experience (CSAT);
- **Client Experience frameworks** composed of an e-learning module and a client experience framework presenting all the best professional practices to be applied at each stage of the client experience;
- **A training programme for all employees.** In 2021, more than 3,455 employees obtained the Client Satisfaction PASS and a Client Relations Academy for Residential Real Estate was created to spread a client-centric culture within the Group;
- **An enhanced self-care policy to meet the autonomy needs of clients.** To this end, a Help Centre has been redesigned, enhanced and updated to enable the Group's client to find the answers to their everyday questions. Similarly, the MyNexity private client space continues its growth to become the preferred relationship channel for all clients; and
- **A process for handling and processing requests and complaints** was set up to allow centralised monitoring at Group level in order to track and manage everything in order to provide ever faster and more effective responses.

As the leading real estate services platform, client satisfaction is a strategic issue for Nexity. As a pillar of the transformation plan, the Group is committed to improving the quality of service for all its clients on a daily basis with the ambition of becoming a brand of choice for all real estate services. For this, Nexity launched a comprehensive client-focused satisfaction programme, called "Client Smile", which aims to promote a client-centric culture within the Nexity group. It will be rolled out regionally and will enable it to meet its clients' expectations, to support them in all their real estate projects, while adhering to a

sustainable and responsible approach. Client Smile is based on three main pillars: listening to clients and employees to give them equal attention, the training of managers and employees and the digitisation of the client relationship.

Moreover, Nexity confirms its commitment to our clients by increasing client satisfaction by +1.6 points between 2020 and 2021, proving that all our actions promoting client satisfaction are having an effect.

In January 2022, Nexity rose to the 7th place in the annual ranking of client relations carried out by the consulting firm, The Human Consulting Group, for the newspaper *Les Echos*, which represents an increase of twenty places in one year.

An internal system was launched in the Real Estate Services for Individuals division (leasing, transaction, managing agent services and management) in order to maintain communication and transparency with clients during the Covid-19 health crisis: visits to rental properties by video (Clicloc system), personalised emails to keep clients informed, and holding remote annual meetings of condominium property owners. Likewise, the entire business relationship has been switched to “full digital” for Residential Real Estate to ensure true business continuity: sales advisors and remote advisors working remotely, remote meetings *via* video-conference, electronic contracts and signatures and electronic registered mail, etc.

Beyond the implementation of the measure to adjust the quality of service in real time, Nexity will set up a CRM platform in 2022 that will be extended to all Individual Clients business lines. The CRM technology deployed will be one of the key tools in the coordination of the Nexity service platform to enhance client satisfaction and business performance.

- Streamlining and simplifying client journeys;
- Better recognising the clients, regardless of the point of contact; and
- Collecting all information about the satisfaction and dissatisfaction, whether expressed or not.

To improve the Group's business performance, the work focuses on the following:

- Better anticipating the clients' moments of truth throughout their real estate life, through predictive tools;
- Adjusting the relationship intensity to the right level to maintain contact with clients over time; and
- Facilitating the handover between the different business lines when a client requires it.

Commercial Clients

Nexity Entreprises is the broadest range of real estate services dedicated to Commercial Clients with the aim of meeting clients' transformation and investment challenges across the entire real estate value chain.

In an ongoing quest for improvements, in December 2021, Nexity Entreprises launched client satisfaction surveys focusing on its three traditional business lines: management (Nexity Property Management), real estate development (Nexity Commercial Real Estate) and space planning (Nexity@Work Aménagement).

These surveys took two forms: a digital satisfaction questionnaire, and the organisation, for the accounts identified as key, of a face-to-face interview conducted by the IPSOS on the basis of a framework co-written with the operational teams. Despite a good return rate (between 10% and 25%), the number of responses remains too low to identify trends and reminders will be sent out.

In order to provide more qualitative feedback to the various entities, a project to transform the satisfaction surveys is underway. The new measurement of client satisfaction will focus on two areas:

- As the number of responses to the questionnaires does not show trends, it is planned to **give more importance to interviews** measuring client satisfaction, in order to be able to provide more concrete feedback to the entities;
- **Increased support for Nexity Entreprises CRM**, now available to the following subsidiaries: Nexity Entreprises, Nexity Property Management, Nexity@Work Aménagement et Experience, Nexity Solutions Foncières and Nexity investor client division. The use of CRM will make it possible to monitor the change of a client's satisfaction over time, but also to send surveys at the various key moments of a project, and not only at the end of the year.

3.5.3.2 Special attention to product and service quality

Residential Real Estate Development

For many years now, Nexity has delivered high-quality products, thanks to the implementation in 2011 of a systematic and regular internal **quality process**.

Known as “L-4/L+4”, it covers all developments carried out by all Nexity Residential Real Estate Development subsidiaries in France. Nexity’s quality slogan “Ensure, Deliver and Complete” corresponds to the three key stages of the process: before delivery, during delivery and after delivery.

The Quality Department, reporting to the Client Satisfaction Department since June 2021, is responsible for monitoring production and deliveries.

This independent and autonomous entity travels throughout France and inspects the developments during the different phases of construction to ensure the quality of both the private and common areas, in order to guarantee a high level of quality to the Group’s clients. The quality visits on developments are carried out at different stages of the construction process:

- Four months before delivery (L-4): to confirm that the state of progress is consistent with the envisaged delivery date;
- One and a half months before delivery (L-1.5): to check the completion of the project before going on to the “pre-deliveries” phase with clients;
- On the day of delivery: a third visit is carried out to verify that the procedure for delivery and the handing over of the keys to clients is in place; and
- Finally, a quality assessment four months after delivery (“L+4”) is organised, in order to review with the project team the status of the remaining reservations, the progress of matters referred to the after-sales service, and the completeness of the documents to be sent to the condominium management.

The client satisfaction rate is a key indicator that measures the satisfaction of our clients after deliveries. This is why in addition, a Quality Dashboard (TBQ) listing the average number of reservations of each subsidiary’s projects and the average time taken to lift these reservations is produced monthly. The TBQ is communicated to the Management Committee and to all subsidiaries’ management.

The objectives set by Nexity are:

- A ratio of less than three reservations (on both the private and common areas); and
- An average period for lifting reservations of 65 days maximum.

Since making the commitment in 2017, the Group has met its target of fewer than three reservations.

The **health context** strongly impacted the quality process. It led the DQPL to carry out some of the visits remotely and to anticipate its visit schedules to help better control overall project lead times despite the pandemic situation.

To provide its clients with the full benefit of its **service platform** from 2020, Nexity strengthened the synergy between the Development and Services business lines in 2020.

In 2021, the Group continued to roll out the “IR/SIP challenge” at the national level, an initiative led by the DQPL with the support of regional representatives. It is intended to identify ways of improving the rate of renewal of managing agent contracts after the first year of operation, on the basis of a regulation filed with a bailiff. Autonomous teams, composed of three people (condominium manager, programme manager and after-sales service manager), aim to renew the condominium management’s term of office at the end of its first year. This challenge naturally contributes to client satisfaction.

Between 2020 and 2021, this initiative involved 85 condominium management terms of office. Of these 85 challenges, 45 have already been won, 6 have been lost and 34 are still ongoing. This corresponds to a renewal rate of 88% for terms of office completed and included in the challenge.

Today, thanks to its maturity, Nexity’s quality process is a source of pride. It is presented to local authorities and individual clients as a guarantee of reliability, providing full satisfaction to buyers and also contributing to the Group’s reputation.

Tertiary development

Nexity Commercial Real Estate guarantees the quality of the buildings both in terms of the perfect match between the building and the client’s expectations and their environmental and technical performance. Nexity supports its clients over the long term, from project design to delivery and beyond, during the first years of the building’s life.

Nexity has a broad service platform to better anticipate transformation needs and development of its tertiary clients by offering an upstream consulting service linking the organisational choices of a company with the definition of the organisation of its premises, with a forward-looking vision of future uses.

Concerning the design/construction phase, each development is subject to different environmental certifications which, through audits at different stages of the project, guarantee the quality of the building in accordance with local, national and international standards (HQE, Effinergie, BBCA, E+C-, BREEAM, Mediterranean Sustainable Buildings, *Bureaux Durables Grand Lyon*, C2C, etc.). Certain labels relating to the well-being of occupants (Well, Osmoz) and the performance of facilities (Wired Score) are sought, in consultation with clients, for certain programmes.

Nexity Commercial Real Estate **closely involves** its clients throughout the entire construction process through regular discussions. These monthly meetings are held with the investor and, where applicable, future occupants. They systematically give rise to visits and allow the validation of all materials and equipment used on the project, as well as the planned prototypes and demonstration spaces. Clients, who are stakeholders in the entire construction process, are thus assured of perfect compliance of the building delivered with the work described in the sales instructions.

Finally, **client support** does not end with delivery. The Programmes teams, who are completely familiar with the building, having monitored its design and construction on a daily basis, remain mobilised for several months after the occupants have taken possession of the premises. They are supported by a team that specialises in monitoring regulatory guarantees for more than two years and until all reservations have been extinguished, resolving any problems arising from perfect completion and correcting any malfunctions in the facilities.

3.5.3.3 Preserving the well-being and health of occupants

Connected housing and green mobility for the well-being of occupants

Thanks to its Eugénie app, Nexity enables residents of its housing units ⁽¹⁾ to manage their connected equipment for more frugality and safety (blackouts, alarms, boilers), independently or *via* scenarios corresponding to their way of life, but also to contact their neighbours or to receive news from their residence or neighbourhood. Since the launch of the approach, 4,965 housing units have been delivered equipped with the Eugénie app, including 2,569 in 2021.

For their part, all Studéa student residences are connected by dedicated FTTO optic fibre. Residents can thus benefit from the connected services offered by the Group's subsidiary and its partners such as workshops on various themes (budget management, prevention against risks in the living area, nutrition, etc.), online sports training or even access to a digital educational library and a personalised learning experience.

To better integrate its developments into urban life, and given the role transport plays in greenhouse gas emissions, Nexity wishes to support efforts to reduce the carbon footprint of its developments by becoming involved in the acceleration of new related uses. Thus, shared and low-carbon mobility is one of the services that Nexity offers within its projects, through the provision of bicycle garages that can be equipped with electric charging stations to support the emergence of this new mode of transport, but

Services/Commercial Clients

Nexity is also leveraging its extensive services platform by developing and systematising on its latest developments a commissioning system which mobilises the skills of its Property Management teams to monitor the building's technical and energy performance at key construction stages. The operation of the building, upon delivery, is thus fully implemented.

also with the development of partnerships with bike-sharing, car-sharing and shared parking players: one residence offers a car-sharing service and four student residences and an office building have shared car parks. Nexity has also built and since 2020 has deployed an approach to equip condominium properties with electric charging stations, working with specialist partners. The same approach was applied to Commercial Real Estate to accelerate the deployment of charging stations in office buildings.

In 2022, Nexity will join the Bycycle initiative, which aims to bring together, train and encourage real estate players to promote cycling, improve the quality of life of residents and reduce the carbon footprint of mobility.

Residents' health, a major issue

Each individual spends 80 to 90% of his or her time in an enclosed space (housing, schools, offices, etc.), where the air can be just as polluted or even more polluted than the air indoor. As a result, indoor air quality is currently a major public health concern.

The inconveniences caused by various factors damaging the air quality, (in particular the non-circulation of air, external or internal pollution from DIY and cleaning products, construction materials, as well as furniture and decorative products), can range from mere discomfort to more serious chronic pathologies (asthma, cardiovascular diseases, cancers, etc.).

1) The Eugénie solution is systematically installed in standard housing, *i.e.* housing delivered in 2020 excluding Édouard Denis, Ægide-Domitys, PERL, intermediate housing and social housing.

With this in mind, Nexity has been working since 2015 to develop a protocol for the construction of its housing units using a quality process from design, to delivery, right through to daily use by the occupant. The process involves selecting products and equipment labelled A+, implementing technical solutions favourable to indoor air quality during construction, introducing sampling controls upon receipt of the works, and giving clients a guide to best practice for using the home. In the long term, an app will be introduced to monitor and maintain good air quality, using interior and exterior air quality sensors.

Having succeeded in implementing an effective monitoring protocol, after several tests with audit, from 2020 onwards, Nexity has included an “increased air quality” strategy in all building permits filed for housing. The strategy has five guideline values, based on ANSES (French Agency for Food, Environmental and Occupational Health & Safety) and WHO recommendations, that must be adhered to.

The psychological distress of students is a subject of concern that has increased during the health crisis. The free online psychological consultation service, made available to 15,000 Studéa tenants in 2020, was once again rolled out from September 2021.

3.5.4 Increasing responsible purchasing and improving supplier relations

3.5.4.1 Responsible purchasing policy and supplier assessment

To limit these risks, Nexity has implemented a responsible purchasing strategy and, since March 2018, a Supplier Ethics Charter, which sets out the Group’s expectations of its suppliers and their subcontractors in terms of environmental protection, health and safety, human rights and fundamental freedoms.

Supplier assessment process

In 2020, the Group began to gradually roll out its procedure for assessing suppliers and subcontractors. This approach aims to identify and manage risks before any contracts are entered into and then throughout the commercial relationship. Initiated several years ago, the assessment is part of a process of continuous improvement. It is based on a procedure and specific tools, such as the supplier and subcontractor assessment questionnaire, or the Supplier Ethics Charter, updated in 2021. The two documents address the risks of corruption and influence peddling (Sapin 2) and those related to the environment, personal health and safety as well as human rights (duty of care).

In 2021, 71% suppliers listed by the Residential Real Estate Purchasing Department were subject to the questionnaire.

The action plans for suppliers identified as strategic will be rolled out in 2022.

Prevention and safety on construction sites

Concerning service providers on construction sites, in 2021, the Prevention and Safety Department carried out numerous site safety visits in the region. All the residential and tertiary development subsidiaries were visited and an overall assessment was made of the management of the joint venture but also of the internal processes of the companies involved in order to further reduce the professional risks inherent in their business activity. At the end, an action plan was drawn up and approved by executives to reduce the discrepancies observed over time and always improve the level of safety on construction sites.

The PSD has also launched an approach to support development subsidiaries in improving the reception phase of equipment and facilities contributing to the fire safety of large residential real estate complexes (3rd family B and 4th family). It will continue this approach in 2022.

3.5.4.2 Environmentally responsible sourcing

In 2019, Nexity set up internal working groups bringing together representatives of the Production and Cost Management Department (DPMC), the CSR Department, and the Residential Real Estate subsidiaries to improve environmental performance across all housing ranges. In addition to the work carried out on carbon and energy

performance, which mainly concerns construction materials and energy vectors, there is a focus on finishing elements that can save water and energy, improve air quality or reduce waste. These discussions resulted in the creation of a minimum group of environmentally responsible products considered to be the “obligatory basis” in housing units.

3.5.4.3 Supporting VSEs/SMEs

The majority of purchases from companies (excluding intellectual services contracts) made by the Residential Real Estate Development division are from VSEs/SMEs. Through this majority use of local players, the Group regularly provides significant support to the economic fabric of the regions. These companies constitute a network of partners essential to the Group's production while maintaining or even creating jobs, depending on the activity.

Given the economic consequences of the health crisis, at the beginning of summer 2020, Nexity signed a charter with its VSE/SME partners to provide long-term support for economic recovery, by committing to:

- Giving companies a backlog depth to help them with business planning;

- Supporting any additional construction costs directly related to the application of the new health standards attributable to Covid-19;
- Reducing payment times to support the cash flow of VSEs/SMEs; and
- Supporting VSEs/SMEs in their growth through mentoring and training.

On this last point, a first partner morning session took place at the end of 2020 on the themes of "a real estate project in brief" and "safety on construction sites".

3.5.5 Anticipating changes in uses through our innovations

Nexity has an innovation policy based on three main areas:

- The dissemination and stimulation of innovation at all levels of the Group;
- The incubation of new real estate business lines; and
- Investment as a strategic tool.

These elements are detailed in Section 1.9.2 "Innovation" of this Universal registration document.

3.6 SUMMARY TABLE OF CSR INDICATORS

Unless otherwise specified, the indicators presented below are based on Group scope data.

1/ Social data (at 31/12/2021, excluding Ægide-Domitys)	2021		2020
a) Employment			
Definition of the workforce: number of employees present as at 31 December, excluding interns and company officers.			
Breakdown of employees by gender			
Number of women	5,177		5,113
Management-level	2,278		2,176
Non-management level	2,899		2,937
Number of men	3,119		3,108
Management-level	2,308		2,330
Non-management level	811		778
TOTAL	8,296		8,221
Breakdown of headcount by type of contract			
Permanent contracts	7,550		7,606
Fixed-term contracts and work-linked training	746		615
TOTAL	8,296		8,221
Breakdown of employees by age			
Management-level	4,586	Employees	4,506
	94	≤ 25 years	84
	1,423	> 25 and ≤ 35	1,376
	1,476	> 35 and ≤ 45	1,446
	1,056	> 45 and < 55	1,075
	537	≥ 55	525
Non-management level	3,710	Employees	3,715
	605	≤ 25 years	532
	1,027	> 25 and ≤ 35	1,009
	855	> 35 and ≤ 45	885
	737	> 45 and < 55	819
	486	≥ 55	470
TOTAL	8,296		8,221
Breakdown of employees by length of service			
Management-level	4,586	Employees	4,506
	1,934	≤ 3 years	1,946
	745	> 3 and ≤ 5	634
	718	> 5 and ≤ 10	724
	766	> 10 and < 20	779
	423	≥ 20	423
Non-management level	3,710	Employees	3,715
	1,792	≤ 3 years	1,706
	484	> 3 and ≤ 5	440
	474	> 5 and ≤ 10	499
	603	> 10 and < 20	683
	357	≥ 20	387
TOTAL	8,296		8,221
Breakdown by Economic and Social Unit (UES)			
UES Nexity Promotion Construction	3,218	38.8%	2,535
UES Nexity Saggel Services	567	6.8%	570
UES Nexity Lamy	3,523	42.5%	3,539
UES Édouard Denis	0	0.0%	464
Non-UES companies	988	11.9%	1,113
TOTAL	8,296		8,221

STATEMENT OF NON-FINANCIAL PERFORMANCE

Summary table of CSR indicators

1/ Social data (at 31/12/2021, excluding Ægide-Domitys)	2021	2020
Breakdown of employees by geographical area		
France/Other countries	8,296	8,221
France	8,108	8,013
Poland	71	120
Belgium	44	44
Italy	23	23
Switzerland	5	5
Portugal	19	16
Germany	26	
Europe (excluding France)	188	208
In France	8,108	8,013
Paris region	3,511	3,561
Lyon and Grand Lyon	816	795
Lille	484	454
Bordeaux	356	347
Marseille	368	342
Strasbourg	163	150
Toulouse	176	175
Besançon	95	94
Nantes	148	145
Other cities	1,991	1,950
Hires		2,069
Permanent contracts	1,484	1,145
Fixed-term contracts	1,092	924
Internal Transfers	311	316
Transfers		143
To another business division	38	56
Within the same division or in another Company	137	87
Integration of youth	699	567
Work-linked training students	314	340
Interns	385	227
External contractors (France)	14.6	16.8
Leavers		
including layoffs	195	158
ends of trial periods	262	237
ends of fixed-term contracts	771	805
Turnover rate		
Turnover rate	14.8%	11.10%
Voluntary turnover rate	10.4%	7.30%
Remuneration and changes in remuneration	§ 3.4.1.1	
Average annual amount	€51,733	€48,688
Average annual amount	€47,417	€42,577
b) Organisation of work		
Organisation of working time	§ 3.4.3.4	
Number of full-time employees	7,944	7,845
Number of part-time employees	352	376
Absenteeism	§ 3.4.1.2	
Definition of absenteeism: number of permanent contract calendar days/sum of calendar days of period x average workforce under permanent contracts		
Absenteeism rate	3.6%	3.5%

STATEMENT OF NON-FINANCIAL PERFORMANCE

Summary table of CSR indicators

1/ Social data (at 31/12/2021, excluding Ægide-Domitys)	2021	2020
c) Employee relations		
Organisation of social dialogue, including in particular procedures for informing, consulting and negotiating with staff	§ 3.4.3.4	
Official employee representatives and alternates	124	144
Status of collective bargaining agreements concluded in 2020	§ 3.4.3.4	
d) Health and safety (excluding Ægide-Domitys)		
Workplace health and safety conditions	§ 3.4.1.2	
Overview of agreements signed with labour organisations or employee representatives with regard to workplace health and safety	§ 3.4.1.2	
Workplace accidents, including in particular their frequency and severity, and occupational illnesses	§ 3.4.1.2	
Number of workplace accidents	140	244
Number of commuting accidents	35	43
Frequency rate	7.8	13
Severity rate	0.5	1
Number of occupational illnesses	0	4
e) Training		
Policies implemented with respect to training	§ 3.4.2.3	
Total hours of training	117,339	101,593
Average number of hours of training per employee	15.5	11.5
f) Diversity and equal opportunity/Equal treatment		
Measures adopted in favour of gender equality	§ 3.4.3.1	
Measures adopted in favour of the employment and inclusion of disabled workers		
Number of disabled workers	179	224
Anti-discrimination policy	§ 3.4.3	
g) Promotion of and compliance with fundamental ILO conventions on		
Upholding the freedom of association and the right to collective bargaining	§ 3.4.3.4	
Eliminating discrimination in respect of employment and occupation	§ 3.4.3.4	
Eliminating forced or compulsory labour	§ 3.4.3.4	
Effective abolition of child labour	§ 3.4.3.4	
2/ Environmental and societal data	2021	2020
a) Meeting the environmental challenge	§3.2	
Energy and carbon		
Office space subject to occupancy cost guarantee	550,000 sq.m.	N/A
Commercial building space covered by PMA commissioning missions	235,000 sq.m.	N/A
Commercial building space covered by PMA commercial decree missions	1,600,000 sq.m.	N/A
Commercial building space that received environmental certification through a PMA mission	337,000 sq.m.	N/A
Client asset space covered by support missions to roll out a SRI policy	460,000 sq.m.	N/A
Percentage of managers trained in energy efficiency renovation	60%	N/A
Number of renovation coaches	23	23
Number of condominium properties renovated	28	N/A
Floor space of wood-frame office buildings	63%	32%
Change in CO2 emissions per sq.m. delivered compared to 2019 (Commercial Real Estate)	-13%	N/A
Change in CO2 emissions per sq.m. delivered compared to 2019 (Residential Real Estate)	-4%	N/A
Change in CO2 emissions related to administrative sites compared to 2019	+15%	N/A
Scope 1 emissions	5,816	
Scope 2 emissions	733	
Scope 3 emissions	1,000,834	1,009,635
Share of homes passing before the Acquisition Committee (CA) including thermal solar energy or solar panel systems	24%	13%
Share of homes delivered including thermal solar energy or solar panel systems	14%	16%

STATEMENT OF NON-FINANCIAL PERFORMANCE

Summary table of CSR indicators

2/ Environmental and societal data	2021	2020
Energy and water consumption at administrative sites		
Electricity (kWh)	11,306,673	11,157,922
Steam (kWh)	1,566,170	1,038,585
Natural gas (kWhHHV)	118,076	80,403
Water (m ³)	36,535	40,206
Nature in cities and biodiversity	\$3.2.3	
Share of residential developments including planted areas	92%	74%
Share of commercial developments including planted areas	100%	100%
Resource conservation	\$3.2.4	
Share of residential Real Estate construction sites approved by the Acquisition Committee including Nexity Environmentally Responsible Construction Site Charters	42%	30%
Percentage of construction sites approved by the Acquisition Committee and committed to a certification process incorporating environmentally responsible construction site criteria (NF Habitat, HQE™, Promotelec Habitat Neuf, etc.) including eco-responsible construction site criteria	60%	68%
b) Making cities more inclusive	\$3.3	
Percentage of housing units sold in areas with reduced VAT	16.2%	16.1%
Housing units sold in AnRU urban regeneration zones and QPV priority urban planning districts	3,376	3,390
Number of family shelter housing units at least at the Commitments Committee stage	1,220	591
c) Governance, business ethics, client satisfaction, new uses and innovation	\$3.5	
Business ethics		
Percentage of employees made aware of the prevention of corruption and influence peddling	69%	69%
Percentage of company officers and top management of the Group trained in the prevention of corruption and influence peddling	85%	N/A
Client satisfaction		
Change in the average client satisfaction rate (CSAT) across the entire Residential Real Estate client experience	+1.6 point	N/A
Percentage of registered Residential Real Estate suppliers who were assessed with the responsible purchasing questionnaire	71%	N/A
New uses		
Residences or offices with pooled car parks	5	5
Share of classic homes with integrated services (Eugénie)	31%	18%

3

3.7 SUMMARY TABLES OF MAIN CSR OBJECTIVES

Meeting the environmental challenge

Objectives	Maturity	2020	2021
DEVELOPMENT			
Reduce its CO ₂ emissions per sq.m. delivered (expressed in surface area) by 22% (Scope 3) compared to 2019	2030	N/A	-13% ⁽¹⁾ and -4% ⁽²⁾
Reduce its CO ₂ emissions related to administrative sites by 28% (Scopes 1 and 2) compared to 2019	2030	N/A	+15%
Have 50% of wood-frame projects receive the BBCA label ⁽³⁾	2030	36%	35%
Have 33% of office building floor space be wood-frame	2030	32%	63%
Have 100% of residential projects delivered with planted areas	2023	N/A	92%
Have 100% of tertiary projects delivered with planted areas	2023	N/A	100%
SERVICES			
Have 80 condominium properties renovated	2023	N/A	28
Have 100% of managers trained in energy efficiency renovation	2022	N/A	60%
Have 5 elevation or densification projects	2025	N/A	1
Have 340,000 sq.m. of tertiary buildings covered by AMO ⁽⁴⁾ commissioning missions ⁽⁵⁾	2023	N/A	235,000
Have 550,000 sq.m. of buildings covered by missions to support the deployment of an SRI policy ⁽⁶⁾	2023	N/A	460,000

(1) Commercial real estate

(2) Residential real estate

(3) Low-carbon building.

(4) Project Ownership assistance.

(5) Commissioning is a quality approach that defines all the tasks designed to ensure that a building achieves a contractual level of energy performance and to create the conditions to maintain it.

(6) Socially Responsible Investment.

Making cities more inclusive

Objectives	Maturity	2020	2021
Produce 1,000 places in family shelters	2021	591 housing units	1,220 housing units
Have at least 5,000 housing units reserved in the context of block sales to social housing operators	2021	4,283	6,074
Support for 5 housing projects for the most disadvantaged populations	2021	N/A	6
Support for 10 projects promoting equal opportunities	2021	N/A	14
Support for 5 projects for women and girls	2021	N/A	6

Developing our human capital

Objectives	Maturity	2020	2021
Maintain Great Place to Work certification	2021	Certified	3 rd place in the Best Workplaces competition in its category
Increase the employee shareholding structure, with at least 80% of employee shareholders	Continual	80%	80%
Have at least 40% of women on the Executive Committee,	2023	43%	54%
Have at least 40% women in the Club 1797	2023	36%	38%
Hire work-linked training students for 5% of the workforce	2024	4%	6%

Cross-functional issues: governance and ethics, client satisfaction, responsible supplier relations, innovation

Objectives	Maturity	2020	2021
100% of classic homes with integrated services (Eugénie)	2024	18%	31%
100% of company officers and top management of the Group trained in the prevention of corruption and influence peddling	2021	N/A	85%

3.8 NOTES ON METHODOLOGY PERTAINING TO DISCLOSURE OF WORKFORCE, ENVIRONMENTAL AND SOCIETAL INFORMATION

The social, environmental and societal information is prepared on the basis of contributions from several departments, in particular the Corporate Social Responsibility (CSR) and Human Resources Departments. Various indicators have been defined, taking into account the specific nature of the Group's activities in order to measure in a relevant way the main impacts related to Nexity's social, societal and environmental responsibility. Committed to a process of continuous improvement, Nexity is gradually adding to the list of its indicators to take into account changes in the Group and regulations.

Period covered

The indicators presented as part of the social, environmental and societal information in the Universal registration document for 2021 relate to the 2021 financial year. The reporting period used is the calendar year (from 1 January to 31 December) unless otherwise specified in the text.

Scope

The indicators are presented for all of the Group's fully consolidated companies. Given the low weight of international activities, the collection of environmental indicators and certain societal information is only carried out on the activity carried out in France. Given its activities, the Group considers that reporting on the following indicators is not relevant:

- The fight against food waste;
- The fight against food insecurity;
- Respect for animal welfare and responsible, fair and sustainable nutrition; and
- Actions to promote the practice of physical and sports activities.

Definition and methods of collecting indicators

The social, societal and environmental reporting indicators are taken from several information systems within the Group. They are produced under the responsibility of each department where the information is produced.

Social indicators

The social indicators are produced by the Group's Human Resources Department. Information for these indicators mainly comes from the centralised personnel management system, which covers 64% of the workforce. The remaining 36% comes from a consolidation carried out on the basis of information provided by the companies managed in their own system, namely the international subsidiaries as well as the Édouard Denis group, Ægide-Domitys and the companies Accessite, Bureaux à Partager, Rayon and Lespace.

Unless otherwise stated in the indicator, the headcount on 31 December 2021 is used. The workforce count does not include company officers or interns.

The indicator on home-working only covers the scopes for which the system is in place and subject to a collective bargaining agreement. The Ægide-Domitys group, the Édouard Denis group and the recent acquisitions (Accessite, Bureaux à Partager, Lespace, Service Personnel, Hiptown and Rayon) are therefore excluded from the consolidation scope.

The data relating to deconsolidations during 2021 were consolidated until the last day of the month of the disposal.

The average number of training hours per employee is calculated based on the number of training hours/number of people trained.

The definition of workplace accidents differs depending on the country.

The Group uses lost time accidents as its definition in France. In the event of a workplace accident-related leave that overlaps two financial years, the workplace accident is recognised for the financial year during which the leave of absence began. The legal definition of the frequency rate of workplace accidents for a financial year is equal to the number of accidents with lost time, related to the financial year, multiplied by one million and divided by the number of hours theoretically worked.

For the age pyramid, Nexity uses the following age groups: ≤ 25 years old, > 25 years old to ≤ 35 years old, > 35 years old to ≤ 45 years old, > 45 years old to < 55 years old, and ≥ 55 years old. The breakdown is based on hundredths. To calculate the turnover rate, the Group applies the following calculation: sum of resignations, dismissals and terminations of permanent contracts during the period under consideration (from 31.12/N-1 to 30.12/N) divided by the average permanent workforce over the same period.

Environmental and societal indicators

The environmental and societal data are consolidated by the CSR Department on the basis of information provided by various departments according to the data collection methods and the main assumptions presented below:

- The number of homes sold by the Group in AnRU urban regeneration zones is determined by the CSR Department using internal databases;
- The market share in reduced VAT zones is an indicator based on sales to individuals. It is calculated as follows: sales to first-time buyers with reduced VAT/reduced VAT for first-time buyers (excluding bulk sales), based on data from the FPI (Fédération des Promoteurs Immobiliers);

- “Conventional” housing within the meaning of the “100% of conventional housing to have integrated services” target is understood to be housing delivered in 2021 excluding Édouard Denis, Ægide-Domitys, PERL, intermediate housing and social housing;
- The percentage of employees who received training on preventing corruption and influence peddling is calculated on the basis of employees who have passed the evaluation quiz compared to the number of Group employees excluding Ægide-Domitys;
- The percentage of executives trained as part of training on the prevention of corruption and influence peddling is calculated on the basis of corporate officers, members of the Executive Committee, members of Club 1797, members of the Legal Department, and Risk and Compliance Officers;
- The percentage of wood-frame office space (Commercial Real Estate) is calculated on the basis of offices delivered in 2021. The surface areas not destined for office use (eg logistics platforms) are not recorded;
- The number of renovated condominium properties and “renovation officers” trained is understood to be the number between 2021 and the end of the objective, i.e. 2023 and 2022 respectively;
- The greenhouse gas emissions assessments for new residential real estate programmes are studied by the Residential Real Estate division and the CSR Department using a dedicated tool. These data are transferred to the Group’s Real Estate Programme Management platform for centralised and consolidated management to improve the quality of reporting; and
- The greenhouse gas emissions of the Group’s administrative sites operating in 2021 are assessed, on behalf of the CSR Department, by a specialised external consulting firm. This work is based on the Bilan Carbone® methodology and uses the Ademe’s emission factors. The version of the carbon assessment (Bilan Carbone) spreadsheet used was 8.6 – 2021.

All emissions items of the carbon footprint (Bilan Carbone®) were taken into account in the GHG emissions assessment, with the exception of a few Scope 3 items deemed not significant to Nexity’s business, for which data was not available for the 2021 financial year, namely: office furniture (included in the “non-current assets” item), visitor travel (included in the “Travel” item) and meals served in the company canteen (included in the “Inputs” and “Waste” items).

Greenhouse gas emissions related to Ægide-Domitys were recognised on the basis of 2020 data extrapolated over one half-year.

The 2021 Bilan Carbone® calculation was based on 87.6% actual data vs 12.4% extrapolated data (breakdown of data in relation to greenhouse gas emissions).

No exhaustive information was collected on what sites use fuel oil. The absence of fuel oil consumption by the sites included in the analysis is not synonymous with an absence of consumption at Group level.

Following a review of certain aspects of the carbon assessment calculation methodology, 2019 emissions were recalculated. This recalculated data was taken into account in the calculation of progress on the carbon target in relation to Scopes 1 and 2.

Controls

Internal control

The CSR Department and the Human Resources Department in charge of data collection are responsible for the indicators provided. The audit is carried out at the time of consolidation (review of changes, inter-entity comparison, etc.).

External control

The Group has appointed one of its Statutory Auditors as an independent third party to carry out verification work on the non-financial information published in its management report.

The nature of the work carried out and the conclusions of this work are presented in Section 3.9 “Report by the independent third party on the consolidated Statement of non-financial performance included in the management report” of this chapter.

3.9 REPORT OF THE INDEPENDENT THIRD-PARTY ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

This is a free translation into English of the Independent Third-Party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2021

To shareholders,

In our capacity as an Independent Third Party, member of Mazars Group, statutory auditors of NEXITY and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement prepared in accordance with the entity's procedures (hereinafter the "Statement") for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group NEXITY in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information permits the use of different, but acceptable, measurement techniques which may affect comparability between entities and within the time.

Consequently, the Information must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement.

Limits inherent in the preparation of the Information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement.

The entity's responsibility

The Board of Directors is responsible for:

- Selecting or setting appropriate criteria for the preparation of the Information;
- Preparing the Statement with reference to legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance as well as the results of these policies, including key performance indicators and additionally the information required by Article 8 of Regulation (EU) 2020/852 (EU taxonomy);
- And implementing internal control procedures deemed necessary to the preparation of information, free from material misstatements, whether due to fraud or error.

Responsibility of the Independent Third Party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- The fairness of Information (observed or extrapolated) provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

This is not our responsibility to express an opinion on:

- The entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the Information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- The truthfulness of the Information provided for in Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- The compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000⁽¹⁾.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and the professional doctrine of the French National Association of Auditors.

Means and resources

Our work was carried out by a team of 5 people between February and March 2022 and for 5 weeks.

We conducted about ten interviews with the people responsible for preparing the Declaration, representing the CSR Department, the Human Resources Department, the Customer Satisfaction Department, the Strategic Marketing Department, the City Department and the Compliance Department.

Nature and scope of our work

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion:

- We obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, when appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the Information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with the entity's activity all the consolidated entities' activities, including when relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. For the majority of risks, our work was carried out at the level of the consolidating entity; for the other risks, work was carried out at the level of the consolidating entity and in a selection of entities²;

1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

Report of the independent third-party on the verification of the consolidated non-financial statement included in the Group management report

- We verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities ⁽¹⁾ and covers between 26% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French Institute of Statutory Auditors ("CNCC"). Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

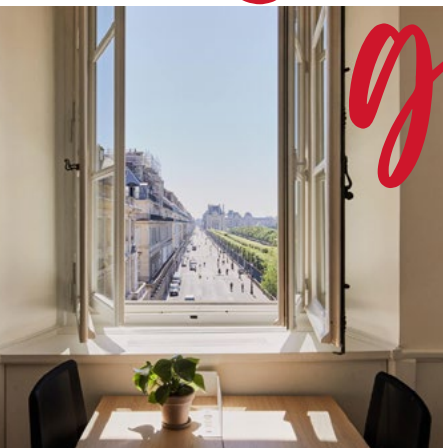
The Independent Third Party
Mazars SAS
Paris La Défense, 29 mars 2022

Edwige REY
CSR Partner & Sustainability

1) Nexity Lamy sites for energy consumption and greenhouse gas emissions.

3.10 CROSS-REFERENCE TABLE WITH DECREE NO. 2017-1265 OF 9 AUGUST 2017 RELATING TO THE PUBLICATION OF NON-FINANCIAL INFORMATION

Statement of non-financial performance themes			Section
Business model			1.1
Non-financial risks related to the Group's activities	Policies implemented to identify and attenuate these risks	Results of the policies implemented and performance indicators	
Risks related to climate change	An ambitious climate strategy	The Group's carbon footprint	3.2.2.1
		SBTi carbon trajectory	3.2.2.2
		Be exemplary in terms of the carbon footprint of administrative sites and vehicles	3.2.2.3
		Reduce the carbon footprint of the residential and tertiary development business	3.2.2.4
		Avoiding emissions for the Group's clients through Real Estate Services for Individuals and Companies	3.2.2.5
Mismatch between skills and changes in the Group's business lines	Recruiting and developing talent and reinforcing employee commitment	Appeal	3.4.2.1
		Recruitment	3.4.2.2
		Talent and skills development	3.4.2.3
		Fostering a culture of societal responsibility	3.4.2.4
Turnover	Improving employee retention and enhancing the Company's appeal	Remuneration	3.4.1.1
		Quality of life at work	3.4.1.2
Difficulty accessing housing	Promoting access to housing	A social and affordable offer	3.3.2.1
		Supporting the most disadvantaged with Nexity Non Profit	3.3.2.2
		Multi-generational housing and inclusive, senior and disabled housing	3.3.2.3
		Social inclusion through housing	3.3.3.1
Non-compliance with environmental, social and societal requirements by suppliers	Increasing responsible purchasing and improving supplier relations	Responsible purchasing policy and supplier assessment	3.5.4.1
		Environmentally responsible sourcing	3.5.4.2
Lack of quality of products/services	Improving client satisfaction and boosting client support	Commitment to client satisfaction	3.5.3.1
		Special attention to the product and service quality	3.5.3.2
Lack of compliance	Business ethics and regulatory compliance	Business ethics and stakeholder relations	2.3
		Prevention of corruption and influence peddling	
		Combating money laundering and the financing of terrorism	
Fight against tax evasion			2.3
Human rights		Prevention of violations of human rights and fundamental freedoms as part of the duty of care	3.1.2.3



Corporate governance report

4.1 ADMINISTRATIVE AND EXECUTIVE MANAGEMENT BODIES

4.1.1	BOARD OF DIRECTORS	155
4.1.2	CHANGES IN THE COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS AND COMMITTEES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021	158
4.1.2	MEMBERS OF THE BOARD OF DIRECTORS	159
4.1.3	NON-VOTING BOARD MEMBER	171
4.1.4	THE EXECUTIVE COMMITTEE	172
4.1.5	DISCLOSURES RELATING TO THE BOARD OF DIRECTORS AND MAIN EXECUTIVES	177
4.1.6	CONFLICTS OF INTEREST INVOLVING ADMINISTRATIVE AND MANAGEMENT BODIES	177
4.2	PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK	178
4.2.1	ORGANISATION OF THE BOARD OF DIRECTORS' WORK	178
4.2.2	EXECUTIVE MANAGEMENT APPROACH	180
4.2.3	VICE-CHAIRMAN – SENIOR INDEPENDENT DIRECTOR	181
4.2.4	GENDER BALANCE AND DIVERSITY OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE AND CLUB 1797	181
4.2.5	INDEPENDENT DIRECTORS	182
4.2.6	SPECIALISED COMMITTEES OF THE BOARD OF DIRECTORS	183
4.2.7	NON-VOTING BOARD MEMBERS	187
4.2.8	ASSESSMENT OF THE FUNCTIONING OF THE BOARD	187
4.2.9	COMPLIANCE WITH THE AFEP-MEDEF CODE	188

4.3 RELATED-PARTY TRANSACTIONS

4.3.1	STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS	189
4.3.2	INTERNAL CHARTER OF NEXITY GROUP ON RELATED-PARTY AND CURRENT AGREEMENTS	192

4.4 REMUNERATION AND BENEFITS FOR THE EXECUTIVE COMPANY OFFICERS

4.4.1	REMUNERATION OF NEXITY'S COMPANY OFFICERS IN RESPECT OF OR DURING THE 2021 FINANCIAL YEAR (EX POST)	194
4.4.2	REMUNERATION APPLICABLE TO NEXITY'S COMPANY OFFICERS FOR THE 2022 FINANCIAL YEAR	216

4.5 PENSIONS AND OTHER BENEFITS

4.6 STAKES HELD BY EXECUTIVE COMPANY OFFICERS AND THE MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY

4.7 TRANSACTIONS IN SECURITIES

4.7.1	TRANSACTIONS IN SECURITIES BY MEMBERS OF THE BOARD OF DIRECTORS AND THE MAIN EXECUTIVES	226
4.7.2	TRANSACTIONS IN SECURITIES BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE SHARE CAPITAL	226

4.8 STOCK OPTIONS AND FREE SHARES AWARDED TO THE EXECUTIVE COMPANY OFFICERS

4.8.1	SHARE SUBSCRIPTION AND PURCHASE OPTION PLANS (STOCK OPTIONS)	226
4.8.2	AWARDS OF FREE SHARES	226

4.9 MAIN SHAREHOLDERS

4.9.1	BREAKDOWN OF SHARE CAPITAL AT 31 DECEMBER 2021	227
4.9.2	CHANGES IN THE CAPITAL AND SHAREHOLDING STRUCTURE OVER THE PAST THREE YEARS	228
4.9.3	NOTIFICATIONS OF OWNERSHIP THRESHOLD CROSSINGS UNDER ARTICLE L.233-7 OF THE FRENCH COMMERCIAL CODE AND ARTICLE L.223-14 OF THE GENERAL REGULATION OF THE FRENCH FINANCIAL MARKETS AUTHORITY (AUTORITÉ DES MARCHÉS FINANCIERS – AMF)	228
4.9.4	SHAREHOLDERS' AGREEMENT	229
4.9.5	CONTROL OF THE COMPANY	229

4.9.6 AGREEMENTS POTENTIALLY ENTAILING CHANGES IN CONTROL OF THE COMPANY

229

4.10 INFORMATION ON THE SHARE CAPITAL

4.10.1	SHARE CAPITAL	230
4.10.2	SECURITIES NOT REPRESENTING CAPITAL	230
4.10.3	TREASURY SHARES	230
4.10.4	SCHEDULE OF AUTHORISATIONS GRANTED AT THE COMPANY'S SHAREHOLDERS' MEETINGS	232
4.10.5	OTHER SECURITIES GIVING ACCESS TO THE SHARE CAPITAL	234
4.10.6	POTENTIAL IMPACT OF SECURITIES GIVING ACCESS TO SHARE CAPITAL	234
4.10.7	PLEDGES OF SHARES	235
4.10.8	CONDITIONAL OR UNCONDITIONAL OPTIONS OR AGREEMENTS OVER THE CAPITAL OF ANY GROUP MEMBER	235

4.11 STATUTORY PROVISIONS

4.11.1	CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)	235
4.11.2	FINANCIAL YEAR (ARTICLE 22 OF THE ARTICLES OF ASSOCIATION)	236
4.11.3	STATUTORY DISTRIBUTION OF PROFITS (ARTICLES 22 AND 23 OF THE ARTICLES OF ASSOCIATION)	236
4.11.4	CHANGES IN CAPITAL AND VOTING RIGHTS (ARTICLE 20 OF THE ARTICLES OF ASSOCIATION)	236
4.11.5	SHAREHOLDERS' MEETINGS (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)	236
4.11.6	THRESHOLD CROSSINGS (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)	237
4.11.7	COMPOSITION OF THE BOARD OF DIRECTORS (ARTICLES 11 TO 14 OF THE ARTICLES OF ASSOCIATION)	238
4.11.8	DUTIES AND POWERS OF THE BOARD OF DIRECTORS (ARTICLE 15 OF THE ARTICLES OF ASSOCIATION)	239

Pursuant to Article L.225-37 of the French Commercial Code, the Board of Directors must present to the shareholders at the Shareholders' Meeting a corporate governance report, appended to the management report, containing information about governance, remuneration and factors likely to have an impact in the event of a takeover bid.

This report is prepared with reference to the Afep-Medef Corporate Governance Code for listed companies (the "Afep-Medef Code"), to which the Company adheres. The sections of this report relating to its composition, the conditions of preparation and organisation of the Board of Directors have been prepared on the basis of contributions from various Group departments, in particular the Finance Department, the Human Resources Department and the Legal Department. It was presented to the Remuneration, Appointments and CSR Committee.

This report describes the work of the Board of Directors, which is also governed by the Board's internal rules and regulations. These reiterate that directors are required to maintain discretion and confidentiality and that, for all transactions in securities, they must comply with the Insider Trading Prevention Guide adopted by the Company. The internal rules and regulations and the Insider Trading Prevention Guide are available on the Company's website.

The Board's internal rules and regulations were last updated on 29 March 2022.

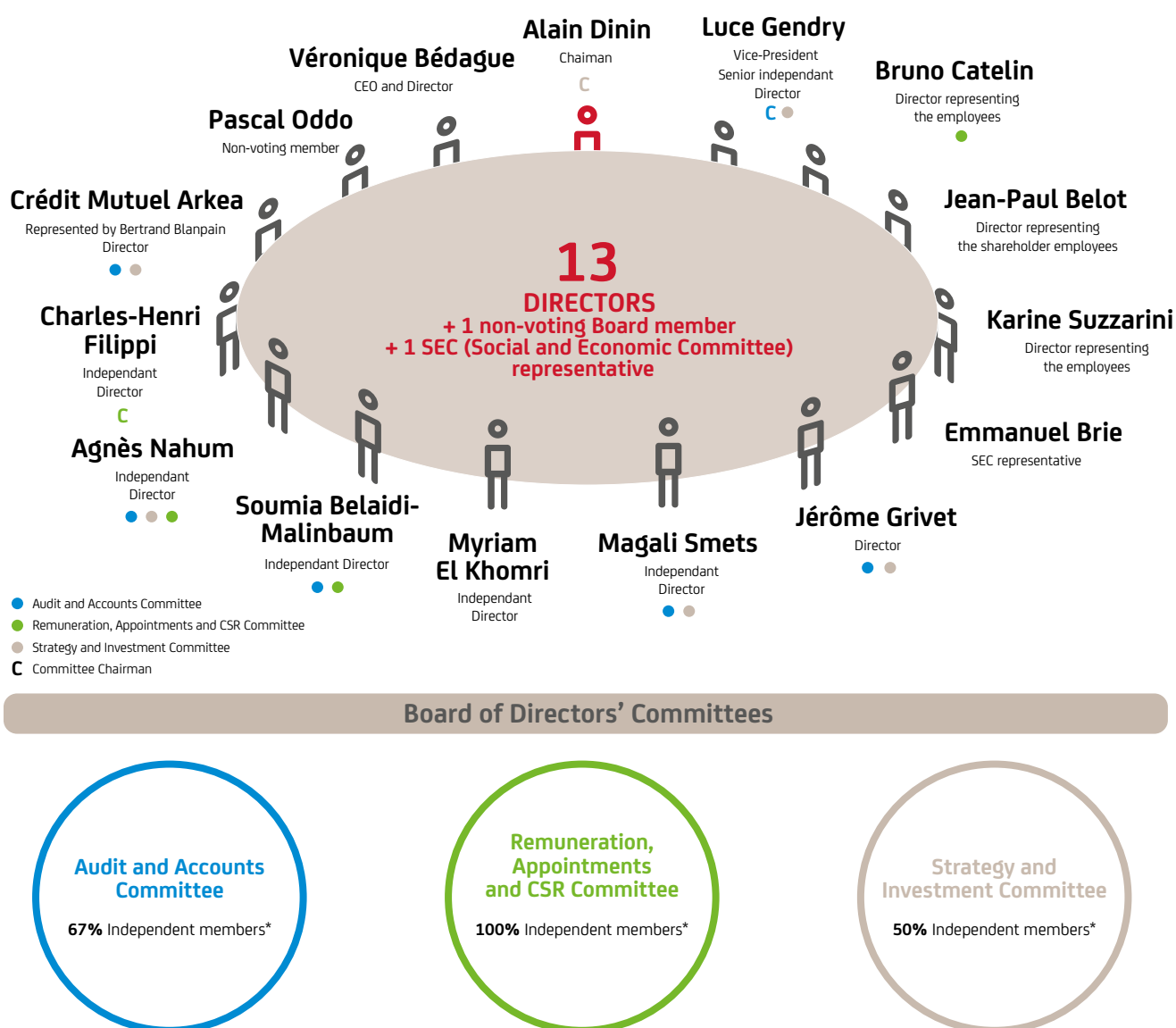
4.1 ADMINISTRATIVE AND EXECUTIVE MANAGEMENT BODIES

4.1.1 Board of Directors

A brief description of the main provisions of the Company's Articles of Association and the Board's internal rules and regulations can be found in Sections 4.2 *et seq.* of this chapter.

The Board of Directors members can be reached at the Company's registered office: 19, rue de Vienne – TSA 50029 – 75801 Paris Cedex 08 – France.

The tables below include a summary of the composition of the Board of Directors and of its Committees at 31 December 2021.



*Percentage calculated in accordance with the Afep-Medef Code, which stipulates that directors representing employees are not to be included in the calculation.

PERSONAL INFORMATION				EXPERIENCE	POSITION WITHIN THE BOARD				PARTICIPATION IN BOARD COMMITTEES
Age	Gender	Nationality	Number of shares held directly and indirectly	Number of appointments in other listed companies	Independence	Date first appointed	Date of term expiry after the Company's Shareholders' Meeting called to approve the financial statements for the year ending	Length of service on the Board	Audit and Accounts Committee (AAC) – Remuneration, Appointments and CSR Committee (CRA CSR) - Strategy and Investment Committee (IC/SC)
Executive Company Officer / Director									
BEDAGUE Véronique	57	F	F	12,500	1	19/05/21	31/12/24	0.5	
Directors									
DININ Alain	70	M	F	898,620		28/09/04	31/12/22	17	IC/SC
GENDRY Luce Senior Independent Director	72	F	F	1,605		X 21/02/12	31/12/23	9	AAC – IC/SC
FILIPPI Charles-Henri	69	M	F	3,000	1	X 15/12/16	31/12/22	5	CRA CSR
BELAIDI-MALINBAUM Soumia	60	F	F	300		X 24/03/15	31/12/24	6	AAC – CRA CSR
NAHUM Agnès	60	F	F	200		X 19/05/15	31/12/22	6	AAC – CRA CSR – IC/SC
SMETS Magali	48	F	F	300		X 31/05/16	31/12/23	5	AAC – IC/SC
EL KHOMRI Myriam	43	F	F	200	1	X 19/05/21	31/12/24	0.5	
GRIVET Jérôme	60	M	F	200	1	23/07/15	31/12/23	6	AAC – IC/SC
Crédit Mutuel ARKEA represented by BLANPAIN Bertrand	58	M	F	2,999,451		19/05/21	31/12/24	0.5	AAC – IC/SC
Director(s) representing the shareholder employees									
BELOT Jean-Paul	66	M	F	52,959		19/05/20	31/12/23	1	
Director(s) representing employees									
CATELIN Bruno	56	M	F	813		01/01/17	31/10/24	4	CRA CSR
SUZZARINI Karine	46	F	F	1,130		01/11/20	31/10/24	1	
Non-voting Board member									
ODDO Pascal	71	M	F	N/A	N/A	24/07/14	31/12/21	7	

The table below lists the main areas of expertise declared by the directors and illustrates the broad range of expertise of the Board of Directors.

THE BOARD OF DIRECTORS' AREAS OF EXPERTISE

	Finance	8	★ ★ ★ ★ ★ ★ ★ ★ ☆ ☆ ☆ ☆ ☆ ☆
	Strategy and investment	10	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ☆ ☆ ☆ ☆
	Governance	8	★ ★ ★ ★ ★ ★ ★ ★ ☆ ☆ ☆ ☆ ☆ ☆
	Real estate and real estate financing	8	★ ★ ★ ★ ★ ★ ★ ★ ☆ ☆ ☆ ☆ ☆ ☆
	IT and Digital system	4	★ ★ ★ ★ ☆ ☆ ☆ ☆ ☆ ☆ ☆ ☆ ☆ ☆
	Financial services (banking and insurance)	5	★ ★ ★ ★ ★ ☆ ☆ ☆ ☆ ☆ ☆ ☆ ☆ ☆
	CSR	7	★ ★ ★ ★ ★ ★ ★ ☆ ☆ ☆ ☆ ☆ ☆ ☆

Base: 13 members, including the two Directors representing the employees and the Director representing the shareholder employees – excl. non-voting member

Changes in the composition of the Company's Board of Directors and Committees during the financial year ended 31 December 2021

	Leaving	Appointment	Renewal	Comments
Executive Management		Véronique BEDAGUE Chief Executive Officer: 19/05/2021		Separation of the functions of Chairman and Chief Executive Officer on 19/05/2021. Alain DININ remains Chairman of the Board
Board of Directors		Alain DININ - Chairman of the Board of Directors: 19/05/2021		
		Véronique BEDAGUE: 19/05/2021		Director and Chief Executive Officer
	Jean-Pierre DENIS: 19/05/2021	CM ARKEA represented by Bertrand BLANPAIN: 19/05/2021		Partnership strengthening
	Jacques VEYRAT: 19/05/2021	Myriam EL KHOMRI: 19/05/2021		Independent Director - Expertise in Strategy and Investments and CSR
			Soumia BELAIDI-MALINBAUM: 19/05/2021	Independent Director - Expertise in Finance, Strategy and Investments, Governance, IT and Digital systems and CSR
Audit and Accounts Committee	Jean-Pierre DENIS: 19/05/2021	CM ARKEA represented by Bertrand BLANPAIN: 19/05/2021	Soumia BELAIDI-MALINBAUM: 19/05/2021	
Remuneration, Appointments and CSR Committee	Jacques VEYRAT: 19/05/2021	Agnès NAHUM: 19/05/2021	Soumia BELAIDI-MALINBAUM: 19/05/2021	
Strategy and Investment Committee	Jean-Pierre DENIS: 19/05/2021	CM ARKEA represented by Bertrand BLANPAIN: 19/05/2021		
	Jacques VEYRAT: 19/05/2021			

4.1.2 Members of the Board of Directors

The tables below show the members of the Company's Board of Directors during the financial year ended 31 December 2021, as well as each member's main position in the Company, their main activities outside the Company, where material, as well as their other offices and positions held over the preceding five years, all as of 31 December 2021.

ALAIN DININ		Chairman of the Board of Directors
	> Chairman of the Board of Directors > Chairman of the Strategy and Investment Committee	Date first appointed as Chairman 28/09/2004
	Nationality: French Age: 70 Expertise: Strategy and Investments, Governance, Real Estate and Real Estate Financing	Date of expiry of the term of office of Chairman At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ending 31/12/2022.
		Number of shares at 31 December 2021 797,532 held directly and 101,088 <i>via</i> related persons

Biography

Chairman of the Board of Directors since 19 May 2021, previously Chairman and Chief Executive Officer (from 2004 until 22 May 2019 and from 24 April 2020 to 19 May 2021). Mr Alain Dinin began his career with Groupe George V (Groupe Arnault) in 1979 as management controller. He held several positions before taking over as General Manager in 1985. He served as CEO of CGIS (Vivendi group) from 1995 to 2000, then Vice-Chairman, Chairman of the Management Board.

He is a graduate of École Supérieure de Commerce de Lille (now called SKEMA Business School).

Current appointments

- > **Outside the Group**
 - Chairman and Member of the Supervisory Board of New Port SAS
 - Director of the Observatoire Régional du Foncier in the Paris region
- > **Within the Group in France**
 - Director of Nexity Immobilier d'Entreprise, of Édouard Denis Développement
 - Permanent representative of Nexim 1 on the Board of Directors of Ufiam
 - Permanent representative of Nexity Logement, on the Board of directors of Féréal and Crédit Financier Lillois
- > **Within the Group outside France**
 - Chairman of the Supervisory Board of pantera AG (Germany)

ALAIN DININ**Chairman of the Board of Directors****Expired appointments**

- Chairman of the Board of Directors and director of Crédit Financier Lillois SA (until 29/04/2019)
- Legal representative of Nexity, Vice-Chairman, CEO and director of Éco-Campus à Châtillon, itself Chairman of Mercedes (until 22/05/2019)
- Chairman and member of the Supervisory Board of Oralix Partenaires SAS (until 01/12/2017)
- Legal representative of Nexity, Chairman of Nexity Franchises and Lilas Paul Meurice (until 22/05/2019)
- Director of Weroom (until 11/03/2019), of PERL (until 28/06/2019), of Nexity Logement (until 09/11/2017), of Oralix Investissements (until 15/12/2017), of Isodev and of Aegide (until 29/06/2021)
- Member of the Executive Committee of FPI (Fédération des Promoteurs Immobiliers) (until 05/10/2017)
- Member of the Strategic Advisory Board of SKEMA Business School
- Permanent representative of George V Gestion SAS on the Board of Directors of Chantiers Navals de l'Esterel SA (until 24/09/2018)
- Permanent representative of Nexim 1 SAS on the Board of Directors of Ressources et Valorisation SA (until 14/06/2018)
- Liquidator of Clichy Europe 4 (until 02/03/2020)
- Chairman of the Supervisory Board of Nexity Polska 303 Spolka Akcyjna (Poland) and NP 7 Spolka Akcyjna (Poland) (until 12/2020)
- Chairman of Nexity Logement (until 01/06/2021)
- Permanent representative of SIG 30 Participations on the Board of Directors of City Garden Real Estate (Belgium)
- Representative of Nexity SA on the Boards of Directors of Nexibel 2, Nexibel 3 and Nexibel 5 (Belgium)

LUCE GENDRY**Vice-Chairwoman
Senior Independent Director**

- > Chairwoman of the Audit and Accounts Committee
- > Member of the Strategy and Investment Committee

Nationality: French**Age:** 72**Expertise:** Finance, Strategy and Investment, Governance, Financial Services (banking and insurance), CSR**Date first appointed**

21/02/2012

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the year ending 31/12/2023.

Number of shares at 31 December 2021

200 held directly
and 1,405 via a controlled company

Biography

Mrs Luce Gendry began her career in the Générale Occidentale Group as Company Secretary and then Chief Financial Officer. She later joined the Bolloré group as Chief Operating Officer before moving to Banque Rothschild, where she was a managing partner until mid-2011. She is now Senior Advisor at Rothschild et Compagnie and a member of the Supervisory Board of Rothschild Martin Maurel; Chairwoman of the Supervisory Board of IDI, Director of FFP (Peugeot family group), Director of Sucres et Denrées (Sucden) and Vice-Chairwoman of Béro SAS.

Current appointments

- Chairwoman of the Supervisory Board of IDI ⁽¹⁾ and Chairwoman of the Finance and Audit Committee
- Director of FFP ⁽¹⁾, member of the Governance, Appointments and Remuneration Committee and Chairwoman of the Finance and Audit Committee
- Director and Vice-Chairwoman of Béro SAS
- Member of the Supervisory Board of Sucres et Denrées (Sucden) and Chairwoman of the Audit Committee
- Member of the Supervisory Board of Rothschild Martin Maurel

Expired appointments

- Director of SFR Group ⁽¹⁾ and Chairwoman of the Finance and Audit Committee (until 11/2016)
- Chairwoman of Cavamont Holdings Ltd (until 2020)

(1) Listed company.

VÉRONIQUE BÉDAGUE

Chief Executive Officer and Director

**Nationality:** French**Age:** 57**Expertise:** Finance, Strategy and Investment, Governance, Real estate and real estate financing, CSR, IT and digital systems**Date first appointed**

19/05/2021

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2024.

Number of shares at 31 December 2021

12,500 held directly

4

Biography

A graduate of IEP Paris, ESSEC and a former student of ENA, Mrs Véronique Bédague joined the Nexity group in 2017 as General Secretary and member of the Executive Committee. She has been Chairwoman and Chief Executive Officer of Nexity Immobilier d'Entreprise since 2018, Deputy CEO of the Nexity group, in charge of the "Commercial and Local Authorities Clients" division since 2019, then of "Institutional Clients" since 2020. She has worked at the Ministry of the Economy and Finance, the International Monetary Fund, and the City of Paris. Before joining Nexity, she was Chief of Staff to the Prime Minister.

VÉRONIQUE BÉDAGUE**Chief Executive Officer and Director****Current appointments****> Outside the Group**

- Director of Électricité de France ⁽¹⁾, BBCA and FSIF (now FEI since 03/02/2022)

> Within the Group

- Chairwoman of the Board of Directors and Director of Nexity Immobilier d'Entreprise
- Director of Édouard Denis Développement
- Chairwoman of SIG 30 Participations and Nexity Logement
- Deputy CEO of Villes et Projets, VP Participations
- Member of the Supervisory Board of Ægide
- Legal representative of Villes et Projets, Manager of SNC Aménagement Charras
- Legal representative of SIG 30 Participations, Director of SAS Eco-campus A Châtillon
- Legal representative of Nexity, Vice-Chairwoman, Chief Executive Officer and Director of SAS Eco-campus A Châtillon
- Legal representative of SAS Eco-campus A Châtillon, Chairwoman of SAS Mercedes
- Legal representative of Nexity, Chairwoman of SAS Nexity Franchises, SAS Lilas Paul Meurice
- Legal representative of Nexity, Chief Executive Officer of En Invalides Gestion SAS
- Legal representative of SIG 30 Participations, Chairwoman of Neximmo 38, Neximmo 41, Neximmo 44, Neximmo 48, Neximmo 49, Neximmo 51, Neximmo 54, Neximmo 65, Neximmo 71, Neximmo 72, Neximmo 73, Neximmo 75, Neximmo 80, Neximmo 81, Neximmo 82, Neximmo 85, Neximmo 86, Neximmo 87, Neximmo 88, Neximmo 90, Neximmo 91, Neximmo 96, Neximmo 97, Neximmo 100, Neximmo 101, Neximmo 102, Neximmo 103, Neximmo 104, Neximmo 106, Neximmo 107, Neximmo 108, Neximmo 109, Neximmo 110, Neximmo 111, Neximmo 112, Neximmo 113, Neximmo 114, Neximmo 116, Neximmo 117, Neximmo 118, Neximmo 119, Neximmo 120, Neximmo 121, Neximmo 122, Neximmo 124, Neximmo 125, Neximmo 126, Neximmo 127, Neximmo 128, Neximmo 129, Neximmo 130, Neximmo 131, Neximmo 132, Neximmo 133, Neximmo 134, Nexprom, La Cité, Sari Investissement, Neximmo 19, Terrae Novae 1, Terrae Novae 2, Terrae Novae 3
- Legal representative of SIG 30 Participations, Chief Executive Officer of Aqueduc, SAS Bagneux Briand, SAS Bagneux Victor Hugo
- Legal representative of SIG 30 Participations, Manager of Terrae Novae
- Legal representative of Sari Investissements, Liquidator of SCI Boulogne Ville A3B
- Legal representative of VP Participations, Chairwoman of Nexiville 1, Nexiville 2, Nexiville 4, Nexiville 5, Pontault Louvetière, Nexiville 8, Nexiville 9, Garenne Aménagement, Nexiville 11, Presqu'île Hérouvillaise, Nexiville 14, Nexiville 15, Nexiville 16, Nexiville 18, Nexiville 19, Nexiville 20, Neximmo 42, Axioparc
- In her capacity as the legal representative of SIG 30 Participations, Mrs Véronique Bédague is also the legal representative of various non-trading companies and partnerships. In addition, in her capacity as legal representative of SARI Investissements, Mrs Véronique Bédague is also the legal representative of various civil partnerships or partnerships.

Expired appointments

- Chief Executive Officer of Nexity Immobilier d'Entreprise (until 25/11/2021), SIG 30 Participations (until 19/05/2021)
- Chairwoman of the Board of Directors and Director of Nexity Property Management (until 04/03/2021)
- Chairwoman of Neximmo 78 (until 08/01/2021)
- Member of the Supervisory Committee of Bureaux à Partager (until 12/10/2021)
- Legal representative of Neximmo 78, Chairwoman of Service Personnel, Accessite, Hiptown, Nexity Solutions Digitales, Costame, Moreau Experts, Nexity Contractant Général, L'Étoile Property Management

(1) Listed company.

CHARLES-HENRI FILIPPI**Independent director**

- > Chairman of the Remuneration, Appointments and CSR Committee

Nationality: French

Age: 69

Expertise: Finance, Strategy and investments, Governance, Real estate and real estate financing, Financial Services (banking and insurance), CSR

Date first appointed

15/12/2016

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2022.

Number of shares at 31 December 2021

3,000 held directly

4

Biography

Mr Charles-Henri Filippi is Managing Partner of Banque Lazard and was appointed Co-Chairman France in October 2019. He was previously Chairman of Citigroup France with effect from 1 January 2011. After holding several positions in French government agencies and ministerial departments, he joined CCF in 1987 and became its Chief Executive Officer in 1998. In 2001, he was appointed to HSBC's Executive Committee, with responsibility for major client activities across the entire group. He was named Chairman and Chief Executive Officer of HSBC France in March 2004, then non-executive Chairman from August 2007, a position he held until 31 December 2008. He was also Senior Advisor at CVC Capital Partners France until 31 December 2010, Partner at Weinberg Capital Partners until 31 December 2011, and founded the asset management companies Octagones and Alfina, serving as Chairman of both from 2008 to 2012.

Current appointments

- Director of Piasa, Adie endowment fund (non-profit organisation), Fondation des Treilles (non-profit organisation), Fondation Bettencourt-Scheller (non-profit organisation)

Expired appointments

- Director of L'Oréal ⁽¹⁾ (until February 2018)
- Member of the International Advisory Board of Abertis (until 2018)
- Director and member of the Corporate Governance and Corporate Social and Environmental Responsibility Committee of Orange ⁽¹⁾ (until April 2020)

(1) Listed company.

JÉRÔME GRIVET**Director**

- > Member of the Audit and Accounts Committee
- > Member of the Strategy and Investment Committee

Nationality: French**Age:** 60**Expertise:** Finance, Strategy and Investment, Governance, Real estate and real estate financing, Financial Services (banking and insurance)**Date first appointed**

23/07/2015

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the year ending 31/12/2023.

Number of shares at 31 December 2021

200 held directly

Biography

Mr Jérôme Grivet is Chief Operating Officer of Crédit Agricole SA in charge of the Crédit Agricole Group's Group Management Department and Member of the Executive Committee of Crédit Agricole SA (1). He began his career as an inspector of finance, then served as a member of several French ministries before holding a number of positions at Crédit Lyonnais and the Crédit Agricole group.

Current appointments

- Chief Operating Officer in charge of the Steering Division - Member of the Executive Committee of Crédit Agricole SA
- Director of Crédit Agricole Assurances, Caceis, Caceis Bank France, CA Immobilier
- Member of the Supervisory Board, Member of the Audit and Accounts Committee of the Fonds de Garantie des Dépôts (FGDR)
- Permanent representative of Prédica on the Board of Directors of Covivio ⁽¹⁾

Expired appointments

- Chairman of CA Life Greece, Fonds stratégique de participations (until 2016), permanent representative of Prédica (until 2016)
- Director of Korian ⁽¹⁾ (until 2020)

(1) Listed company.

SOUMIA BELAIDI-MALINBAUM**Independent director**

- > Member of the Audit and Accounts Committee
- > Member of the Remuneration, Appointments and CSR Committee

Nationality: French**Age:** 60**Expertise:** Finance, Strategy and Investments, Governance, IT and Digital systems, CSR**Date first appointed**

24/03/2015

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2024.

Number of shares at 31 December 2021

300 held directly

Biography

Mrs Soumia Belaidi-Malinbaum has been Business Development Director at Keyrus since 2018. Between 1991 and 2006 she was founder, Chairwoman and Chief Executive Officer of Specimen, Sales Director France for Hommes et Techniques de l'Informatique (HTI) and Account Manager in financing and leasing at International Brokerage Leasing (IBL).

In November 2021, she was appointed Chairwoman of the Paris Chamber of Commerce and Industry.

Current appointments

- Chairwoman of the Paris Chamber of Commerce and Industry

Expired appointments

- Director of the Lagardère SCA group ⁽¹⁾ and member of the Appointments Committee
- Director and Chairwoman of the Audit Committee of France Média Monde

(1) Listed company.

AGNÈS NAHUM**Independent director**

- > Member of the Audit and Accounts Committee
- > Member of the Remuneration, Appointments and CSR Committee
- > Member of the Strategy and Investment Committee

Nationality: French**Age:** 60**Expertise:** Finance, Strategy and Investment, Governance, Financial Services (banking and insurance), CSR**Date first appointed**

19/05/2015

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2022.

Number of shares at 31 December 2021

200 held directly

4

Biography

Mrs Agnès Nahum has been, since December 1998, co-founder and Chairwoman of the Management Board of the investment company Access Capital Partners, which specialises in managing European private equity, infrastructure and private debt funds. Previously she was Senior Vice-President of Business Development at BNP Paribas Private Equity, Business Development Director at Financière Saint Dominique and Head of Investment and Development at MAAF.

Current appointments**> In France**

- Chairwoman of the Management Board of Access Capital Partners SA

> Outside France

- Director of Access Capital SA (Belgium), Access Capital Partners Group SA (Belgium), Access Capital Private Assets US, Access Capital Partners II (Guernsey) Ltd., Access Co-Investissement Europe (Luxembourg), Elyseum Holding SA (Belgium), Access Capital Partners Finlande Oy, Access Capital Advisors Finland Oy, ACP Yksi Oy (Finland), SMF I Rahasto Oy (Finland), SPEF I Oy (Finland), SPEF Kaksi Oy (Finland), ACL Sarl (Luxembourg), ACL 2 Sarl (Luxembourg), Castle SA (Luxembourg), ACF II SICAV-SIF (Luxembourg), and Mondriaan (Luxembourg)

Expired appointments

- None

(1) Listed company.

MYRIAM EL KHOMRI**Independent director****Nationality:** French**Age:** 43**Expertise:** Strategy and Investments, CSR**Date first appointed**

19/05/2021

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2024.

Number of shares at 31 December 2021

200 held directly

Biography

Mrs Myriam El Khomri held various positions at the Paris City Hall for 19 years, focusing on child protection, prevention, security, urban policy and integration. She was Deputy Mayor of Paris for nearly seven years and a Paris councillor representing the 18th arrondissement for six years. She was Secretary of State for Urban Policy from 2014 to 2015, then Minister of Labour, Employment, Vocational Training and Social Dialogue from September 2015 to May 2017. After creating her own consulting company and having held the position of Senior Advisor at LHH Altedia, since March 2019, she has been Chairwoman of the Board of SIACI Saint Honore, a leader in property and personal insurance consulting and brokerage. She manages all human resources consulting activities (quality of life at work, social strategy, remuneration, professional training, HR communication, etc.).

In October 2019, following a voluntary mission entrusted to her jointly by the Ministers of Health and Labour, she submitted her "2020-2024 National mobilisation plan to promote the attractiveness of careers in the senior and autonomy sector" report.

She holds a DESS in Public Law from the University of Paris I Panthéon-Sorbonne.

Current appointments

- Qualified person on the Board of Directors of FEPEM (Fédération des Particuliers Employeurs)
- Qualified person within the Fondation des Possibles
- Member of the ADP⁽¹⁾ Stakeholders Committee

(1) Listed company.

MAGALI SMETS**Independent director**

- > Member of the Audit and Accounts Committee
- > Member of the Strategy and Investment Committee

Nationality: French**Age:** 48**Expertise:** Finance, Strategy and Investments, Governance, CSR**Date first appointed**

31/05/2016

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the year ending 31/12/2023.

Number of shares at 31 December 2021

300 held directly

Biography

Mrs Magali Smets is Chief Executive Officer of France Chimie (professional organisation). She began her career in 1999 as a consultant at McKinsey & Company. In 2001, she joined the Strategy Department of Alstom Transmission & Distribution, later becoming Chief Strategy Officer of Areva Transmission & Distribution. In 2007, she represented Areva at the European Union. In January 2013, she became Director, reporting to the Chairman, and Executive Secretary of Areva's Management Board, before she became Areva's Chief Strategy Officer in 2015. She actively contributed to the work of Medef, France Industrie and the French National Council of Industry (Conseil national de l'industrie).

Current appointments

- Chairwoman of Syndicat des Activités et produits divers en relation avec la Chimie et la Parachimie (APROCHIM) (since 25/07/2017)
- Vice-Chairwoman of Groupement des Industries Chimiques pour les Études et la Recherche (GICPER) (since 04/11/2017)
- Statutory manager of SCI Immochim (since 19/12/2017)
- Director of CP Chimie Promotion (since 17/05/2017), Director of Universcience Partenaires (since 07/06/2017)

Expired appointments

- Chairwoman of Areva Energies Renouvelables (until 2016)
- Chairwoman and Chief Executive Officer of the Board of Directors of Cedec (until 2016)
- Director of Areva TA (until 2016)

CRÉDIT MUTUEL ARKEA

Director

**Date first appointed**

19/05/2021

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2024.

Number of shares held by Crédit Mutuel Arkéa at 31 December 2021

2,299,451 held directly

Biography

Crédit Mutuel Arkea is a cooperative banking group, bringing together the Crédit Mutuel de Bretagne and Sud-Ouest federations, as well as around 30 subsidiaries specialising in financial services. Crédit Mutuel Arkéa is a national player with strong regional roots, with a total equity of €8 billion, with around 11,000 employees serving nearly 5 million customers. Crédit Mutuel Arkea has been a reference shareholder of Nexity since 2015, participating in the shareholders' concert organised around Alain Dinin.

BERTRAND BLANPAIN (PERMANENT REPRESENTATIVE OF CRÉDIT MUTUEL ARKEA)



- > Member of the Audit and Accounts Committee
- > Member of the Strategy and Investment Committee

Nationality: French**Age:** 58

Expertise: Finance, Strategy and Investment, Real estate and real estate financing, Financial Services (banking and insurance)

Biography

A graduate of ESCP Europe, with a Master's degree in economics and a DEA in political economy, Mr Bertrand Blanpain joined Crédit Mutuel Arkéa in June 2015 as Commercial Director of Arkéa Banque Entreprises et Institutionnels, then Chief Executive Officer and Chairman of the Management Board. He has also been a member of the Executive Committee of Crédit Mutuel Arkéa and director of the Corporate and Institutional division since 2016. Mr Bertrand Blanpain began his professional career at Drouot Assurances (1986-1987) before moving on to the Caisse d'Épargne group (1987-2015) where he held various general management positions in the areas of sales, human resources, banking and finance.

Current appointments held by Mr Bertrand Blanpain

- Chairman of the Management Board of Arkéa Corporate and Institutional Bank
- Member of the Supervisory Board of Budget Insight
- Permanent representative of Crédit Mutuel Arkea on the Board of Directors of SOFIOUEST
- Permanent representative of Crédit Mutuel Arkea on the Supervisory Board of NEWPORT since 11/05/2021

Expired appointments held by Mr Bertrand Blanpain

- Permanent representative of Crédit Mutuel Arkea on the Supervisory Board of Clearwater
- Permanent representative of Arkea Banque Entreprises et Institutionnels on the Board of Directors of Arkea Public Sector

JEAN-PAUL BELOT**Director representing the shareholder employees****Nationality:** French**Age:** 66**Expertise:** IT and Digital systems, Real estate and real estate financing**Date first appointed**

19/05/2020

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the year ending 31/12/2023.

Term expired on 1 March 2022 following his retirement

Number of shares at 31 December 2021

52,959 held directly

4

Biography

Mr Jean-Paul Bélot is Secretary General and member of the Management committee of Nexity Residential Real Estate. He began his career at the George V group (Arnault group) in 1980 as Manager of the Maisons Savinel subsidiary. He joined the Group's Finance Department in 1990. A few years later he became Head of the Management Control Department of the Residential Real Estate division. He is in particular very involved in the project to redesign the AVEN[IR] information system of which he is the sponsor.

Current appointments

- Chairman of George V Gestion, Compagnie Financière de Patrimoine et de Participations – COFIPA, Nexim 5, Ressources et Valorisation
- Director of Crédit Financier Lillois
- Co-Manager of George V Régions
- Legal representative of George V Gestion, Chairman of Nexim 1, Nexim 2
- Legal representative of George V Gestion, Director of UFIAM, Fereal
- Legal representative of George V Gestion, Chairman of Nexim 1, itself Chairman of Canton 3
- Legal representative of George V Régions, Chairman of Écrin des Sables, Les Cigales
- As the legal representative of George V Gestion and George V Regions, as manager or liquidator, Mr Jean-Paul Bélot is also the legal representative of various non-trading companies and general partnerships.

Expired appointments

- Chairman of Nexim 5 (until 22/06/2021)
- Legal representative of Nexim 5, Chairman of Canton 6 (until 22/06/2021)
- Legal representative of George V Régions, Chairman of Synonim, Synonim Programmes
- As legal representative of the Nexim 5 companies, as manager or liquidator, Jean-Paul Bélot was also the legal representative of various non-trading companies and general partnerships.

BRUNO CATELIN**Director representing the employees**

- > Member of the Remuneration, Appointments and CSR Committee

Nationality: French

Age: 56

Expertise: IT and Digital systems, Real estate and real estate financing

Date first appointed
01/01/2017

Date of term expiry
31/10/2024

Number of shares at 31 December 2021
813 held directly

Biography

Mr Bruno Catelin is the director representing the Group's employees. He has been an employee of Nexity group since March 1991. He has been in charge of management tools training within the Residential Real Estate division since 1 September 2018.

Current appointments

- Deputy Treasurer of the Economic and Social Committee
- Employee representative

KARINE SUZZARINI**Director representing the employees**

Nationality: French

Age: 46

Expertise: Real estate and real estate financing

Date first appointed
01/11/2020

Date of term expiry
31/10/2024

Number of shares at 31 December 2021
1,130 held directly

Biography

In 1999, after graduating in psychology and earning an Advanced Vocational Certificate in Real Estate and ICH from Conservatoire national des arts et métiers in Paris and a master's degree in operational management at ESSEC, she began working as a co-ownership assistant in a property management firm in Saint-Mandé (France) sold to the Lamy Group.

She then took over the management of this agency in 2005, then Head of the agencies of PARIS OUEST.

In 2013, she was transferred to Saint-Raphaël where she has since held the position of manager of the VAR division of NEXITY LAMY. In March 2021, she was appointed regional ambassador for the PACAC region and ambassador for solidarity leasing for the Services for Individuals network.

4.1.3 Non-voting Board member

PASCAL ODDO

Non-voting Board member



Nationality: French

Age: 70

Expertise: Finance, Strategy and investment, Real estate and real estate financing, Financial services (banking and insurance), IT and Digital systems

Date of term expiry

At the end of the Company's Shareholders' Meeting called to approve the financial statements for the financial year ended 31/12/2021.

The renewal of the term of office is not proposed.

Number of shares at 31 December 2021

1,000 held directly

Biography

Mr Pascal Oddo holds a master's degree in Management from Paris-Dauphine University (Paris IX). Before working as a partner at LBO France from 1997 to 2017, Mr Pascal Oddo spent more than 20 years developing Oddo & Cie. He was also a founding member of Euronext and the Conseil des Bourses de Valeurs. Mr Pascal Oddo is currently Chairman of the Supervisory Board of Vasgos, which he founded in 1997.

Positions held outside the Company

- Chairman of SIP
- Permanent representative of Vasgos SAS
- Chairman of the Supervisory Board of New Port SAS

Expired appointments

- Member of the Supervisory Board of LBO France Gestion SAS (until 2017), Consolis Holding (until 2017), Gravotech Holding (until 2018)
- Director of MMC (Maison Michel Chapoutier) (until 2018), Brindilles (until 2020)

4.1.4 The Executive Committee

4.1.4.1 Composition at 31 December 2021

- The Executive Committee, the Group's main governance body, is in charge of defining and managing Nexity's strategy and transformation ;
- During the 2021 financial year, the Executive Committee brought together the main members of the Group's Management around Mr Alain Dinin, Chairman and Chief Executive Officer until 19 May 2021, and then Mrs Véronique Bédague, Chief Executive Officer.

Among the members holding the title of Deputy CEO, only Mr Jean-Claude Bassien has been a Company Officer since 19 May 2021. Mr Julien Carmona served as Deputy CEO until that date.

Mr Alain Dinin is involved in Management's work as Chairman of the Strategy and Investment Committee described in Section 4.2.6 below.

He participates, either following delegation from the Strategy and Investment Committee, or to refer matters to the latter, in order to authorise transactions, subject to increasingly stringent rules, exceeding the investment amounts described in the internal rules and regulations of the Board of Directors.

The Executive Committee meets every two weeks. As of 31 December 2021, it had 13 members and the percentage of women was 54%.

The Executive Committee is supported on a day-to-day basis by several Executive Management bodies described in Section 4.1.4.2 below.

The tables below present the biographies of each member of the Executive Committee at 31 December 2021, it being specified that the biography of Mrs Véronique Bédague, Chief Executive Officer, is presented in Section 4.1.2 of this chapter.

In addition, the change in the Executive Committee since 1 January 2022 is presented in 4.1.4.2 below.

JEAN-CLAUDE BASSIEN CAPSA

Deputy CEO – Company Officer



Biography

Mr Jean-Claude Bassien held various executive positions at Crédit Agricole Cheuvreux between 1991 and 2010, before becoming its Chairman and Chief Executive Officer. He has developed a comprehensive expertise in European Equity brokerage for an international client base of institutional investors. He also served as Chief Operating Officer of the "Equities and Derivatives" business line and, from 2008 to 2012, was a member of the Executive Committee of Crédit Agricole-CIB, the Crédit Agricole Group's investment and financing bank. In 2012, Mr Jean-Claude Bassien created KUBX, an investment holding company which he used to invest in high-tech start-ups and cultural enterprises. Mr Jean-Claude Bassien joined Nexity in March 2019 as Deputy CEO of Nexity Solutions Entreprise. He has been Managing Director of Nexity Solutions Entreprise since July 2020. Mr Jean-Claude Bassien is a graduate of the Institut d'Études Politiques de Paris and holds a master's degree in public law.

Current appointments

- Director and Chairman of the Board of Directors of Nexity Property Management
- Director of Bien'ici
- Member and Chairman of the Supervisory Board of Bureau à Partager
- Member of the Strategic Board of Intent
- Chairman of Nexity Lamy, Multys Solutions, Richardière, Euriel Invest, Oralia Partenaires, Oralia Investissements, Nexity Retail, Neximmo 78, Société Française d'Accession à la Maison "SOFAP-HELVIM", Neximmo 39, Nexity Solutions, Nexity Retail 1, Nexity Retail 2
- Manager of Oralia Management
- Legal representative of Nexity, Chairman of Nexity Franchises, Lilas Paul Meurice
- Representative of Nexity, Chief Executive Officer of En Invalides Gestion
- Legal representative of Nexity Lamy, Chairman of Actineuf, Immobilier Gestion Consultant, Brandy Immobilier
- Legal representative of Richardière, Chairman of Évidence Gestion
- Legal representative of Neximmo 78, Chairman of Service Personnel, Accessite, Nexity Solutions Digitales, Costame, Moreau Experts, Nexity Contractant Général, L'Étoile Property management, Hiptown, Westhop, Nexity Services Entreprise 3, Nexity Services Entreprise 4
- Permanent representative of Nexity Lamy, Director of Nexity Studéa
- Legal representative of Société Française d'Accession à la Propriété "SOFAP-HELVIM", liquidator of SNC Des Arpents de Bondoufle

JEAN-CLAUDE BASSIEN CAPSA**Deputy CEO – Company Officer****Expired appointments**

- Director of NAXOS (until 12/05/2021)
- Managing Director of Nexity Solutions (until 01/06/2021), Nexity Retail 1 (until 08/06/2021), Nexity Retail 2 (until 08/06/2021)
- Legal representative of Neximmo 39, Director of Century 21 (until 12/05/2021)
- Legal representative of Société Française d'Accession à la Property "SOFAP-HELVIM", Manager of SNC de Saint Maxime (until 25/02/2021), of Société Immobilière Le Naudet Lambda Omega (until 25/02/2021), SNC Les Arpents de Bondoufle (until 16/03/2021)

FABRICE AUBERT**General Secretary****Biography**

At the beginning of his professional career, Mr Fabrice Aubert was an auditor and then Master of Requests at the Council of State (Conseil d'État), before being Legal Advisor at the office of Mr Pierre Moscovici at the Ministry of the Economy and Finance (2013-2014), then Legal Advisor to the office of Mr Michel Sapin at the Ministry of Finance and Public Accounts. He joined Nexity in January 2016, where he was successively in charge of the Strategy Department and then Director of New Business Lines. From May 2017 to May 2019, he was advisor for institutions, public action and digital transition at the office of Mr Emmanuel Macron, President of the French Republic. Mr Fabrice Aubert was appointed Nexity's General Secretary in May 2019 and has headed up the Institutional Clients division since May 2021.

Mr Fabrice Aubert is a graduate of École Nationale d'Administration (ENA), a graduate of Institut d'Études Politiques de Paris and of Columbia University, a former student of the University of Chicago and a member of the Council of State.

NADIA BEN SALEM-NICOLAS**Deputy CEO in charge of Finance****Biography**

Mrs Nadia Ben Salem-Nicolas, Deputy CEO, in charge of Group Finance. She is responsible for strengthening the finance function as a strategic management tool for the Group and thus contribute to its overall performance.

She began her career in 2003 in investment banking at Lazard and then at Goldman Sachs. In 2009, she joined certification services leader Bureau Veritas as Director of Development. She joined Danone in 2015, holding key financial responsibilities as M&A Director and then Head of Investor Relations, before being appointed CFO of Danone's Waters division. She is a graduate of Sciences Po Paris and ESSEC.

JEAN BENUCCI**Deputy Managing Director of the Residential Real Estate division****Biography**

Mr Jean Benucci began his professional career in 1984 at the Moulet Group in Nantes as Director of Business Development. In 1993, he joined Nexity group (CGIS) within Foncier Conseil to create a new property development subsidiary, Général Foy Investissement. In 2009, he became Chairman of Foncier Conseil and of GFI, which he oversaw as well as the Atlantic and Brittany subsidiaries from 2014. He was appointed Chief Operating Officer of Nexity Residential Real Estate in 2015, then Deputy Chief Executive Officer of Nexity Residential Real Estate in 2017. As Deputy Chief Executive Officer of Nexity Residential Real Estate since March 2018, he is in charge of the Atlantic, Brittany, Normandy, Foncier Conseil, Conseil et Patrimoine subsidiaries and of the Production and Cost Control Department. Mr Jean Benucci has been Managing Director of Nexity's Residential division since July 2020.

Mr Jean Benucci is a graduate of Audencia.

YVES CADELANO**Managing Director of Nexity Entreprises****Biography**

Mr Yves Cadelano was project manager for the Security Department of the Grand Stade de France from 1993 to 1995. He then took part in the extension of the Disney Village for Disneyland Paris, then became Director of Research at Club Méditerranée from 1999 to 2004. In 2004, he joined the Casino Group and helped create Mercialis, Casino Group's listed real estate company, where he became Managing Director from 2006 to 2012. He then joined the Carrefour Group, created the listed real estate company Carmila, and became Real Estate Director of the Carrefour Group and Managing Director of Carmila. Previously Managing Director France of the mixed-use urban development company Apsys, Yves Cadelano joined Nexity as Managing Director of Nexity Entreprises in December 2021.

Mr Yves Cadelano holds a DPLG diploma in architecture.

VÉRONIQUE CREISSELS**Director of Communications, Brand and Engagement****Biography**

Mrs Véronique Creissels began her career as a strategic planner in an advertising agency, before joining the Alstom group in 1991 as Director of External Communications. Between 2003 and 2006, she held the position of Vice-Chairwoman of Communications for the automotive supplier Faurecia. She was then Director of Communications for Thales' aeronautics activities from 2006 to 2010. Between 2011 and 2013, she was Communications Director at Vallourec. She then joined Airbus as SVP communications from 2013 to 2019.

She was Director of Communications, Brand and Engagement at Nexity from July 2020 to February 2022.

Mrs Véronique Creissels holds a master's degree in law and Political Science, as well as a degree in History and a postgraduate degree in Information Management.

STÉPHANE DALLIET**Managing Director of the Residential Real Estate division****Biography**

Mr Stéphane Dalliet has been Managing Director of the Nexity Residential Real Estate division since June 2021. He is a graduate of the École Spéciale des Travaux Publics (ESTP) and holds a master's degree from HEC Entrepreneurs. Director of Development at Bouygues Immobilier until 2008, he became Director of Development at Kaufman & Broad until 2011 before heading the Paris region for the group. In 2015, he was appointed Chairman of Cogedim Région Île-de-France and then Chairman and Chief Executive Officer of Pitch Promotion in 2019.

MARJOLAINE GRISARD**CSR Director****Biography**

Mrs Marjolaine Grisard is in charge of leading Nexity's ambitious corporate social responsibility strategy, and specifically to continue to implement the Group's low-carbon strategy.

She has extensive experience in environmental issues, first with experience at the consulting and engineering agency Saunier & Associés, then at Groupe ADP, which she joined in 2005. Mrs Marjolaine Grisard held various environmental and CSR positions before being appointed Head of the CSR division in 2018. She is a graduate of AgroParisTech and ENGREF (École Nationale du Génie Rural, des Eaux et des Forêts, the French National School of Rural Engineering, Water and Forestry).

STÉPHANIE LE COQ DE KERLAND**Group Legal Director****Biography**

Mrs Stéphanie Le Coq de Kerland began her career at Fidal in the Technical Department and then in the International Department before joining Nexity in 2012 as Legal Manager for Economic law, before being appointed Head of Legal Services and Network in 2015, then Operational Legal Director in 2019, and Group Legal Director since May 2021. She has also been the Group's Data Protection Officer (DPO) since May 2018.

She holds a master's degree in law, a master's degree specialising in General Business law and is a graduate of the French Bar School of the Paris Court of Appeal (EFB).

KARINE OLIVIER**Managing Director of the Services to Individuals division of Nexity****Biography**

Mrs Karine Olivier began her career in auditing at Coopers & Lybrand before joining PwC Consulting. She held the position of Director of the Transaction Services Department of PwC until 2014 in Lyon. Mrs Karine Olivier then joined Oralia, at the time of the acquisition by Nexity, as Managing Director. She was appointed Chief Executive Officer of the Services to Individuals division of Nexity in October 2020. Mrs Karine Olivier holds a master's degree in Management, specialised in Business Finance, from École Supérieure de Commerce de Marseille-Provence (Kedge Business School), class of 1994. She is also a graduate of the EM Lyon Business School, a certification in corporate governance as a director. She is a member of Plurience (an association of real estate professionals), CNTGI (Conseil National de la Transaction et de la Gestion Immobilière) and Le Prisme (a managers club).

JEAN-LUC PORCEDO**Chairman of Nexity Villes & Projets****Biography**

Mr Jean-Luc Porcedo has devoted his entire professional career to the challenges of the city. After several positions held in local authorities where he was in charge of public services for disadvantaged neighbourhoods, he took part in the creation of an urban sociology laboratory, Banlieuscopie, in 1992 and was an elected representative in Val d'Oise from 1995 to 2008. In 1998, he joined the office of the Minister of Urban Affairs as a technical advisor. In 2001, he was appointed Chief of Staff of the City of Pantin, then in 2004 Chief of Staff to the Chairman of the General Council of the Oise and, from 2008, Chief of Staff to the General Council of Seine-Saint-Denis. In June 2012, he was appointed Chief of Staff to the President of the National Assembly, Claude Bartolone. He joined Nexity in February 2017 as director of new urban uses, before becoming Managing Director of Nexity Villes & Projets in March 2018, then Chairman in June 2019.

HELEN ROMANO**Vice-Chairwoman of the Residential division****Biography**

Mrs Helen Romano began her career in the Eiffage Group in 1987, where she was Director of Residential/Office programmes, and Director of Residential Real Estate in the inner suburbs of Paris (Immobilier IDF), then Director of PPP projects in the Eiffage Concessions subsidiary. In 2008, she joined Nexity as Managing Director of the Grand Paris subsidiary (Féreal), of which she became Chairwoman in 2012. Also becoming Regional Director, she was appointed Deputy CEO of Nexity Residential Real Estate in 2017, then Vice-Chairwoman in March 2018. Mrs Helen Romano has been Managing Director of Nexity's Residential division since July 2020, and then its Vice-Chairwoman since June 2021.

Mrs Helen Romano holds a DESS in Economic Sciences – International Business from the University Panthéon Sorbonne (Paris I) and a DESS in Management from the Institut d'Administration des Entreprises.

4.1.4.2 Changes in the Executive Committee from 1 January 2022 through 23 March 2022**SOPHIE AUDEBERT****Group Human Resources Director****Biography**

Mrs Sophie Audebert began her career in a recruitment agency before quickly joining the Assurance Générales de France group (AGF), now Allianz, where she spent 15 years in various HR functions (recruitment, social relations, etc.) before becoming Deputy HR Director. She joined Nexity in November 2008 as HR Director in the Services Division of Lamy. In 2011, she was appointed HR Director for the Real Estate Services to Companies division (NPM, NCT, NCG, Week'in). In 2018, the Executive Committee appointed her Company Secretary of the HR Department (coordinating cross-functional HR matters) and HR Director of the Holding Company. She was appointed Group HR Director in September 2019.

Mrs Sophie Audebert holds a Master's degree in Economics - Paris I - Panthéon Sorbonne and a DESS in HR Management - Paris I - Panthéon Sorbonne.

JULIEN DROUOT-L'HERMINE**Chairman of iSelection and PERL and in charge of Nexity Patrimoine****Biography**

Mr Julien Drouot-l'Hermine is a graduate of the ESSEC, trained in marketing and has international experience in New York and Cairo. He joined the Nexity group in 2013 as Chief Executive Officer and then Chairman of iSelection, a company with 300 employees specialising in investment real estate, whose business will have tripled in seven years, topping 4,000 homes marketed in 2021. Since 2020, he has also been Chairman of PERL, a leader in bare ownership that has become the first company with an affordable housing mission. In addition to developing the distribution division in conjunction with a number of housing players, he is working with Stéphane Dalliet to deploy Nexity Patrimoine.

ANNE GINDT**Director of Communications, Brand and Engagement****Biography**

Mrs Anne Gindt started her career in the field of client relationships - in the start-up Ucar and for Steeluser - then moved to the cultural sector: editor for Arte Magazine, for the Réseau Varèse, Learnorama, T&M at the Nanterre-Amandiers Theatre, then head of communications at the Scène Nationale in Saint-Quentin-en Yvelines. Ms Anne Gindt joined Nexity in 2012 as Head of Communications before being appointed Deputy Director of Communications in 2016. In 2018, she became a project manager for Mrs Véronique Bédague. She has been Communications Director since February 2022.

Mrs Anne Gindt holds a Master's degree in German Studies from the University of Marc Bloch in Strasbourg. She also studied literature in Paris (Hypokhâgne and Khâgne).

YANN LUDMANN**Director of Digital Solutions and Innovations****Biography**

Mr Yann Ludmann began his career at Accenture in 1996.

There he led the implementation of multiple process digitisation projects.

He joined the public service at the Finance Department of the City of Paris in 2007, then the prefectural administration and the Ministry of Housing in 2011, where he originated the national system of registration for social housing and the national register of condominium properties, as Deputy Director of housing policies.

He joined Nexity in May 2017 to manage the connected housing offer and organised the Development Department of the Residential Real Estate division. He has been the Group's Director of Digital Solutions and Innovations since July 2018.

Mr Yann Ludmann is a graduate of the École Nationale d'Administration and of ICN Business School.

PIERRE-HENRY POUCHELON**Chief Operating Officer****Biography**

Mr Pierre-Henry Pouchelon worked for nearly 10 years at the audit firm Mazars before joining Nexity in 2016 as Business Controller of Nexity's agency network. He became Company Secretary of the Real Estate Services for Individuals division in 2018, and was then appointed Deputy CEO of Nexity's new Services for Individuals division in 2021 and as such contributed to the success of its strategic redeployment. Chief Operating Officer since February 2022, his mission is to steer the transformation plan, which is already well underway, on a day-to-day basis and to ensure the operational implementation of the strategic plan.

Mr Pierre-Henry Pouchelon, holds a Master's degree in mathematics applied to the social sciences and a Master's degree in insurance and risk management from the University of Paris-Dauphine.

4.1.5 Disclosures relating to the Board of Directors and main executives

To the Company's knowledge there are no family ties linking any members of the Board of Directors to one another or to main executives.

To the Company's knowledge, over the last five years, no members of the Board of Directors or current top executives of the Company:

- Have been convicted of fraud;
- Have been involved in a bankruptcy, sequestration or compulsory liquidation, or placing of companies under judicial administration;
- Have been charged or been the object of an official public sanction by a statutory or regulatory authority (including designated professional organisations); and
- Have been banned from acting as a member of an administrative, management or supervisory body of a listed company or from being involved in the management or running of a listed company.

4.1.6 Conflicts of interest involving administrative and management bodies

To the Company's knowledge, there are no potential conflicts between the private interests of the members of the Board of Directors and their duties toward the Company. The detection and declaration of conflicts of interest is formalised in the internal rules and regulations of the Board of Directors:

- Each year, directors are asked to declare any potential or actual conflicts of interest. If no such conflicts are identified, they are asked to expressly declare that there are no potential conflicts between their private interests and their duties to the Company and the members of the Board of Directors.
- Each director has an obligation to notify the Board of Directors of any conflict of interest situation, either potential or future, in which he or she is likely to find himself or herself and must abstain from participating

in any discussions or vote on related matters. The Senior Independent Director reviews all conflicts of interest, whether discovered independently or having been brought to his or her attention by the director(s) involved, and reports on them to the Board of Directors.

- At the proposal of the Remuneration, Appointments and CSR Committee, the Board of Directors conducts an annual review, on a case-by-case basis, of each director's status with regard to the independence criteria set out in the Afep-Medef Code.

Lastly, the Board of Directors has adopted a charter relating to the procedure for entering into related-party agreements as provided for by Articles L.225-38 *et seq.* of the French Commercial Code. This charter was updated on 26 March 2020 (see Section 4.3 "Related-party transactions" in this chapter). It is also available on the Company's website.

4.2. PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

4.2.1 Organisation of the Board of Directors' work

The Company is a French public limited company (*société anonyme*) with a Board of Directors.

At 31 December 2021, the Board of Directors had thirteen members, including two directors representing the employees and one director representing the shareholders employees (pursuant to Article L.225-27-1 of the French Commercial Code).

Directors are appointed for four-year terms, with the expiry of terms organised to allow for staggered renewals:

- Three terms of office will expire at the end of the Annual Shareholders' Meeting called in 2023 to approve the financial statements for the financial year ending 31 December 2022: Mr Alain Dinin, Mrs Agnès Nahum and Mr Charles-Henri Filippi;
- Four terms of office expire at the end of the Annual Shareholders' Meeting called in 2024 to approve the financial statements for the financial year ending 31 December 2023: Mrs Luce Gendry, Mrs Magali Smets, Mr Jérôme Grivet as well as that of the director representing employee shareholders. Following the retirement of Mr Jean-Paul Belot, elected in 2020 to this position, his replacement will be appointed at the next Shareholders' Meeting of 18 May 2022;
- Four terms of office expire at the end of the Annual Shareholders' Meeting called in 2025 to approve the financial statements for the financial year ending 31 December 2024: Mrs Véronique Bédague, Mrs Soumia Belaidi Malinbaum, Mrs Myriam El Khomri and that of Crédit Mutuel Arkéa;
- Mrs Karine Suzzarini was appointed and Mr Bruno Catelin was reappointed, with effect from 1 November 2020, directors representing the employees by the Group Committee, for a period of four years from that date.

A single Works Council representative participates in Board meetings, in accordance with the provisions of Article L.2323-65 of the French Labour Code. Mr Emmanuel Brie was appointed in this capacity on 9 July 2019, for a period expiring during the election of employee representatives in the course of 2023.

Furthermore, the Company's Articles of Association allow for the Board of Directors to receive assistance from up to three non-voting Board members. They fulfil an advisory role and their opinions are not binding for the Board of Directors. To date, the only non-voting Board member is Mr Pascal Oddo. His term of office will expire at the end of the Shareholders' Meeting of 18 May 2022, and the renewal of his term of office will not be proposed. An amendment to the Articles of Association will be submitted to the Shareholders' Meeting to remove the reference to the non-voting board member in the Articles of Association.

The internal rules and regulations stipulate that, apart from the specific duties attributed to the Board of Directors by legal and regulatory provisions (the "law") and the Company's Articles of Association, the Board reviews and gives prior approval for any significant actions to be undertaken by the Company, and in particular:

- The Company's strategic direction and any actions that fall outside the strategy announced by the Company; and
- Acquisitions or disposals of equity interests or assets in material amounts liable to alter the Company's statement of financial position structure, including any acquisition or disposal of equity interests or assets of an amount greater than or equal to €100 million.

The Company is also committed to promote creation of value over the long term while considering the social and environmental implications of its activities.

A secure digital platform enables directors to receive the appropriate information and documents necessary to perform their duties and to prepare for the deliberations of the Board of Directors or its committees. This paperless platform is a place for the secure exchange of information and documents between the members of the Board of Directors. It also ensures the archiving of data.

The Board of Directors also undertakes controls and checks as it sees fit, and may obtain copies of any document it deems useful in fulfilling its role. In connection with the strategy it outlines, the Board of Directors regularly examines the opportunities and risks such as financial, legal, operational, social or environmental risks, as well as the actions taken as a consequence. For this purpose, it receives all the information necessary to carry out its mission. In addition, prior to any meeting, directors may request any additional documents that they deem useful.

Furthermore, each director may, if he or she so wishes, receive additional training in the Company's specific features and business lines.

Information sessions can be arranged for new directors to help them gain an understanding of Nexity group as quickly as possible. This programme includes a review of the Group's strategy and main businesses, key challenges in terms of growth, competitiveness and innovation, and also finance, research and development, human resources management, legal aspects, compliance and the general organisation of operations. It also includes site visits. All directors can take part in this programme if they so wish, in accordance with the relevant provisions of the Board's internal rules and regulations. The Board of Directors met eight times during the financial year ended 31 December 2021. The attendance at Board meetings is 100%.

The individual attendance rates at the meetings of the Board of Directors and its various Committees are detailed below:

	Attendance rate/body/person				Overall attendance rate/person
	Board of Directors (8 meetings)	Audit and Accounts Committee (5 meetings)	Remuneration, Appointments and CSR Committee (5 meetings)	Strategy and Investment Committee (no meetings in 2021)	
Alain Dinin	100%			N/A	100%
Luce Gendry	100%	100%		N/A	100%
Véronique Bédague (from 19 May 2021)	100%				100%
Jean-Pierre Denis (until 19 May 2021)	100%	100%		N/A	100%
Charles-Henri Filippi	100%		100%		100%
Jérôme Grivet	100%	100%		N/A	100%
Soumia Belaidi-Malinbaum	100%	100%	100%		100%
Agnès Nahum	100%	100%	100%	N/A	100%
Magali Smets	100%	100%			100%
Jacques Veyrat (until 19 May 2021)	100%		100%	N/A	100%
Jean-Paul Belot	100%				100%
Myriam El Khomri (from 19 May 2021)	100%				100%
Crédit Mutuel Arkéa (from 19 May 2021)	100%				100%
Bruno Catelin	100%		100%		100%
Karine Suzzarini	100%				100%
TOTAL	100%	100%	100%	N/A	100%

During the financial year, in the following areas, the Board of Directors:

1. Financial and accounting information:

- Reviewed the conclusions of the Audit and Accounts Committee on matters within its remit,
- Approved the financial statements for the financial year ended 31 December 2020, the 2021 half-year financial statements and revenue for the first and third quarters of 2021,
- Reviewed and approved the Group's 2022 budget in December 2021,
- Regularly reviewed the Group's financial position and changes in its debt, discussed appropriate financing arrangements or the extension and adaptation of existing financing arrangements and reviewed and approved management forecasts,
- Decided to increase the cap of the Neu MTN programme set up in 2020 and to sub-delegate to the Chief Executive Officer the power to proceed with the said issue, to approve its terms and sign all related documentation,
- Decided to adjust the rights of holders of convertible bonds and sub-delegate to the Chief Executive Officer the power to determine the new ratios, to inform the holders of 2016 OCEANE bonds and 2018 ORNANE bonds,
- Decided to implement a new share buyback programme;

2. Governance – Remuneration and CSR

- Discussed reports from the Remuneration, Appointments and CSR Committee,
- Modified Nexity's governance by separating the positions of Chairman of the Board of Directors and Chief Executive Officer, and by appointing a new Deputy CEO as Company Officer,
- Approved the agenda and convened a Combined Shareholders' Meeting to approve the parent company financial statements for the financial year ended 31 December 2020, to renew the term of office of one director and to appoint three new directors and amend the Articles of Association;
- Prepared responses to written questions from shareholders,
- Authorised the signature of related-party agreements,
- Updated the internal rules and regulations and discussed the assessment of the Board of Directors' work,
- Approved the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer, and the Deputy CEOs as well as the remuneration of the members of the Board of Directors and its distribution,
- Decided on the free share award plans;
 - deliberated on the Group's CSR strategy and roadmap,
 - discussed gender equality within the Group,
 - discussed the Group's strategy and main partnership projects,
 - authorised the issuance of guarantees.

Moreover, the Board of Directors is kept informed, using all possible means, of the Company's financial position and commitments as well as any significant events and projects concerning the Company as well as risks to which the Group is exposed.

4.2.2 Executive Management approach

The choice of approach to Executive Management is discussed every year as part of the Board of Directors' annual review.

In order to better respond to the development of the Company and allow a better distribution of functions, the Board of Directors, on 19 May 2021, after consulting the Remuneration, Appointments and CSR Committee, decided to modify the method of Executive Management by separating the positions of Chairman of the Board of Directors and Chief Executive Officer. This change is in line with what was decided in 2019, before the combination of positions approved on 25 April 2020 following the death of Mr Jean-Philippe Ruggieri, Chief Executive Officer.

As part of this separation of the positions of Chairman of the Board of Directors and Chief Executive Officer, Mr Alain Dinin, Chairman of the Board of Directors, will support the Executive Management team through an active chairmanship, having been granted extended prerogatives embodying the powers of the Board of Directors' Strategy and Investment Committee with regard to financial commitments, the allocation of resources and approval of the Company's major decisions. This separation of duties follows on from the Board of Directors' decision in 2019 to set up a governance system. The principles of this governance are reflected in the internal rules and regulations.

Mrs Véronique Bédaque was appointed Chief Executive Officer of the Company upon the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer on 19 May 2021.

The Chairman is elected by the Board of Directors from amongst its individual members for a duration not exceeding the electee's term of office.

Lastly, Board meetings are held without the presence of executive company officers ("executive sessions"). They are convened at least once a year by the Chairman or Vice-Chairman (or Chairmen) of the Board of Directors, who freely determine the agenda and the participants. The Vice-Chairman or Vice-Chairmen report on such meetings at the following Board meeting.

The Chairman of the Board of Directors must be under the age of 75. When this age limit is reached during the term of office, the latter is automatically deemed to have resigned at the end of the next Annual Ordinary Shareholders' Meeting. The Board of Directors determines the Chairman's remuneration. It may also dismiss the Chairman at any time.

The Chairman organises and directs the Board's activities and reports on them at Shareholders' Meetings. The Chairman oversees the proper functioning of the Company's corporate bodies and specifically ensures that the directors are in a position to fulfil their duties.

The Chief Executive Officer must be under the age of 72, including when he also serves as Chairman of the Board of Directors. When this age limit is reached during the term of office, the Chief Executive Officer is automatically deemed to have resigned at the end of the next Annual Ordinary Shareholders' Meeting.

The Chief Executive Officer is vested with the broadest possible powers to act in all circumstances on behalf of the Company. He exercises his powers within the confines of the corporate purpose and subject to any powers expressly assigned by law to the shareholders or the Board of Directors. He represents the Company in its dealings with third parties.

On 19 May 2021, the Board of Directors also appointed Mr Jean-Claude Bassien as Deputy CEO, who has the same powers as the Chief Executive Officer.

Mr Julien Carmona resigned as Deputy CEO on the same date.

4.2.3 Vice-Chairman – Senior Independent Director

The Board of Directors may also, as the case may be, appoint one or more Vice-Chairmen chosen from among the independent directors, for a term of office that may not exceed that of their appointment as director.

Mrs Luce Gendry has served in this position since 17 February 2015. She was reappointed in May 2020 following the renewal of her term of office as director by the Shareholders' Meeting of 19 May 2020.

The Vice-Chairman or Vice-Chairmen may convene Board of Directors meetings should the Chairman be unable to do so.

The Vice-Chairman or Vice-Chairmen may request that the Chairman convene a meeting of the Board of Directors. The Vice-Chairman or Vice-Chairmen may submit a draft agenda for amendment and/or approval by the Chairman, as the case may be.

In the absence of the Chairman of the Board of Directors, the Vice-Chairman or Vice-Chairmen may also chair Board meetings.

Similarly, the Vice-Chairman or Vice-Chairmen may convene executive sessions (see 4.2.2 above).

The Board of Directors may appoint a Vice-Chairman as Senior Independent Director for the duration of his or her term of office as Vice-Chairman. The Senior Independent Director must be independent per the criteria laid down in the Board's internal rules and regulations. The duties, responsibilities, resources and prerogatives of the Senior Independent Director are described in the internal rules and regulations of the Board of Directors. In this capacity, he or she coordinates meetings of independent directors, supervises the formal assessment of the work of the Board of Directors and is the point of contact for Board members in the event of a conflict of interest.

On 19 February 2019, the internal rules and regulations were amended to allow the Vice-Chairman (Vice-Chairmen) or, as the case may be, the Senior Independent Director to respond to requests of shareholders who want a direct dialogue with members of the Board. No such request was received in 2021.

Independent directors may meet at the initiative of any one of them, with such meetings chaired by the Senior Independent Director. He or she is responsible for gathering and passing on to the Board of Directors the opinions and positions of the independent directors.

4.2.4 Gender balance and diversity of the Board of Directors, the Executive Committee and Club 1797

4.2.4.1 The Board of Directors

At 31 December 2021, the Board of Directors had six women and four men among its members. Women therefore made up 60% of the Board at that date. In accordance with the law, the directors representing the employees, whether shareholders or not, are not included when calculating this percentage. This percentage of directors complies with the legal provisions and recommendations of the Afep-Medef Code since it entered into force. Taking into account the fact that the Company's activity is located primarily in France, the criteria of nationality was not deemed relevant.

The Board of Directors has also had a majority of independent directors since 2015. The same year, the Company organised a staggering schedule of director terms to allow for progressive replacement of the Board of Directors.

Following the assessment carried out in March 2022, it has been deemed that the diverse range of professional experiences of the members of the Board of Directors ensures that they have the necessary expertise to seize opportunities and address the risks to which Nexity is exposed.

4.2.4.2 Nexity's Executive Committee

At 31 December 2021, the Executive Committee was composed of 13 members, including seven women, i.e. a percentage of women of 54%, above the objective of 40% by 2023.

4.2.4.3 Club 1797

Club 1797 is the standard for management bodies at Nexity and includes those positions with the most responsibility referred to in Article L.22-10-10 of the French Commercial Code.

Increasing the number of women in Club 1797 is one of the four objectives of the Group's "Gender Equality and Diversity" policy, with a target rate of 40% by 2023.

The percentage of women in Club 1797 has risen from 28% in 2017 to 38% at 31 December 2021.

4.2.4.4 Gender diversity policy

The good levels achieved in terms of gender balance among directors and executive officers are the result of a proactive gender diversity policy among governing bodies.

Various measures have been rolled out:

- An internal exchange and work network, set up in 2018, which is composed of more than 100 members, women and men from all of the Group's business lines;
- To support women in their career progression, there has been a specific focus on identifying high-potential employees and candidates for the talent development and future executives training programme (Next);
- A mentoring programme, set up in 2020, was renewed in 2021 for nearly 20 female employees;

- In order to ensure that women are represented when recruiting executives, all new contracts entered into with recruitment firms include a clause whereby the shortlist of candidates must be in proportion to the number of female applications received, and consistent with the proportion of qualified women in that particular business sector.

This committed policy, and its results, have been recognised in the Bloomberg Gender-Equality Index, in which the Group has been included for the third consecutive year, and in the improvement in Nexity's ranking in the SBF 120's ranking of women in management bodies (from 47th to 32nd place).

4.2.5 Independent directors

Generally speaking, a director is considered independent when he or she has no relationship with the Company, the Group or management (other than a non-significant shareholding) that could compromise his or her freedom of judgement. The criteria for directors' independence laid down in the Board of Directors' internal rules and regulations are aligned with the following criteria set out in the Afep-Medef Code, under which an independent director may not:

1. Be an employee or executive company Officer of the Company or any company consolidated by the Company, or an employee or executive company Officer of a parent company, *i.e.* any company that has sole or joint control over the Company, or any company consolidated by such a parent company, and may not have been such at any time during the previous five years;
2. Be an executive company Officer of an entity in which the Company holds a directorship, whether directly or indirectly, or in which an employee designated as such or an executive company Officer of the Company (in office at any time during the last five years) serves as a director;
3. Be a client, supplier, commercial banker, advisor, a banker with significant investment in the Company or one for which the Company represents a significant part of its business.

When a business relationship exists, the Board of Directors assesses on a case-by-case basis whether or not the relationship between the director in question and the Company or Group is significant. The Board of Directors reviews the business relationship taking into account (i) a quantitative criterion of the extent of the

relationship and (ii) qualitative criteria such as whether the relationship is one of economic dependence, the role played by the director in question in the business relationship (*e.g.* whether the director has executive responsibilities; whether he or she personally receives financial compensation, and if so, how much; whether he or she has decision-making powers over the contract(s) on which the business relationship is based; whether he or she is involved in managing the relationship on a day-to-day basis), as well as the duration and current length of the business relationship (in particular whether the business relationship predated the appointment of the director in question);

4. Be a close relative of a Company Officer;
5. Have been an auditor of the Company at any time during the last five years; or
6. Have been a member of the Company's Board of Directors for more than twelve years at the start of his or her current term of office. A director is no longer considered independent after twelve years.
7. Moreover, the Board may consider that, although a director meets the above independence criteria, he or she cannot be qualified as independent in view of his or her particular situation or that of the Company, considering his or her shareholding (in particular if said director or his or her group owns 5% or more of the Company's share capital) or for any other reason; and
8. Lastly, in accordance with the Afep-Medef Code, to which the Company is a member, a non-executive company Officer cannot be considered independent if he or she receives variable remuneration in cash, securities, or any Company performance-related remuneration.

The table below presents a summary of the position of each of the directors at 31 December 2021, with regard to the aforementioned independence criteria and numbered from 1 to 8, it being specified that the Chairman of the Board of Directors, a non-executive company officer, is not considered independent and receives no performance-related remuneration from the Company.

The table also summarises the position of the directors whose terms of office expired on 19 May 2021.

Independence criterion number	1	2	3	4	5	6	7	8
Alain Dinin			•	•	•	•	N/A	•
Luce Gendry	•	•	•	•	•	•	N/A	N/A
Véronique Bédague (from 19 May 2021)			•	•	•	•	N/A	N/A
Charles-Henri Filippi	•	•	•	•	•	•	N/A	N/A
Soumia Belaidi-Malinbaum	•	•	•	•	•	•	N/A	N/A
Agnès Nahum	•	•	•	•	•	•	N/A	N/A
Magali Smets	•	•	•	•	•	•	N/A	N/A
Myriam El Khomri (from 19 May 2021)	•	•	•	•	•	•	N/A	N/A
Crédit Mutuel Arkéa (Bertrand Blanpain) (from 19 May 2021)	•	•		•	•	•		N/A
Jean-Paul Belot			•	•	•	•	N/A	N/A
Bruno Catelin		•	•	•	•	•	N/A	N/A
Karine Suzzarini		•	•	•	•	•	N/A	N/A
Jérôme Grivet	•	•		•	•	•		N/A
Jean-Pierre Denis (until 19 May 2021)	•	•		•	•	•		N/A
Jacques Veyrat (until 19 May 2021)	•	•		•	•	•		N/A

The Board of Directors assesses directors' independence annually after consulting the Remuneration, Appointments and CSR Committee.

At its meeting held on 14 February 2022, the Remuneration, Appointments and CSR Committee discussed the criteria for independence of the members of the Board of Directors. The Committee analysed each director's circumstances in light of these criteria, particularly the materiality of any business relationships that they may have with the Company.

On the basis of this discussion, the Board of Directors, at its meeting of 23 February 2022, considered the following six

directors as independent: Mmes Luce Gendry, Soumia Belaidi-Malinbaum, Agnès Nahum, Magali Smets, Myriam El Khomri and Mr Charles-Henri Filippi. The percentage of independent directors on the Board of Directors is thus 60%⁽¹⁾. On the basis of the criteria presented above, the Board of Directors noted that none of the independent directors had any material business relationships with the Company or the Group, and that the application of the procedure to authorise regulated agreements enabled conflicts of interest to be avoided. Furthermore, all of the above directors declared that they had not identified any conflicts of interest between their activities and their duties to the Company and/or any of its other directors.

4.2.6 Specialised Committees of the Board of Directors

The internal rules and regulations of the Board allow it to set up one or more permanent or temporary Committees to facilitate the Board's work and contribute effectively to its decision-making process.

The Board of Directors has set up three Committees: the Audit and Accounts Committee, the Strategy and Investment Committee and the Remuneration, Appointments and CSR Committee.

The Committees are responsible for studying matters that the Board of Directors or its Chairman may submit to them,

analysing and preparing the Board of Directors' work concerning these matters, and reporting their findings to the Board of Directors in the form of summaries, proposals, information or recommendations.

The Committees may commission external technical reviews on matters falling within their respective remits, at the Company's expense, after informing the Chairman of the Board of Directors or the Board of Directors itself and subject to reporting progress to the Board.

The Committees have a strictly advisory role.

1) Percentage determined in accordance with the Afep-Medef Code, which stipulates that directors representing the employees should not be included in the calculation.

At 31 December 2021, the Committees are composed as follows:

Audit and Accounts Committee	Remuneration, Appointments and CSR Committee	Strategy and Investment Committee
6 members, of whom 4 are independent	4 members, of whom 3 are independent and 1 member representing employees	6 members, of whom 3 are independent
Luce Gendry* - Chairwoman Magali Smets* Agnès Nahum* Soumia Belaidi-Malinbaum* Jérôme Grivet Crédit Mutuel Arkéa	Charles-Henri Filippi* - Chairman Agnès Nahum* Soumia Belaidi-Malinbaum* Bruno Catelin	Alain Dinin - Chairman Luce Gendry* Agnès Nahum* Magali Smets* Jérôme Grivet Crédit Mutuel Arkéa

* Independent.

Audit and Accounts Committee

The Audit and Accounts Committee performs the Audit Committee functions described under Article L.823-19 of the French Commercial Code. The Committee's duty in terms of risk management consists particularly in ensuring that there is an established system to prevent and detect

corruption and influence peddling. The Committee may call on external experts if it so wishes. The Statutory Auditors are invited to all the Committee's meetings. Its main duties in accordance with or addition to those established by law are as follows:

Concerning the parent company and consolidated financial statements and internal control

- Review the interim and annual parent company and consolidated financial statements, including notes, as well as the management report where applicable, and to render an opinion;
- Ensure that the regulatory accounting policies used in preparing the parent company and consolidated financial statements are appropriate and properly applied;
- Verify the accounting treatment of significant transactions;
- Review significant off-balance sheet commitments;
- Ensure that the Group has in place internal procedures for collecting and controlling financial and accounting information that ensure the quality and reliability of the Group's accounts, internal and external audits, and Management's responses;
- Review the scope of consolidation and, as the case may be, the reasons for which companies may fall outside it;
- Review all financial and accounting matters; and
- Present to the Board of Directors any finance- or accounting-related observations it considers worthwhile.

Concerning external audits

- To submit recommendations to the Board of Directors on the selection of the Statutory Auditors (audit firms and networks);
- To analyse and give an opinion on the nature of their duties, fees, scope and timetable of activities, recommendations and action taken;
- To approve, in accordance with the provisions of Article L.822-11-2 of the French Commercial Code, the services provided by the Statutory Auditors or their networks other than the auditing of financial statements and other mandatory duties of the Statutory Auditors pursuant to applicable regulations to ensure that these
- do not include any prohibited services, and, as part of this duty, delegate authority to the executive company officers each year to order and approve the budget, assignments authorised by the Committee as part of the services provided by the Statutory Auditors or their network; and
- Review all finance- and accounting-related matters submitted by the Chairman of the Board of Directors, as well as any matters concerning independence or conflicts of interest that might be brought to its attention.

Concerning financial disclosures

- Review draft financial press releases (interim and annual financial statements, quarterly updates on revenue and business activity).

At its meeting held on 23 February 2022, the Board of Directors noted that all of the Committee's members had expertise in finance or accounting and that Mmes Luce Gendry, Soumia Belaidi-Malinbaum, Agnès Nahum and Magali Smets meet the criteria for independence as set out in the Afep-Medef Code. As such, two-thirds of the Committee's members are independent directors.

Biographies of the Committee members are presented in Section 4.1.2 "Members of the Board of Directors during the financial year ended 31 December 2021" of this chapter.

The Committee may request any and all accounting or financial documents it deems necessary to carry out its duties.

The Audit and Accounts Committee met five times in 2021.

The Audit and Accounts Committee reviewed in particular the parent company financial statements for the year ended 31 December 2020, the interim financial statements at 30 June 2021, and revenue for the first and third quarters of 2021. A specific meeting was dedicated to the presentation of the risk management and control system.

The Committee regularly monitored:

- The progress of the work conducted by the Enterprise Risk Management Department and the Compliance Department, and the updating of the major risk mapping;
- The deployment of internal control procedures within the Group and the state of progress of action plans concerning compliance and ethics;
- The conclusions of various internal audits completed during the financial year as well as follow-up to recommendations;
- A specific report was prepared on the fees and duties of the Statutory Auditors within the framework of the delegation given to the company officers; and
- Specific points were also made on the follow-up of the action plans on the management of the health crisis to ensure the safety of employees and business continuity, the new financing (refinancing of the OCEANE 2023, increase of the ceiling of the NEU MTN), the accounting treatment of the disposals of Ægide-Domitys and Century 21, the European taxonomy and the new reporting obligations, the progress of the overhaul of the IT tools and the IT security.

The Committee also met once with the Statutory Auditors with Executive Management not in attendance.

Remuneration, Appointments and CSR Committee

The Remuneration, Appointments and CSR Committee has as its task to:

As the Remuneration Committee

- Review and submit proposals on remuneration paid to company officers and members of the Executive Management non-company officers, in the presence of the Chairman of the Board, particularly as regards (i) variable remuneration, by proposing rules to the Board of Directors on the determination of variable remuneration based on company officers' performance during the financial year under review, and the Company's and Group's medium-term strategy, and monitoring compliance with those rules, and (ii) benefits in kind, share subscription and purchase options and free share awards received from all Group companies, as well as provisions for retirement and benefits of any kind;
- Propose to the Board of Directors an overall amount for the remuneration of the directors to be proposed to the Company's Shareholders' Meeting; the rules for distributing this remuneration and the individual

amounts of the payments to be made in this respect to the directors, taking into account the attendance of the directors at the Board of Directors and Committees;

- Offer the Board of Directors its opinion on the general policy for awarding share subscription and/or purchase options and/or free shares, as well as any share option or free share award plans put forward by the Group's Executive Management in light of applicable rules and recommendations; inform the Board of Directors of its proposals regarding share purchase or subscription options or free share awards, including the reasons for and consequences of this proposal; and
- Review all matters submitted to it by the Chairman of the Board of Directors pertaining to the above matters or to increases in the share capital reserved for employees.

As the Appointments Committee

- Selection of new directors: the Committee is tasked with making proposals to the Board of Directors after reviewing in particular the Board's membership in light of the composition of and changes in share ownership

as well as gender equality, finding and evaluating potential candidates, and assessing the appropriateness of reappointments; and

- Succession planning for executive company officers: under the Company's risk prevention policy, the Committee must prepare a succession plan to ensure that it is in a position to propose succession options to the Board of Directors in the event of an unforeseen vacancy. This plan is described in the internal rules and regulations of the Board of Directors. This plan was not

As the CSR Committee

- Review the Group's CSR strategy at least once a year; and
- Provide the Board of Directors with an opinion on non-financial CSR-related matters to be included in the management report, as provided for in Articles L.225-102-1 and L.22-10-36 of the French Commercial Code.

The Remuneration, Appointments and CSR Committee met five times in 2021, and considered the independence of directors, the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer, the appointment of the Chief Executive Officer and the Deputy CEO, the remuneration of company officers, the establishment of free share award plans, and the vesting period for such shares, as well as the allocation of remuneration to the directors. The Committee also reviewed the Group's CSR strategy and statement of non-financial performance, the remuneration structure of the Group's main managers, and the Group's gender equality policy.

Strategy and Investment Committee

The Strategy and Investment Committee is tasked with giving an opinion on the essential components of the Company's and the Group's strategy, in particular the medium-term plan and the image and communication policy guidelines. It can also examine and give its opinion on the market conditions and outlook as well as the annual budget and its updates.

It can also look into all transactions consisting in (i) an acquisition or investment or a disposal of shares in all types of companies involving more than €10 million of investment or divestment or (ii) a real estate transaction or a real estate project of more than €10 million in property or asset value.

The Committee delegates to its Chairman the approval of the investment and transaction proposals referred to in (i) and (ii) above, which are of a value of €10 million to €70 million. The investments or transactions referred to in (i) and (ii) above of a value of more than €100 million require a meeting to be called and a formal

modified following the combination of the positions of Chairman and Chief Executive Officer in May 2021 and was reviewed by the Committee and the Board of Directors in March 2022.

When acting in its capacity as Appointments Committee, the Chairman of the Board of Directors is involved in its work.

The Remuneration, Appointments and CSR Committee presented to the Board of Directors, which approved them, the remuneration principles for Nexity's executive company officers: a fixed remuneration for the Chairman, a fixed remuneration for the CEO and the Deputy CEOs and a variable annual remuneration based entirely on the achievement of quantitative financial, client satisfaction and CSR objectives, as well as individual quantitative and qualitative objectives.

The Remuneration, Appointments and CSR Committee also examined the plan to update the internal rules and regulations, the report on gender equality.

In more general terms, the Committee reviewed the composition of the Board of Directors, that of its various Committees, and the appointment of these Committees' members, and made its recommendations to the Board of Directors.

Detail of the remuneration and benefits paid to the executive company officers is shown in Section 4.4 "Remuneration and benefits for the executive company officers" of this chapter.

recommendation from the Committee for authorisation by the Board.

Any banking or bond financing of an amount in excess of €200 million must be submitted to the Committee.

The Chairman and the Committee must be consulted regarding the appointment and remuneration of the executive company officers of the Company's main subsidiaries and of persons holding key functions during a financial year, in the Company or the Group.

The Strategy and Investment Committee meets as many times as it deems necessary prior to any commitment by the Company requiring the opinion of the Committee. The Strategy Committee meets on an exceptional basis for the review of the medium-term strategic guidelines and, for this purpose, its composition may be extended to include other directors.

The Strategy and Investment Committee did not meet in 2021.

4.2.7 Non-voting Board members

The non-voting Board member(s) shall be appointed by the Ordinary Shareholders' Meeting; they may be chosen from among the shareholders, whether natural or legal persons, or from outside the shareholders. The non-voting Board members attend Board meetings but cannot vote in decisions. They serve as general advisors to the directors, who are under no obligation to heed their opinions or recommendations. The non-voting Board members are bound by the same confidentiality obligations as voting directors and may be dismissed at any time by vote at an Ordinary Shareholders' Meeting.

At 31 December 2021, the Board of Directors was assisted in its work by a non-voting Board member, Mr Pascal Oddo. His appointment expires at the end of the next Shareholders' Meeting of 18 May 2022. No reappointment will be proposed at this meeting. It will also be proposed to this Meeting to delete the article of the Articles of Association relating to the ability to appoint one or more non-voting Board members.

4.2.8 Assessment of the functioning of the Board

The Board's internal rules and regulations provide that each year the Board devotes an item on the agenda to a discussion of its operating procedures in order to improve its efficiency. To do this, the Board carries out its own assessment, under the supervision of the Senior Independent Director, along the following three lines: (i) taking stock of its organisation and operating procedures, (ii) verifying that important issues are properly prepared and debated, and (iii) measuring the effective contribution of each director to its work through his or her competence and involvement in the discussions.

In addition, the internal rules and regulations provide for a formal assessment of the Board of Directors to be carried out by an external consultant, under the supervision of the Senior Independent Director, every three years, which took place during the last financial year.

This year the assessment was carried out in the form of a questionnaire sent to the directors during January 2022.

At the Board of Directors' meeting of 29 March 2022, the Senior Independent Director presented the report on the assessment of the Board's work after having reviewed it during an executive session in March 2022.

This resulted in an overall positive assessment of the Board's role and missions, particularly regarding the following points:

On the role and duties of the Board of Directors: Directors have confirmed they completely understand their role and responsibilities and believe that the Board has established an effective policy for resolving any conflicts of interest. They believe that the Board plays an independent advisory role. The Board oversees the Company's financial performance and strategy, as well as the related risks, effectively. The Board ensures that the remuneration of executive company officers is consistent and in line with the Company's performance;

On the structure of the Board of Directors: The size of the Board is deemed fully adequate, and its composition balanced, particularly concerning skills, gender balance and the number of independent directors. The directors believe they have the necessary experience and skills to carry out their duties and state they are satisfied with the process for selecting new members. Directors believe that the meeting

agendas prepared by the Chairman of the Board are consistent with the Company's strategy and relate to issues that are crucial to that strategy. Directors are satisfied with the discussions and believe that they have free rein to express their views and to participate in decision-making;

On Committees of the Board of Directors: The composition of the different Committees takes into account the expertise of each director. Their role on each of the Committees is well balanced with that of the Board. Thus, the Committees perform their respective duties efficiently. With no meeting of the Strategy and Investment Committee during the last financial year (no issue falling within its remit), some of the directors did not express an opinion on its role;

On the operating procedures of the Board of Directors: The frequency and duration of meetings are deemed satisfactory. Directors believe they are sufficiently informed about the trends in the sector and the dynamics of the market and are able to decide on all questions relating to the Group's strategy and challenges.

Some directors believe that they should be informed earlier about the files made available to them.

Directors particularly appreciate that the Chairman of the Board of Directors draws on the expertise and experience of the Board. This way of working by the Board enables each director to make an effective contribution and properly distribute the Board's duties within the Board itself and within the different Board Committees;

On the dynamics of the Board of Directors: Directors believe there is a good dynamic within the Board. They also believe they are free to discuss all challenges and the actions to be taken, and to have free rein to express their opinion and implement projects adequately. Cooperation with the Board, the Chairman and the management team is deemed satisfactory;

On the commitment of the Board and value creation over the long term: directors believe it is essential for the Board to demonstrate effectiveness in managing all skills, particularly in regard to strategy, performance, and consideration for the societal and environmental challenges facing the Company's business.

Changes: The directors also believe that the Board has been able to work on governance issues and, in particular, to effectively conduct a review of the new separation of the positions (of Chairman and Chief Executive Officer) of the Board of Directors, which was initiated at the beginning of 2021.

The separation has been well-implemented and the Board has noted that responsibilities are well defined and that the reappointment of the main executives is a positive point.

The directors consider that the subjects relating to its social and environmental responsibilities are in line with the Company's development and strategy.

Furthermore, the Board ensures the implementation of a non-discrimination policy within the Company, and the directors are satisfied with the treatment of issues relating to risk management and prevention, ethics and compliance.

4.2.9 Compliance with the Afep-Medef Code

No exceptions have been identified at the date of this report.

As indicated in the 2020 Universal registration document, Mr Alain Dinin's remuneration for the 2021 financial year consists exclusively of a fixed portion despite the

combination of the positions of Chairman and Chief Executive Officer on 19 May 2021, which could have been considered as non-compliant with the Afep-Medef Code. Since 19 May 2021, the positions have been separated and Mr Alain Dinin is Chairman of the Board of Directors.

4.3 RELATED-PARTY TRANSACTIONS

The reports relating to the 2019, 2020 and 2021 financial years are incorporated by reference.

Note 35 in Section 5.1 “Consolidated financial statements at 31 December 2021” of this Universal registration document details related-party information.

Regulated agreements are presented in Section 4.3.1 “Statutory Auditors’ Report on related-party agreements” of this chapter.

There is no other significant transaction with related parties.

4.3.1 Statutory Auditors’ Report on related-party agreements

This is a free translation into English of the Statutory Auditor’s Report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Shareholders’ Meeting held to approve the financial statements for the year ended 31 December 2021

To the Shareholders of Nexity at the Shareholders’ Meeting,

As Statutory Auditors of your Company, we hereby present our report on related party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions, the purpose and benefits to the Company of the agreements brought to our attention or which we encountered during our engagement. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other agreements exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to assess the merit of these agreements with a view to approving them.

It is also our responsibility to provide you, where appropriate, with the information required by Article R.225-31 of the French Commercial Code relating to the execution, during financial year 2021, of the agreements already approved at the Shareholders’ Meeting.

We conducted the work we deemed necessary in accordance with the professional standards issued by the French national institute of statutory auditors (CNCC) relating to this engagement. Our work entailed verifying that the information provided was consistent with the documents from which it was derived.

1. Agreements submitted for approval at the annual general meeting

Agreements authorized and entered into during the financial year

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the following agreements entered into during financial year 2021, which were previously approved by the Board of Directors:

- **Support and advisory service agreement with Lazard Frères**

Person concerned:

Company	Charles-Henri Filippi
Nexity	<i>In his capacity as:</i>
Lazard Frères	Independent director Managing Partner

Terms and conditions:

At its meeting on 28 April 2021, the Board of Directors authorized a support and advisory service agreement with Lazard Frères in connection with the sale of a portion of the Company’s equity interest in Ægide.

The financial conditions were as follows:

- Success fees if the sale goes through: €1,250 thousand, excluding tax;
- Discretionary fees up to €500 thousand, excluding tax;
- Additional fees depending on Ægide’s enterprise value in connection with the sale:
 - €250 thousand, excluding tax if the enterprise value is between 89% and 100% of the target value;
 - €500 thousand, excluding tax if the enterprise value is strictly above 100% of the target value.

The total amount paid to Lazard Frères was €1,700 thousand, excluding tax.

- **Signing of a strategic partnership with Ægide**

Person concerned:

Company	Alain Dinin
	<i>In his capacity as:</i>
Nexity	Chairman and CEO (until 19 May 2021)
Ægide	Director

Terms and conditions:

At its meeting on 19 May 2021, the Board of Directors authorized the signing of the following agreements, in connection with the sale of a portion of its equity interest in Ægide:

1. A strategic partnership agreement (a non-exclusive long-term majority partnership) for the strategic real estate development, ownership and marketing of senior citizen living facilities between Nexity, Ægide and La Mondiale. The partnership agreement sets out an ambitious development plan with the opening of approximately 20 new facilities every year, doubling the size of the Ægide Group in 2025 with over 300 facilities in operation by 2030. The partnership should also enable Nexity to maintain a high level of growth in senior citizen living facilities and offer Ægide new opportunities in line with its requirements;
2. A rider to the support service agreement signed on 7 November 2018 to terminate the services provided by Nexity.

- **Service and brand licensing agreements with Pantera, Accessite, Bureaux à partager, Hiptown, Bien'Ici and New Port**

Persons concerned:

Company	Alain Dinin	Jean-Claude Bassien
	<i>In his capacity as:</i>	<i>In his capacity as:</i>
Nexity	Chairman and CEO (until 19 May 2021) Chairman of the Board	Deputy CEO (since 19 May 2021)
Pantera	Chairman of the supervisory board	
Accessite		Legal representative
Bureaux à partager		Chairman of the Supervisory Board
Hiptown		Legal representative
Bien'Ici		Director
New Port	Chairman and member of the Supervisory Board	

Terms and conditions:

At its meeting on 16 December 2021, the Board of Directors authorized the continuation in 2022 of the service agreements with the companies listed below:

- Pantera: the amount of the agreement remains at €200 thousand
- Accessite: the amount of the agreement was increased from €125 thousand to €145 thousand
- Bureaux à Partager: the amount of the agreement was increased from €174 thousand to €200 thousand
- Hiptown: the amount of the agreement was increased from €30 thousand to €60 thousand
- Bien'Ici: the amount of the agreement was increased from €200 thousand to €250 thousand
- Newport: the amount of the agreement remains at €25 thousand

2. Agreements previously approved at a Shareholders' Meeting

Agreements approved in prior financial years that continued to apply in the financial year

Pursuant to Article R.225-30 of the French Commercial Code, we were informed of the following agreements that continued to apply during the financial year under review, which had been approved at a Shareholders' Meeting in a prior year.

- **Service and brand licensing agreements with Ægide, Bureaux à partager and New Port**

Persons concerned:

Company	Alain Dinin	Julien Carmona
	<i>In his capacity as:</i>	<i>In his capacity as:</i>
Nexity	Chairman and CEO (until 19 May 2021) Chairman of the Board	Deputy CEO (until 19 May 2021)
Ægide	Director	Director
Bureaux à partager		Member of the Strategy Committee
New Port	Chairman and member of the Supervisory Board	Member of the Supervisory Board

Terms and conditions:

At its meeting on 24 February 2021, the Board of Directors authorized the continuation in 2021 of the service agreements with the companies listed below:

- Ægide: the fee recognised in financial year 2021 amounted to €300 thousand;
- Bureaux à partager: the fee recognised in financial year 2021 amounted to €174 thousand;
- Newport: the fee recognised in financial year 2021 amounted to €25 thousand.

Paris La Défense, 29 March 2022

The Statutory Auditors

KPMG Audit IS
François Plat
Partner

MAZARS
Claire Gueydan-O'Quin
Partner

4.3.2 Internal charter of Nexity group on related-party and current agreements

The charter on related-party and current agreements was updated by the Board of Directors on 26 March 2020. It sets out the procedure for evaluating said agreements. This charter is also available on the Company's website.

Introduction

This charter (the "Charter"), adopted on 17 February 2015, was updated by the Company's Board of Directors at its meeting of 26 March 2020. It was prepared pursuant to AMF recommendation No.2012-05 of 2 July 2012 amended on 5 October 2018 (the "AMF Recommendation"), the study by the French national institute of Statutory Auditors (CNCC) of February 2014 on "Related-party and current agreements" (the "CNCC study") and Act No.2019-486 of 22 May 2019 on the growth and transformation of companies, and Order No. 2019-1234 of 27 November 2019 on the remuneration of company officers of listed companies.

The purpose of the Charter is to specify the application of the principles applicable to related-party and current agreements, for the Company and for the Group. Thus, the following are mainly concerned within the Group: public limited companies (Articles L.225-38 *et seq.* and L.225-86 *et seq.* of the French Commercial Code), simplified joint stock companies (Articles L.227-10 *et seq.* of the French Commercial Code) and the limited liability companies concerned (Articles L.223-19 *et seq.* of the French Commercial Code). The Charter may be updated if necessary to take into account any legislative or regulatory changes.

A – Unrestricted agreements

Not all agreements are subject to the rules governing related-party agreements.

1 Current transactions carried out under normal terms and conditions

1.1 Current transactions

Current transactions are those usually carried out by a company as part of its activities:

- Relating to its ordinary course of business;
- Or subject to contracts comparable to those entered into by any other operator in the same situation.

To assess whether transactions are of a current nature in the Group and whether their terms and conditions are normal, the Group relies on case law and on the CNCC Study. It can nevertheless adopt a more stringent position based on the opinion of the Finance Department and the Legal Department.

1.2 Carried out under normal terms and conditions

To determine whether these terms and conditions are normal, consideration is given to the terms and conditions under which the relevant agreements are usually entered into in the relevant activity sector. According to a reply from the Minister for Justice, transactions carried out under normal terms and conditions are those carried out by a company "under the same terms and conditions as those it usually applies in its dealings with third parties."

The current nature and normal terms and conditions of transactions are considered as a whole and are not mutually exclusive. Otherwise, the agreement must be considered as subject to the related-party agreement procedure.

2 Intra-group agreements considered as unrestricted within Nexity group

Based on the above principles, the following agreements are considered as current and entered into under normal terms and conditions within Nexity group. This is not however an exhaustive list.

2.1 Usual business transactions

These agreements relate to the Group's activity in the real estate and services sector.

Their subject matter relates to the construction of buildings (CPI, VEFA, etc.) or all other ancillary agreements which are usual for this type of transaction.

2.2 Other current transactions within a group of companies

The purpose of these agreements is:

- Current financial transactions: shareholder current account advance agreements, cash management agreements;
- Bank financing contracts entered into with bank consortiums, of which only some would have common executives or shareholding ties with the Company;
- Agreements for services rendered by one company to other companies as part of the provision of premises or staff; and
- Agreements for the provision and maintenance of office equipment and software.

These agreements set out balanced considerations for the contracting companies. Their terms and conditions are therefore presumed to be normal. Failing that, they will be submitted to the Board of Directors of Nexity or of the relevant entity for approval and/or submitted for the approval of shareholders in accordance with the procedure set out in C below.

The Board of Directors ensures through regular reporting that these points are reviewed by all Commitment Committees of the Group.

The Legal and Finance Departments ensure that these agreements comply with the established frameworks so that they maintain their current nature. They also review the normal terms and conditions of these agreements. If these agreements are not of a current nature and their terms and conditions are not normal, they must be submitted to the Board of Directors for prior authorisation.

3 Agreements between a parent company and a wholly-owned subsidiary

The main change brought about by Order No. 2014-863 of 31 July 2014, as regards related-party agreements, consisted in excluding from the scope of the related-party agreement procedure those agreements entered into between a French public limited company (*société anonyme*) or a partnership limited by shares and one of its subsidiaries, of which it holds directly or indirectly 100% of voting rights.

To take account of the need to have more than one partner in certain corporate forms, the regulations take into account the fact that a number of units or shares must be held by a third-party other than the parent company.

This condition is interpreted restrictively. As it stands, this exemption does not apply to an SASU or EURL. The agreement will therefore be considered as unrestricted at the level of the SA, but as regulated at the level of the SASU or the EURL.

B – Agreements subject to a special authorisation procedure

Certain agreements are also not subject to the related-party agreement procedure because they are subject to specific procedures that aim to protect the interests of shareholders.

These are primarily agreements concerning the following transactions:

- Mergers and related transactions (demergers and contributions of assets subject to the regime applicable to demergers);

- Purchase of an asset belonging to a shareholder; and
- Directors' fees and remuneration in respect of their terms of office as Chairman of the Board of Directors, Chief Executive Officer and Deputy CEOs which fall under the specific competence of the Board of Directors.

C – Related-party agreements

1 Notion of related-party agreement

Any agreement that does not meet the criteria set out above and entered into, directly or indirectly or through an intermediary, between the Company and one of the persons mentioned in 2. hereinafter is concluded with a "related-party."

2 Targeted persons

This covers the following agreements entered into between the Company and the following persons:

2.1 Agreements entered into between the Company and an executive or a shareholder

These executives or shareholders are:

- In a French public limited company (*société anonyme*): directors (individuals, legal entities or their representatives), members of the Management Board and the Supervisory Board, the Chief Executive Officer, Deputy CEOs, a shareholder, individual or legal entity, holding more than 10% of voting rights;
- In a private limited company (SARL): the manager(s) or partner(s); and
- In a simplified joint stock company (SAS): the Chairman, Chief Executive Officer, Deputy CEO or the other executives.

2.2 Agreements between companies having common executives

Agreements entered into by a company and another company if the CEO, one of the Deputy CEOs or one of the directors of the Company is the owner, partner with unlimited liability, manager, director, member of the Supervisory Board or, generally, an executive of the Company or contracting company.

2.3 The notion of indirectly interested persons

Article L.225-38 of the French Commercial Code applicable to public limited companies refer to agreements between the Company and a third party of which the executive or shareholder is not personally a party but is an indirectly interested person.

On this point, the Company refers to the definition used in the AMF Recommendation (proposal No.22 in AMF recommendation No.2012-05): "Is considered to be indirectly interested in an agreement to which it is not a party, the person who, by virtue of the ties that he has with the parties and the powers he possesses to influence their conduct, derives an advantage from them."

3 Procedure

A so-called related-party agreement must:

- Obtain the prior authorisation of the Board of Directors or the Supervisory Board and the authorisation must be justified for a listed company (justification of the benefit to the Company of the agreement). The director(s) concerned does/do not then take part in the vote or the discussions of the Board;
- Be covered by a Statutory Auditors' report;
- Be subject, in compliance with the applicable legal conditions, to the approval of partners or shareholders at the same time as the Statutory Auditors' report. The partners or shareholders concerned must refrain from voting; and
- Be subject of publicity measures stipulated by the regulations.

4.4 REMUNERATION AND BENEFITS FOR THE EXECUTIVE COMPANY OFFICERS

In determining and presenting the remuneration of Nexity's executive company officers, the Company applies the Afep-Medef Code (available on the website www.medef.fr).

Any decision regarding the remuneration of the executive company officers in respect of their appointments must comply with the "say on pay" procedure of the Sapin 2 Act, as amended by Order No. 2019-1234 of 27 November 2019.

Pursuant to Article L.22-10-9 of the French Commercial Code, a certain number of disclosures relating to the remuneration of the company officers are presented in Section 4.4.1 of this Universal registration document. In accordance with Article L.22-10-34 of the French Commercial Code, the Shareholders' Meeting of 18 May 2022 will be asked to approve, under the *ex-post* "say on pay," a draft resolution on the disclosures thus presented, mentioned in Article L.22-10-9-I of the same Code. Under the *ex-post* "say-on-pay" principle, and in accordance with Article L.22-10-34 of the French Commercial Code, the Shareholders' Meeting of 18 May 2022 will also be asked to approve the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid in the 2021 financial year or awarded in respect of the same financial year to the Chairman and Chief Executive Officer until 19 May 2021, to the Chairman of the Board as from 19 May 2021, to the Chief Executive Officer, and to the Deputy CEOs.

Pursuant to Article L.22-10-8 of the French Commercial Code, the remuneration policy applicable to the company

officers for the 2022 financial year, determined by the Board of Directors and approved at its meeting of 29 March 2022 is presented in Section 4.4.2 of this Universal registration document. The remuneration policies applicable, respectively, to the members of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy CEO for the 2022 financial year will be subject to the approval of the Shareholders' Meeting of 18 May 2022 in accordance with Article L.22-10-8 of the French Commercial Code under the *ex-ante* "say on pay".

The Board of Directors is committed to verifying the compliance of the remuneration paid or awarded to company officers during or in respect of the 2021 financial year with the remuneration policy for company officers for 2021, as approved by the Shareholders' Meeting of 19 May 2021, in its 14th to 18th resolutions. In particular, the Board of Directors and the Remuneration, Appointments and CSR Committee have ensured that the remuneration of executive company officers contributes, in accordance with the applicable remuneration policy, to the long-term performance of the Company. In this respect, some criteria for the variable remuneration of executive company officers are measured over several financial years.

Lastly, the Board of Directors took into account, as part of the assessment of the components of the remuneration of the company officers and the determination of the remuneration policy for company officers for 2022, the fact that the 10th resolution of the Shareholders' Meeting of 19 May 2021 had broad shareholder support at 99.54%.

4.4.1 Remuneration of Nexity's company officers in respect of or during the 2021 financial year (*ex post*)

4.4.1.1 Remuneration of Mr Alain Dinin

Mr Alain Dinin's remuneration for the financial year 2021 consisted exclusively of a fixed lump sum to take account of the absence of executive functions as from 19 May 2021, in accordance with the decision of the Board of Directors of 30 March 2021, taken on the proposal of the Remuneration, Appointments and CSR Committee. In fact, the Board of Directors decided to maintain the remuneration policy set in 2020 before the combination of the positions of Chairman and Chief Executive Officer. In addition to this fixed annual sum, the Chairman and Chief Executive Officer receives benefits in kind in the form of a company car. This benefit in kind is valued at €1,569 per month.

The remuneration of the Chairman and Chief Executive Officer for 2021 does not provide for any other remuneration elements of any kind.

The 15th resolution of the Shareholders' Meeting of 19 May 2021 on the remuneration policy for Mr Alain Dinin, Chairman and Chief Executive Officer until 19 May 2021, then Chairman of the Board of Directors as from 19 May 2021, was approved by 98.63%.

Components of the remuneration policy	Amount or accounting valuation	Information on the remuneration policy
Fixed remuneration	€1,500,000	Comprehensive, flat-rate amount
Annual variable remuneration	None	No annual variable remuneration
Deferred variable remuneration	None	No multi-year variable remuneration
Long-term incentive remuneration	None	No long-term incentive remuneration
Exceptional remuneration	None	No exceptional remuneration
Stock options, performance shares or any other long-term components of remuneration	None	Waiver since 2006
Remuneration as a director	None	No remuneration as a director
Valuation of benefits of any kind	€1,569 per month	Company car
Supplementary pension scheme	None	Absence of supplementary pension plan
Severance benefits and non-competition indemnity	None	No non-competition indemnity or severance benefits

In summary, the breakdown of the remuneration awarded to Mr Alain Dinin in respect of the 2020 and 2021 financial years, or paid in those financial years, is as follows:

Alain Dinin (in euros)	Financial year 2021 ⁽¹⁾		Financial year 2020 ⁽¹⁾	
	Amounts awarded ⁽²⁾	Amounts awarded ⁽³⁾	Amounts awarded ⁽²⁾	Amounts paid ⁽³⁾
Remuneration for company Officer duties				
Fixed remuneration	1,500,000	1,500,000	1,500,000	1,500,000
Annual variable remuneration	None	None	None	None
Long-term incentive remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Total remuneration	1,500,000	1,500,000	1,500,000	1,500,000
Remuneration as a director				
Nexity	None	None	None	None
Other controlled companies	None	None	None	None
Total remuneration as a director	0	0	0	0
Other remuneration				
Benefits in kind (vehicle, accommodations, etc.)	18,828	18,828	17,798	17,798
Valuation of long-term incentive	None	None	None	None
Value of options awarded during the financial year	None	None	None	None
Value of free shares awarded during the financial year	None	None	None	None
Valuation of other long-term incentive plans	None	None	None	None
TOTAL	1,518,828	1,518,828	1,517,798	1,517,798

(1) Amounts due or paid by Nexity or the companies it controls within the meaning of Article L.233-16 of the French Commercial Code.

(2) Remuneration awarded during the financial year to the executive company officer in respect of his duties during the financial year, regardless of the date of payment.

(3) Total remuneration actually paid during the financial year to the executive company officer in respect of his duties.

4.4.1.2 Remuneration applicable to the Chief Executive Officer from 19 May 2021

Mrs Véronique Bédague was appointed as Chief Executive Officer on 19 May 2021. Her remuneration for the 2021 financial year was set by the Board of Directors at its meeting of 30 March 2021, on the proposal of the Compensation, Appointments and CSR Committee.

The remuneration of the Chief Executive Officer for 2021 includes both components common to all corporate officers and specific components.

As Deputy Chief Executive Officer, Mrs Véronique Bédague already benefited from a multi-year share-based remuneration plan, the vesting of which is entirely subject to the achievement of performance criteria in addition to the condition of presence.

The 16th resolution of the Shareholders' Meeting of 19 May 2021 on the remuneration policy for Mrs Véronique Bédague, Chief Executive Officer as from 19 May 2021, was approved by 97.64%.

Mrs Véronique BÉDAGUE - Chief Executive Officer from 19 May 2021 - Remuneration for the 2021 financial year (ex post vote)

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
Fixed remuneration	€500,000	
Annual variable remuneration	€308,000 i.e. 88% of the maximum annual variable remuneration in 2021	€350,000 (i.e. 70% of annual fixed remuneration) The award, level and payment are subject to the achievement of the performance targets below, and whose achievement was assessed by the Board of Directors, after consultation with the Remuneration, Appointments and CSR Committee. Payment after favourable ex post vote at the Shareholders' Meeting of 18 May 2022. These items are subject to a so-called "clawback" clause applicable in the event of fraud or proven serious or gross misconduct by the Chief Executive Officer having a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting data or quantitative data used to measure performance were obviously and intentionally distorted.

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
Annual variable remuneration	€238,000	Common quantitative objectives (target amount €262,500, i.e. 75%):
	100% of target achieved	35% maximum in respect of COP; ⁽¹⁾ Group 2021 (i.e. a target amount of €122,500) according to the following scale: - if COP < €337 million = 0%, - if €337 million ≤ COP < €355 million = 80%, - if €355 million ≤ COP < €370 million = 90%, - if COP ≥ €370 million = 100%.
	100% of target achieved	10% maximum in respect of the pipeline at 31 December 2021 (i.e. a target amount of €35,000) according to the following scale: - if < €18.5 billion = 0%; - if > €18.5 billion and < €19.5 billion = 80%; - if ≥ €19.5 billion = 100%.
	80% of target achieved	10% maximum in respect of the Working Capital Requirement at 31 December 2021 (i.e. a target amount of €35,000) according to the following scale: - WCR > €1.225 million = 0%; - WCR between €1.075 million and €1.225 million = 80%; - WCR < €1.075 million = 100%.
	66.66% of target achieved	20% maximum in respect of HR and CSR criteria (or a target amount of €70,000)
	50% of target achieved	- of which 10% in respect of the 2021 BBCA ranking: 100% if first in three categories; 50% if first in two categories; 0% if first in one category.
	100% of target achieved	- of which 5% in respect of the greening of Residential Real Estate projects (% of projects with planted areas): 0% if the number of projects with planted areas accepted by the Commitments Committee < 80%; 80% if the number of projects with planted areas accepted by the Commitments Committee > 80% and < 85%; 90% if the number of projects with planted areas accepted by the Commitments Committee > 85% and < 95%; 100% if the number of projects with planted areas accepted by the Commitments Committee > 95%.
	100% of target achieved	- of which 5% in respect of progress in the Group's diversity policy: 0% if percentage of women in governing bodies ⁽²⁾ < 36%; 50% if the percentage of women in governing bodies ⁽²⁾ > 36% and < 38%; 100% if the percentage of women in governing bodies ⁽²⁾ ≥ 38%.

1) Group current operating profit excluding disposals.

2) Club 1797.

Components of the remuneration policy	Amounts awarded or to be paid (<i>ex-post</i> vote) for the 2021 financial year or accounting value	Description
Annual variable remuneration	€70,000	Individual quantitative objectives (target amount €87,500, <i>i.e.</i> 25%):
	80% of target achieved	• 15% maximum for new home reservations in 2021 (<i>i.e.</i> a target amount of €52,500) according to the following scale: • 80% if more than 20,000 (excluding the share specific to Ægide); • 90% if more than 21,000; • 100% if more than 22,000.
	80% of target achieved	• 10% maximum for Commercial Real Estate order intake in 2021 (<i>i.e.</i> a target amount of €35,000) according to the following scale: • 80% if > €400 million; • 90% if > €450 million; • 100% if > €500 million.
Exceptional remuneration		No exceptional remuneration
Stock options, performance shares or any other long-term components of remuneration		None
Remuneration as a director		None
Valuation of benefits of any kind		€161/month - Company car
Supplementary pension scheme		Absence of supplementary pension plan

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
Severance benefits and non-competition indemnity		Work contract terminated with effect from 19 May 2021 Non-competition clause of one year: • Indemnity equal to half of the average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the two years preceding his effective departure date; • The Board of Directors reserves the right, at the time of the departure, to not request the application of this non-compete clause, and therefore not to pay the corresponding amount. End-of-service benefits An indemnity (other than indemnity under the non-competition clause) equal to 1.5x average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the last two years preceding the effective departure date. Overall cap 2x average gross annual remuneration of any kind (fixed and annual variable part) including any indemnity received for the termination of the work contract, in accordance with the provisions of the Afep-Medef Code. Amounts awarded and performance criteria conditioning the granting of benefits: 100% if: • Average stock market price in the six months preceding the termination of functions (ASM) at least equal to the average stock market price of the six months preceding the vote by the Shareholders' Meeting on the principle of these indemnities; • Consolidated current operating profit (using comparable accounting standards) (COP) over the two years preceding the termination of office in line with the forward-looking data for the same period provided to the market and approved by the Shareholders' Meeting. 65% if the COP goal is achieved but the share price has declined. 35% if the share price goal is achieved but the COP goal is not. Trigger event: final departure from the Group following: • Termination (except for serious or gross misconduct as defined by analogy with legal precedent under employment law) during the term of office; • Non-renewal of the term of office; • Resignation (before the end of the term of office) due to a disagreement of opinion with the Board of Directors (and after discussion within the Board to understand the objective reasons for this disagreement and its impact on the duties and responsibilities of the company officer).

Remuneration and benefits for the executive company officers

In summary, the remuneration awarded to Mrs Véronique Bédague, Chief Executive Officer as of 19 May 2021, in respect of the 2020 and 2021 financial years, or paid during these financial years, breaks down as follows:

Véronique Bédague (in euros)	Financial year 2021 ⁽¹⁾		Financial year 2020 ⁽¹⁾	
	Amounts awarded ⁽²⁾	Amounts awarded ⁽²⁾	Amounts awarded ⁽²⁾	Amounts paid ⁽³⁾
Remuneration for company Officer duties				
Fixed remuneration	500,000	500,000	400,000	400,000
Annual variable remuneration	308,000	250,000	250,000	141,750
Long-term incentive remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Total remuneration	808,000	750,000	750,000	541,750
Remuneration as a director				
Nexity	None	None	None	None
Other controlled companies	None	None	None	None
Total remuneration as a director	0	0	0	0
Other remuneration				
Benefits in kind (vehicle, accommodations, etc.)	1,932	1,932	1,932	1,932
Valuation of multi-year variable remuneration	None	None	None	None
Value of options awarded during the financial year	None	None	None	None
Value of free shares awarded during the financial year	1,294,800	None	675,854	None
Valuation of other long-term remuneration plans	None	None	None	None
TOTAL	2,104,732	751,932	1,427,786	543,682

(1) Amounts due or paid by Nexity or the companies it controls within the meaning of article L.233-16 of the French Commercial Code, it being specified that before her appointment as Chief Executive Officer on 19 May 2021, Ms Véronique Bédague was paid as an employee.

(2) Remuneration **awarded** during the financial year to the executive company officer in respect of her duties during the financial year, **regardless of the date of payment**.

(3) Total remuneration **actually paid during the financial year** to the executive company officer in respect of her duties.

Mrs Véronique Bédague receives no remuneration from other Group companies for her duties at Nexity.

Other information concerning Mrs Véronique Bédague

Performance shares awarded to Mrs Véronique Bédague					
Plan	Number of shares awarded during the 2021 financial year	Valuation according to the method selected for the consolidated financial statements (in €)	Vesting date	Availability date	Performance conditions
22/05/2019	N/A	40.46	31/05/2022	31/05/2022	Maximum number of shares: 10,000 100% of awards subject to presence and performance No shares vest if one of the objectives is less than 85% achieved (Cumulative EBITDA 18-19-20-21, minimum level of backlog at 31/12/2021, carbon footprint, gender equality index)
18/05/2020	N/A	28.12	18/05/2023	18/05/2023	Maximum number of shares: 24,000 100% of the awards are subject to presence and performance. No shares vest if one of the objectives is less than 80% achieved (2021 and 2022 COP, 2021 and 2022 leverage ratio, carbon footprint, gender equality index, client satisfaction, relative level of TSR (stock market value creation))
19/05/2020	N/A	27.84	18/05/2023	18/05/2023	Number of shares: 35 Presence conditions only (general plan as defined in Section 3.2.1.1)
30/03/2021	N/A	43.16	01/07/2024	01/07/2024	Maximum number of shares: 30,000 100% of the awards are subject to presence and performance. No shares vest if one of the objectives is less than 95% or 100% achieved (Cumulative COP 21-22-23, backlog at 31/12/2023, 2021-2022-2023 net debt to EBITDA ratio, carbon footprint, gender equality index, client satisfaction, relative level of TSR (stock market value creation))
Shares that became available to Mrs Véronique Bédague during the financial year					
Plan	Vesting date	Number of shares that became available during the 2021 financial year		Performance conditions	
31/05/2018	30/05/2021	30		None (general plan as defined in Section 3.4.1.1)	

4.4.1.3 Remuneration of Mr Jean-Claude Bassien, Deputy CEO since 19 May 2021

The remuneration of Mr Jean-Claude Bassien for the 2021 financial year was set by the Board of Directors on 30 March 2021, on the proposal of the Remuneration, Appointments and CSR Committee, taking into account his appointment, on 19 May 2021, as Deputy CEO.

The remuneration policy applicable to the Deputy CEO includes, firstly, components common to all company officers, and secondly, specific components.

As Deputy Chief Executive Officer, Mr Jean-Claude Bassien already benefited from a multi-year share-based compensation plan, the vesting of which is entirely subject to the achievement of performance criteria in addition to the condition of presence.

The 18th resolution of the Shareholders' Meeting of 19 May 2021 on the remuneration policy for Mr Jean-Claude Bassien, Deputy CEO as from 19 May 2021, was approved by 97.64%.

Mr Jean-Claude Bassien Capsa – Deputy CEO from 19 May 2021 – Remuneration policy for the 2021 financial year (ex-post vote)

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
Fixed remuneration	€340,000	
Annual variable remuneration	€147,200 i.e. 92% of the annual maximum variable remuneration in 2021	€160,000 (i.e. 47% of the annual fixed remuneration) The award, level and payment are subject to the achievement of the performance objectives below, with achievement assessed by the Board of Directors, after consultation with the Remuneration, Appointments and CSR Committee. Payment following a favourable <i>ex post</i> vote by the Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2021 (L.22-10-34 II of the French Commercial Code). These items are subject to a clawback clause applicable in the event of fraud or proven serious or gross misconduct by the Deputy CEO having a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting or quantitative data used to measure performance were to be obviously and intentionally distorted.
	€108,800	Common quantitative targets (target amount €120,000, ie 75%):
	100% of target achieved	35% maximum in respect of the 2021 Group ROC⁽¹⁾ (or a target amount of €56,000) based on the following scale: - if COP < €337 million = 0%, - if €337 million ≤ COP < €355 million = 80%, - if €355 million ≤ COP < €370 million = 90%, - if COP ≥ €370 million = 100% ;
	100% of target achieved	10% maximum in respect of the pipeline at 31 December 2021 (or a target amount of €16,000) based on the following scale: - if < €18.5 billion = 0%, - if > €18.5 billion and < €19.5 billion = 80%, - if ≥ €19.5 billion = 100% ;

1) Group current operating profit excluding disposals.

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
	80% of target achieved	10% maximum in respect of the Working Capital Requirement at 31 December 2021 (or a target amount of €16,000) based on the following scale: - WCR > €1.225 million = 0%, - WCR between €1.075 million and €1.225 million = 80%, - WCR < €1.075 million = 100% ;
	66.66% of target achieved	20% maximum in respect of HR and CSR criteria (or a target amount of €32,000);
	50% of target achieved	- of which 10% in respect of the 2021 BBCA ranking: 100% if first in three categories, 50% if first in two categories, 0% if first in one category;
	100% of target achieved	- of which 5% in respect of greening Residential Real Estate projects (% of projects with planted areas): 0% if the number of projects with planted areas accepted by the Commitments Committee < 80%, 80% if the number of projects with planted areas accepted by the Commitments Committee > 80% and < 85%, 90% if the number of projects with planted areas accepted by the Commitments Committee > 85% and < 95%, 100% if the number of projects with planted areas accepted by the Commitments Committee > 95%;
	100% of target achieved	- of which 5% in respect of progress in the Group's diversity policy: 0% if the percentage of women in governing bodies ⁽¹⁾ < 36%, 50% if the percentage of women in governing bodies ⁽¹⁾ > 36% and < 38%, 100% if the percentage of women in governing bodies ⁽¹⁾ ≥ 38%.

1) Club 1797.

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
Annual variable remuneration	€38,400	Individual quantitative targets (target ⁽¹⁾ amount €40,000, ie 25%):
	100% of target achieved	• 10% maximum in respect of the Property Management for Individuals and Companies COP (or a target amount of €16,000) based on the following scale: • if COP < 5.0% then 80%, • if COP between 5.0% and 5.5% then 80%, • if COP between 5.5% and 6.0% then 90%, • if COP > 6.0% then 100% ;
	100% of target achieved	• 5% maximum in respect of the entry of new Property Management trustee and management mandates (or a target amount of €8,000) based on the following scale: • 0% if > 32,000, • 80% if new mandates between 32,000 and 39,000, • 100% if > 39,000
	80% of target achieved	• 5% maximum in respect of Nexity Property Management revenue (or a target amount of €8,000) based on the following scale: • 0% if revenue < €52 million, • 80% if revenue between €52 and €53 million, • 100% if revenue > €53 million ;
	100% of target achieved	• 5% maximum in respect of Morning's occupancy rate (or a target amount of €8,000) based on the following scale: • 0% if < 69%, • 80% if between 69% and 75%, • 100% if > 75%
Exceptional remuneration		No exceptional remuneration
Stock options, performance shares or any other long-term components of remuneration		None
Remuneration as a director		None
Valuation of benefits of any kind		€130/month – Company car
Supplementary pension scheme		Absence of supplementary pension plan

1) test test

Components of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value	Description
Severance benefits and non-competition indemnity		Work contract terminated with effect from 19 May 2021 Non-competition clause of one year: • Indemnity equal to half of the average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the two years preceding his effective departure date; • The Board of Directors reserves the right, at the time of the departure, to not request the application of this non-compete clause, and therefore not to pay the corresponding amount. End-of-service benefits An indemnity (other than indemnity under the non-competition clause) equal to 1.5 x average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the last two years preceding the effective departure date. Overall cap 2 x average gross annual remuneration of any kind (fixed and annual variable part) including any indemnity received for the termination of the work contract, in accordance with the provisions of the Afep-Medef Code. Amounts awarded and performance criteria conditioning the granting of benefits: 100% if: • Average stock market price in the six months preceding the termination of functions (ASM) at least equal to the average stock market price of the six months preceding the vote by the Shareholders' Meeting on the principle of these indemnities; • Consolidated current operating profit (using comparable accounting standards) (COP) over the two years preceding the termination of office in line with the forward-looking data for the same period provided to the market and approved by the Shareholders' Meeting. 65% if the COP goal is achieved but the share price has declined. 35% if the share price goal is achieved but the COP goal is not. Trigger event: final departure from the Group following: • Termination (except for serious or gross misconduct as defined by analogy with legal precedent under employment law) during the term of office; • Non-renewal of the term of office; • Resignation (before the end of the term of office) due to a disagreement of opinion with the Board of Directors (and after discussion within the Board to understand the objective reasons for this disagreement and its impact on the duties and responsibilities of the company Officer).

Remuneration and benefits for the executive company officers

In summary, the breakdown of the remuneration awarded to Mr Jean-Claude Bassien, Deputy CEO since 19 May 2021, in respect of the 2020 and 2021 financial years, or paid in those financial years, is as follows:

Jean-Claude Bassien <i>(in euros)</i>	Financial year 2021 ⁽¹⁾		Financial year 2020 ⁽¹⁾	
	Amounts awarded ⁽²⁾	Amounts awarded ⁽³⁾	Amounts awarded ⁽²⁾	Amounts paid ⁽³⁾
Remuneration for company Officer duties				
Fixed remuneration	340,000	340,000	220,000	220,000
Annual variable remuneration	147,200	160,000	160,000	78,000
Long-term incentive remuneration	None	100,000	100,000	0
Exceptional remuneration	None	None	None	None
Total remuneration	487,200	600,000	480,000	298,000
Remuneration as a director				
Nexity	None	None	None	None
Other controlled companies	None	None	None	None
Total remuneration as a director	0	0	0	0
Other remuneration				
Benefits in kind (vehicle, accommodations, etc.)	1,558	1,558	452	452
Valuation of long-term incentive remuneration	None	None	None	None
Value of options awarded during the financial year	None	None	None	None
Value of free shares awarded during the financial year	733,720	None	974	None
Valuation of other long-term incentive plans	None	None	None	None
TOTAL	1,222,478	601,558	481,426	298,452

(1) Amounts due or paid by Nexity or the companies it controls as per Article L.233-16 of the French Commercial Code it being specified that prior to his appointment as Deputy Chief Executive Officer on 19 May 2021, Mr Jean-Claude Bassien was paid as an employee.

(2) Remuneration **awarded** during the financial year to the executive company Officer in respect of his duties, **regardless of the date of payment**.

(3) Total remuneration actually **paid during the financial year** to the executive company Officer in respect of his duties.

No remuneration is paid by any other Group company to Mr Jean-Claude Bassien for his duties within Nexity.

Other information concerning Mr Jean-Claude Bassien

Performance shares awarded to Mr Jean-Claude Bassien

Plan	Number of shares awarded during the 2021 financial year	Valuation according to the method selected for the consolidated financial statements (in €)	Vesting date	Availability date	Performance conditions
22/05/2019	N/A	40.46	31/05/2022	31/05/2022	Maximum number of shares: 5,000 51% of awards subject to presence and performance No shares vest if one of the objectives is less than 85% achieved (Cumulative EBITDA 18-19-20-21, minimum level of backlog at 31/12/2021, carbon footprint, gender equality index)
24/10/2019	N/A	44.96	24/10/2022	24/10/2022	Maximum number of shares: 4,000 100% of awards subject to presence and performance No shares vest if one of the objectives is less than 85% achieved (Cumulative EBITDA 18-19-20-21, minimum level of backlog at 31/12/2021, carbon footprint, gender equality index)
19/05/2020	N/A	27.84	18/05/2023	18/05/2023	Maximum number of shares: 35 None (general plan as defined in Section 3.4.1.1)
30/03/2021	N/A	43.16	01/07/2024	01/07/2024	Maximum number of shares: 17,000 100% of the awards are subject to presence and performance. No shares vest if one of the objectives is less than 95% or 100% achieved (Cumulative COP 21-22-23, backlog at 31/12/2023, 2021-2022-2023 net debt to EBITDA ratio, carbon footprint, gender equality index, client satisfaction, relative level of TSR (stock market value creation))

4.4.1.4 Remuneration of Mr Julien Carmona, Deputy CEO until 19 May 2021

At its meeting of 30 March 2021, the remuneration of Mr Julien Carmona, in respect of the 2021 financial year, was determined by the Board of Directors, following a proposal of the Remuneration, Appointments and CSR Committee.

In the context of the announced departure of Mr Julien Carmona and in the absence of any disagreement between Mr Julien Carmona and the Board of Directors, the Board of Directors considered that there was no need to compensate him under a termination clause. This clause was therefore not renewed for 2021.

At its meeting of 30 March 2021, the Board of Directors proposed to grant Mr Julien Carmona, Deputy CEO, remuneration including a variable portion, the amount of which would be paid to him *pro rata temporis* after a positive *ex-post* vote on his remuneration at the Shareholders' Meeting to be held on 18 May 2022.

The 17th resolution of the Shareholders' Meeting of 19 May 2021 on the compensation policy for Mr Julien Carmona, Deputy Chief Executive Officer until 19 May 2021, was approved by 99.29%.

Mr Julien Carmona – Deputy CEO until 19 May 2021 – Remuneration for the 2021 financial year (ex-post vote)

Component of the remuneration policy	Amounts awarded or to be paid (<i>ex-post</i> vote) for the 2021 financial year or accounting value <i>pro rata temporis</i>	Description
Fixed remuneration	€192,458 <i>pro rata temporis</i>	€500,000 on a full year basis. Unchanged compared to 2020
Annual variable remuneration	€81,250 <i>i.e.</i> 78% of the annual variable remuneration in 2021 <i>pro rata temporis</i> Given the absence of fraud or proven serious or gross misconduct on the part of the Deputy CEO, the Board of Directors did not implement the clawback clause	€250,000 (<i>i.e.</i> 50% of the annual fixed remuneration on a full year basis) Target amount unchanged compared to 2020. The award, level and payment are subject to the achievement of the performance objectives below, with achievement assessed by the Board of Directors, after consultation with the Remuneration, Appointments and CSR Committee. Payment following a favourable <i>ex post</i> vote by the Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2021 (L.22-10-34 II of the French Commercial Code). These items are subject to a clawback clause applicable in the event of fraud or proven serious or gross misconduct by the Deputy CEO having a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting or quantitative data used to measure performance were to be obviously and intentionally distorted.
Annual variable remuneration	€70,833	Common quantitative targets (target amount €187,500 <i>ie</i> 75% on a full year basis): 100% of target achieved • 35% maximum in respect of the Group 2021 COP⁽¹⁾ (<i>i.e.</i> a target amount of €87,500) based on the following scale: • if COP < €337 million = 0%, • if €337 million ≤ COP < €355 million = 80%, • if €355 million ≤ COP < €370 million = 90%, • if COP ≥ €370 million = 100% ;

1) Group current operating profit excluding disposals.

Component of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value pro rata temporis	Description
	100% of target achieved	10% maximum in respect of the pipeline at 31 December 2021 (or a target amount of €25,000) based on the following scale: - if < €18.5 billion = 0%, - if > €18.5 billion and < €19.5 billion = 80%, - if ≥ €19.5 billion = 100% ;
	80% of target achieved	10% maximum in respect of the Working Capital Requirement at 31 December 2021 (or a target amount of €25,000) based on the following scale: - WCR > €1.225 million = 0%, - WCR between €1.075 million and €1.225 million = 80%, - WCR < €1.075 million = 100% ;
	66.66% of target achieved	20% maximum in respect of HR and CSR criteria (or a target amount of €50,000);
	50% of target achieved	- of which 10% in respect of the 2021 BBCA ranking: 100% if first in three categories, 50% if first in two categories, 0% if first in one category;
	100% of target achieved	- of which 5% in respect of greening Residential Real Estate projects (% of projects with planted areas); 0% if the number of projects with planted areas accepted by the Commitments Committee < 80%; 80% if the number of projects with planted areas accepted by the Commitments Committee > 80% and < 85%; 90% if the number of projects with planted areas accepted by the Commitments Committee > 85% and < 95%; 100% if the number of projects with planted areas accepted by the Commitments Committee > 95%;
	100% of target achieved	- of which 5% in respect of progress in the Group's diversity policy: 0% if the percentage of women in governing bodies ⁽¹⁾ < 36%, 50% if the percentage of women in governing bodies ⁽¹⁾ > 36% and < 38%, 100% if the percentage of women in governing bodies ⁽¹⁾ ≥ 38%.

1) Club 1797.

Component of the remuneration policy	Amounts awarded or to be paid (<i>ex-post</i> vote) for the 2021 financial year or accounting value <i>pro rata temporis</i>	Description
Annual variable remuneration	€10,417	Individual quantitative targets (target amount €62.500, ie 25% on a full year basis):
	100% of target achieved	• 10% maximum in respect of the amount of capital gains on sales recognised in 2021 (or a target amount of €25,000) based on the following scale: • if C21 and Aegide enterprise value > €350 million = 100%, • if EV > €300 million = 80%, • or partly on general appreciation ;
	0% of target achieved	• 10% maximum in respect of the international current operating profit (or a target amount of €25,000) based on the following scale: • if COP ≤ €25 million then 0%, • if COP between €25 and 28 million then 80% • if COP > €28 million then 100% ;
	0% of target achieved	• 5% maximum in respect of the international pipeline (or a target amount of €12,500) based on the following scale: • if < €1.6 billion then 0%, • if between €1.6 and €1.7 billion then 80%, • if > €1.7 billion then 100%.
Exceptional remuneration	None	No exceptional remuneration
Stock options, performance shares or any other long-term components of remuneration	None	None
Remuneration as a director	None	None
Valuation of benefits of any kind	None	Absence of benefits in kind
Supplementary pension scheme	None	Absence of supplementary pension plan

Component of the remuneration policy	Amounts awarded or to be paid (ex-post vote) for the 2021 financial year or accounting value pro rata temporis	Description
Severance benefits and non-competition indemnity	€213,166 in respect of the non-compete clause paid since 19 May 2021	Reminder: Employment contract suspended since 22 May 2019 24-month non-compete clause: • Payment equal to one times the average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the two years preceding his effective departure date, ie €730,833 in total; • The Board of Directors reserves the right, at the time of the departure, to not request the application of this non-compete clause, and therefore not to pay the corresponding amount. No end-of-service benefits

In summary, the breakdown of the remuneration awarded to Mr Julien Carmona in respect of the 2020 and 2021 financial years, or paid in those financial years, is as follows:

Julien Carmona (in euros)	Financial year 2021 ⁽¹⁾		Financial year 2020 ⁽¹⁾	
	Amounts awarded ⁽²⁾	Amounts awarded ⁽²⁾	Amounts awarded ⁽²⁾	Amounts paid ⁽³⁾
Remuneration for company Officer duties				
Fixed remuneration	192,458	192,458	500,000	500,000
Annual variable remuneration	81,250	222,917	222,917	238,750
Long-term incentive remuneration	None	None	None	700,000
Exceptional remuneration	None	None	None	None
Total remuneration	273,708	415,375	722,917	1,438,750
Remuneration as a director				
Nexity	None	None	None	None
Other controlled companies	None	None	None	None
Total remuneration as a director	0	0	0	0
Other remuneration				
Benefits in kind (vehicle, accommodations, etc.)	None	None	None	None
24 months of non-compete indemnity	730,833	213,166	None	None
Valuation of long-term incentive remuneration	None	None	None	None
Value of options awarded during the financial year	None	None	None	None
Value of free shares awarded during the financial year	None	None	1,670,400	None
Valuation of other long-term incentive plans	None	None	None	None
TOTAL	1,004,141	626,541	2,393,317	1,438,750

(1) Amounts due or paid by Nexity or the companies it controls as per Article L.233-16 of the French Commercial Code.

(2) Remuneration **awarded** during the financial year to the executive company Officer in respect of his duties, **regardless of the date of payment**.

(3) Total remuneration actually **paid during the financial year to the** executive company Officer in respect of his duties.

No remuneration was paid by any other Group company to Mr Julien Carmona for his duties within Nexity. Mr Julien Carmona left his position as Deputy Chief Executive Officer on 19 May 2021. His employment contract, suspended since 22 May 2019, was definitively terminated on 6 June 2021.

Other information on Mr Julien Carmona

Performance shares granted to Mr Julien CARMONA					
Plan	Number of shares awarded during the 2020 financial year	Valuation according to the method selected for the consolidated financial statements (in €)	Vesting date	Availability date	Performance conditions
19/05/2020	N/A	27.84	18/05/2023	18/05/2023	Maximum number of shares: 35 Only presence (general plan as defined in Section 3.4.1.1) Presence condition not met
19/05/2020	N/A	27.84	01/07/2024	01/07/2024	Maximum number of shares: 60,000 100% of the awards are subject to presence and performance. Presence condition not met. No shares vest if one of the objectives is less than 80% achieved (2021 COP, 2022 COP, 2021 and 2022 leverage ratio, carbon footprint, gender equality index, client satisfaction, relative level of TSR (stock market value creation))
Shares that became available during the financial year for Mr Julien Carmona					
Plan	Vesting date	Number of shares that became available during the 2021 financial year		Performance conditions	
31/05/2018	30/05/2021	30		None (general plan as defined in Section 3.4.1.1)	

4.4.1.5 Comparison of the remuneration of the executive company officers with the Company's performance and the average and median remuneration of the Company's employees

In accordance with Article L.22-10-9 (6) and (7) of the French Commercial Code, the table below shows, for each executive company Officer of Nexity, the ratios of their remuneration level to, firstly, the average remuneration on the basis of the full-time equivalent of employees other than company officers and, secondly, the median remuneration on the basis of the full-time equivalent of

employees other than company officers; and the annual change in remuneration of each executive company Officer, the Company's performance, the average remuneration on the basis of the full-time equivalent of employees other than executive company officers, and the above-mentioned ratios, over the five most recent financial years.

Change in equity ratios between 2017 and 2021

	2017	2018	2019	2020	2021	2017-2021
REMUNERATION OF EMPLOYEES						
Average remuneration of employees (in €k) ^{(1) (2)}	53.6	54.7	56.0	57.0	56.3	
Change compared to the prior financial year – in %		1.9%	2.4%	1.9%	-1.3%	4.9%
Median remuneration of employees (in €k) ^{(1) (2)}	39.4	40.7	42.1	42.0	42.6	
Change compared to the prior financial year – in %		3.2%	3.4%	-0.4%	1.6%	8%
CALCULATION OF RATIOS						
CHAIRMAN OF THE BOARD OF DIRECTORS						
Remuneration Alain Dinin (in €k) ^{(3) (4)}				1,518	1,519	
Change compared to the prior financial year – in %				-24.7%	0.1%	-45.2%
Ratio to the average remuneration of employees				27	27	
Change compared to the prior financial year – in %				-26.1%	1.4%	-47.8%
Ratio to the median remuneration of employees				36	36	
Change compared to the prior financial year – in %				-24.5%	-1.5%	-49.3%
CHAIRMAN AND CHIEF EXECUTIVE OFFICER						
Remuneration Alain Dinin (in €k) ^{(3) (4)}	2,774	2,790	2,016			
Change compared to the prior financial year – in %		0.6%	-27.7%			
Ratio to the average remuneration of employees	52	51	36			
Change compared to the prior financial year – in %		-1.3%	-29.4%			
Ratio to the median remuneration of employees	70	69	48			
Change compared to the prior financial year – in %		-2.5%	-30.1%			
Remuneration Alain Dinin (in €k) ^{(3) (4)}	2,774	2,790	2,016	1,518	1,519	
CHIEF EXECUTIVE OFFICER						
Remuneration Jean-Philippe Ruggieri (in €k) ⁽⁵⁾		2,053	1,918	1,040		
Change compared to the prior financial year – in %			-6.6%	-45.8%		
Ratio to the average remuneration of employees		38	34	18		
Change compared to the prior financial year – in %			-8.8%	-46.8%		
Ratio to the median remuneration of employees		50	46	25		
Change compared to the prior financial year – in %			-9.7%	-45.6%		
Remuneration Véronique Bédague (in €k) ^{(3) (6)}					1,264	
Change compared to the prior financial year – in %				-	-	
Ratio to the average remuneration of employees					22	
Change compared to the prior financial year – in %					-	
Ratio to the median remuneration of employees					30	
Change compared to the prior financial year – in %						
DEPUTY CEO						
Remuneration Julien Carmona (in €k) ^{(3) (7)}		1,988	1,890	1,266	1,131	
Change compared to the prior financial year – in %			-4.9%	-33.0%	-10.7%	
Ratio to the average remuneration of employees		36	34	22	20	
Change compared to the prior financial year – in %			-7.2%	-34.3%	-9.5%	
Ratio to the median remuneration of employees		49	45	30	27	
Change compared to the prior financial year – in %			-8.1%	-32.8%	-12.0%	
Remuneration Jean-Claude Bassien (in €k) ^{(3) (8)}					834	
Change compared to the prior financial year – in %				-	-	
Ratio to the average remuneration of employees					15	
Change compared to the prior financial year – in %					-	
Ratio to the median remuneration of employees					20	
Change compared to the prior financial year – in %						
FINANCIAL PERFORMANCE						
Consolidated net profit attributable to equity holders of the parent company before non-recurring items (Company's performance) (in €k)	178,700	197,700	162,700	116,061	199,300	
Change compared to the prior financial year – in %	28.5%	10.6%	-17.7%	-28.7%	71.6%	11.5%

Remuneration and benefits for the executive company officers

- (1) To be representative, the employees used for the calculation of the median and average remuneration (2) are those present on 31 December of each financial year considered, who hold a permanent work contract and have been present in the financial year under consideration for at least 365 days under a permanent contract. This method neutralises the effects of employees joining or leaving that can impact the interpretation of the annual remuneration, in accordance with Afep's recommendations. The scope considered is that of the HR reporting managed in the Company's HRIS Payroll system over all the financial years considered. This approach makes it possible to cover more than 80% of the Group's workforce.
- (2) The following components of remuneration have been used for employees: fixed remuneration (including 13th month and contractual long-service bonus in FTE paid in the financial year); variable remuneration paid in the financial year; benefits in kind; components of multi-year variable remuneration (inclusion of amount awarded in N and valued in N/N+1/N+2); free shares awarded (shares awarded measured at IFRS fair value before turnover and pro-rated for each financial year based on the plan's term); and the employee saving scheme (gross amount of the share of employee profit-sharing, excluding employer matching contributions and monetisation of leave credit/work time savings account).
- (3) The following components of remuneration have been used for executive company officers: fixed remuneration (including 13th month and contractual long-service bonus in FTE paid in the financial year); variable remuneration paid in the financial year after approval of the Shareholders' Meeting; benefits in kind; components of multi-year variable remuneration (inclusion of amount awarded in N and valued in N/N+1/N+2); free shares awarded (shares awarded measured at IFRS fair value before turnover and pro-rated for each financial year based on the plan's term).
- (4) Mr Alain Dinin held the position of Chairman and Chief Executive Officer of the Company for the full financial years 2016 to 2018, and until 22 May 2019, when he became Chairman of the Board of Directors, the positions of Chairman of the Board of Directors and Chief Executive Officer of the Company having been separated. Following the death of Mr Jean-Philippe Ruggieri, Mr Alain Dinin took over the duties of Chairman and Chief Executive Officer of the Company on 25 April 2020 until 19 May 2021, date on which he resumed his duties as Chairman of the Board of Directors, Ms Véronique Bédague taking on the duties of Chief Executive Officer. All fixed, variable and exceptional remuneration paid after approval by the Shareholders' Meeting (except for the financial year 2021 whose variable remuneration will be paid after approval by the Shareholders' Meeting 2022), performance shares awarded, and benefits of any kind awarded in respect of his corporate office are taken into account.
- (5) Mr Jean-Philippe Ruggieri served as Deputy CEO of the Company from 31 May 2018 to 22 May 2019, then Chief Executive Officer of the Company until 23 April 2020. For the period covering 1 January 2018 to 31 May 2018, the remuneration components considered are those paid to Mr Jean-Philippe Ruggieri in respect of his employment contract, based on the principles set out above (Note (2)). As from 31 May 2018, all fixed, variable and exceptional components of the remuneration paid, performance shares awarded, benefits of any kind in respect of his term of office were taken into account. In 2020, in order to have components of remuneration comparable to the numerator and denominator, the remuneration of Mr Jean-Philippe Ruggieri was annualised.
- (6) Ms Véronique Bédague has served as Chief Executive Officer of the Company since her appointment on 19 May 2021. For the period covering 1 January 2021 to 19 May 2021, the remuneration components considered are those paid to Ms Véronique Bédague in respect of her employment contract, based on the principles set out above (Note (2)). As from 19 May 2021, all fixed, variable and exceptional components of the remuneration paid, performance shares awarded, benefits of any kind in respect of his term of office were taken into account. All fixed, variable and exceptional remuneration paid after approval by the Shareholders' Meeting (except for the 2021 financial year, the variable compensation of which will be paid after approval by the 2022 Shareholders' Meeting), performance shares granted, and benefits of any kind granted in respect of his corporate office are taken into account.
- (7) Mr Julien Carmona held the position of Deputy CEO of the Company since his appointment on 31 May 2018 until 19 May 2021. For the period covering 1 January 2018 to 31 May 2018, the remuneration components considered are those paid to Mr Julien Carmona in respect of his employment contract, based on the principles set out above (Note (2)). As from 31 May 2018 and until 19 May 2021, all fixed, variable and exceptional components of the remuneration paid, performance shares awarded, benefits of any kind in respect of his term of office were taken into account. In 2021, in order to have components of remuneration comparable to the numerator and the denominator, the remuneration of Mr Julien Carmona was annualised. All fixed, variable and exceptional components of remuneration paid after approval by the Shareholders' Meeting (except for financial year 2021 for which variable compensation will be paid *pro rata* after approval by the 2022 Shareholders' Meeting), performance shares granted, and benefits of any kind granted in respect of his corporate office are taken into account.
- (8) Mr Jean-Claude Bassien has served as Deputy CEO of the Company since his appointment on 19 May 2021. For the period covering 1 January 2021 to 19 May 2021, the remuneration components considered are those paid to Mr Jean-Claude Bassien in respect of his employment contract, based on the principles set out above (Note (2)). From 19 May 2021, all fixed, variable and exceptional remuneration paid after approval by the Shareholders' Meeting (except for the financial year 2021 whose variable remuneration will be paid after approval by the Shareholders' Meeting 2022), performance shares awarded, and benefits of any kind awarded in respect of his corporate office are taken into account.

4.4.1.6 Remuneration of members of the Board of Directors, excluding the Chairman of the Board of Directors and the Chief Executive Officer

The members of the Board of Directors did not receive, during and in respect of the financial year 2021, any remuneration from the Company and the companies of the Group other than the sum allocated to them as directors, with the exception of the directors representing the employees, whether or not they are shareholders, who do not receive any remuneration other than their salary, and of the Chairman of the Board of Directors and the Chief Executive Officer, whose remuneration during the financial year 2021 are described in Sections 4.4.1.1 and 4.4.1.2.

The amount of the annual fixed sum allocated to the directors was set by the Shareholders' Meeting of 19 May 2021 at €350,000. This remuneration has not changed since May 2005.

In respect of the 2021 financial year, the rules for allocating this amount were set at the Board of Directors' meeting of 30 March 2021 after consulting the Remuneration, Appointments and CSR Committee. These were then approved by the Shareholders' Meeting of 19 May 2021 in its 14th resolution by 99.19%.

The fixed annual amount is allocated among directors and the non-voting Board member according to their appointment(s) on the various Committees and take into account the work done by each Committee.

The allocation is firstly based on the actual attendance at Board of Directors meetings and meetings of the Committees on which they serve (with no allowance for absences) as follows:

- €3,200 per Board of Directors meeting for each director, and €1,800 for the non-voting Board member;
- €2,600 per meeting of the Audit and Accounts Committee, and twice that amount for the Committee's Chairman;
- €1,800 per meeting of each other Committee, and twice that amount for each Committee Chairman; and
- €9,000 per year for the Vice-Chairwoman and Senior Independent Director.

In accordance with the allocation rules described above, the total amount allocated to all members of the Board of Directors, in consideration of their terms of office within the Company in respect of the financial year 2021 on the basis of a budget of €350,000, came to €309,400, of which €169,600 was paid during the financial year 2021 and the balance (i.e. €139,800) will be paid in February 2022.

The table below shows the amount awarded or paid to each director and non-voting Board member during or in respect of the 2020 and 2021 financial years. It is to be noted that in respect of the 2020 financial year, the total amount allocated to all members of the Board of Directors in consideration of their terms of office within the Company amounted to €280,000.

The table below does not present the remuneration awarded in respect of financial year 2021, or paid during the same financial year, to the Chairman of the Board of Directors and the Chief Executive Officer. This is covered in Sections 4.4.1.1 and 4.4.1.2 of this chapter.

(in euros)	Financial year 2021		Financial year 2020	
	Amount due	Amount paid	Amount due	Amount paid
Remuneration of non-employee directors				
Luce Gendry	60,600	55,005	48,905	60,566
Jean-Pierre Denis (director until 19 May 2021)	20,600	38,807	33,407	37,255
Charles-Henri Filippi	40,000	49,595	43,395	40,159
Jérôme Grivet	N/A*	N/A*	N/A*	N/A*
Soumia Malinbaum	45,800	48,606	42,706	43,948
Agnès Nahum	40,400	35,785	31,685	31,677
Magali Smets	38,600	37,507	33,407	35,582
Jacques Veyrat (director until 19 May 2021)	18,200	38,496	34,096	26,773
Myriam El Khomri (director since 19 May 2021)	12,800	3,200	N/A	N/A
Crédit Mutuel Arkéa (director since 19 May 2021)	18,000	3,200	N/A	N/A
Pascal Oddo	14,400	14,199	12,399	10,040
Subtotal	309,400	324,400	280,000	286,000
Annual remuneration of the employee directors with respect to their employment contracts				
Bruno Catelin	68,640	65,972	68,640	68,640
Karine Suzzarini	107,718	110,526	102,019	100,532
Jean-Paul Belot	280,000	311,082	160,333	167,055
Subtotal	456,358	487,580	330,992	336,227
TOTAL	765,758	811,980	610,992	622,227

* In accordance with Crédit Agricole Group policy, Mr Jérôme Grivet does not receive remuneration for his office as a director.

4.4.2 Remuneration applicable to Nexity's company officers for the 2022 financial year

Pursuant to Article L.225-37-2 II of the French Commercial Code, the Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2020 will be asked to approve the remuneration policies applicable to the company officers for the 2022 financial year.

4.4.2.1 Principles common to all company officers

The remuneration policy applicable to the company officers of Nexity is determined by the Board of Directors following the recommendation of the Remuneration, Appointments and CSR Committee, and is then subject to the approval of the Shareholders' Meeting called to approve the parent company financial statements. The remuneration policy is revised on an annual basis by the Remuneration, Appointments and CSR Committee, and by the Board of Directors. The Remuneration, Appointments and CSR Committee also monitors this remuneration policy on an annual basis. The composition of this Committee complies with the recommendations of the Afep-Medef Code. Furthermore, the policy was determined by the Board of Directors in compliance with the Afep-Medef Code, in the absence of the concerned individuals.

The policy is determined taking into account the remuneration and employment conditions of the Company's employees. In particular, the Company complies with the recommendation of the Afep-Medef Code, based on which the membership of the Remuneration, Appointments and CSR Committee includes an employee Board member. The Board of Directors and the Remuneration, Appointments and CSR Committee also take into account, as part of the preparatory work to determine the remuneration policy, the ratios established pursuant to Article L.22-10-9 (6) of the French Commercial Code. In particular, the Board of Directors ensures that the level of these ratios is in line with the level of ratios published by comparable listed companies in the same industry, for executives exercising comparable functions.

This policy is adopted by the Board of Directors once it has ensured, firstly, that it is in the Company's interest and, secondly, that it can contribute to the sustainability of the Company. By way of example, the performance conditions applicable to the Company's executive company officers (Chief Executive Officer and Deputy CEOs) are broken down into financial and non-financial criteria (in particular CSR criteria).

The remuneration policy systematically provides that, for the executive company officers, the variable or share-based remuneration are subject to a certain number of performance criteria. The Board of Directors annually assesses these performance criteria following a preliminary review by the Remuneration, Appointments and CSR Committee.

In the event of reappointment of company officers, and assuming that the remuneration policy applicable in respect of the reappointment has not been approved by the Shareholders' Meeting, the remuneration for these company officers is based on the last approved remuneration policy applicable to them. If the company officers are newly appointed and no applicable remuneration policy has been approved by the Shareholders' Meeting, the Board of Directors applies, after consulting the Remuneration, Appointments and CSR Committee, the provisions of the last approved remuneration policy applicable to a company Officer holding the same office or an office of the same nature, and, where necessary, adapts it to take account of the specific responsibilities of the concerned company Officer.

The Board of Directors wished to propose, for the year 2022, a change in the remuneration policies for company officers to take into account the change in the division of duties between the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy CEO.

These proposed remuneration policies for 2022 are based on the following principles:

- A decrease in the fixed lump-sum remuneration for Mr Alain Dinin as Chairman of the Board of Directors;
- An increase in the annual fixed and variable remuneration of the Chief Executive Officer and the Deputy CEO;
- Multi-year variable remuneration in shares, it being recalled that no long-term remuneration was provided for in 2021.

In determining the criteria for annual and multi-year variable remuneration, the Company applies a strict policy of pay for performance.

4.4.2.2 Remuneration policy applicable to the Chairman and Chief Executive Officer and then to the Chairman of the Board of Directors from 19 May 2021

The remuneration policy for the Chairman of the Board of Directors includes the components described below.

His remuneration consists exclusively of a fixed lump-sum remuneration, down 25% compared to 2021 in accordance with the decision of the Board of Directors of 29 March 2022.

The Chairman of the Board of Directors receives benefits in kind in the form of a company car. This benefit in kind is valued at €1,569 per month.

The remuneration policy applicable to the Chairman of the Board of Directors for 2022 does not provide for any other component of remuneration of any kind whatsoever. Mr Alain Dinin having waived any specific remuneration in the event of the termination of his duties as a company Officer. The remuneration policy thus defined complies with the Afep-Medef Code for non-executive chairmen who are not deemed to receive variable remuneration.

Mr Alain Dinin – Chairman of the Board of Directors – Remuneration policy for the 2022 financial year (ex-ante vote)

Components of the remuneration policy	Amount or accounting valuation	Description
Fixed remuneration	€1,125,000	Comprehensive, flat-rate amount
Annual variable remuneration	None	No annual variable remuneration
Deferred variable remuneration	None	No multi-year variable remuneration
Long-term incentive remuneration	None	No long-term incentive remuneration
Exceptional remuneration	None	No exceptional remuneration
Stock options, performance shares or any other long-term components of remuneration	None	Waiver since 2006
Remuneration as a director	None	No remuneration as a director
Valuation of benefits of any kind	€1,569 per month	Company car
Supplementary pension scheme	None	Absence of supplementary pension plan
Severance benefits and non-competition indemnity	None	No non-competition indemnity or severance benefits

4.4.2.3 Remuneration policy applicable to the Chief Executive Officer

The remuneration policy applicable to the Chief Executive Officer includes, firstly, components common to all company officers presented in Section 4.4.2.1, and secondly, specific components which are detailed below. Her fixed remuneration increased compared to 2021.

The Board of Directors reserves the right, as in 2021, in the event of fraud or proven serious or gross misconduct by the Chief Executive Officer having a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting or quantitative data used to measure performance were manifestly and intentionally distorted, to reduce or cancel the amount not yet paid of the Chief

Executive Officer's annual variable remuneration and/or, within the five years that have elapsed following the payment of an annual variable remuneration or the vesting of performance shares, to require the return of all or part of these sums already paid (so-called "clawback" clause).

Mrs Véronique Bédague must hold at least 10% of the shares resulting from free share awards and in registered form.

Subject to approval by the Shareholders' Meeting to be held on 18 May 2022, this remuneration policy would apply to any successor of the Chief Executive Officer, until a new decision by the Shareholders' Meeting.

Mrs Véronique BÉDAGUE – Chief Executive Officer – Remuneration policy for the 2022 financial year (ex-ante vote)

Components of the remuneration policy	Description
Fixed remuneration	€600,000
Annual variable remuneration	€500,000 (i.e. 84% of the annual fixed remuneration) for 100% achievement of the objectives and possibility of outperformance to 110%, taking into account the economic context. The award, level and payment are subject to the achievement of the performance targets set, with achievement assessed by the Board of Directors, after consultation with the Remuneration, Appointments and CSR Committee. Payment following a favourable <i>ex-post</i> vote by the Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2022 (L.22-10-34 II of the French Commercial Code). As stated above, these items are subject to a so-called "clawback" clause applicable in the event of fraud or proven serious or gross misconduct by the Chief Executive Officer having a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting data or quantitative data used to measure performance were obviously and intentionally distorted.

Components of the remuneration policy	Description
Annual variable remuneration	€500,000 in the event of 100% achievement of the target objectives with the possibility of outperformance to 110%, taking into account the economic context. The details of the amounts and thresholds are not disclosed for reasons of confidentiality. Common quantitative objectives (85% of the overall target amount, i.e. a target amount of €425,000) • 55% in respect of Group COP 2022 excluding international (i.e. a target amount of €275,000); • 10% in respect of the leverage ratio: net debt / EBITDA excluding IFRS 16 at 31 December 2022, excluding international and external growth (i.e. a target amount of €50,000); • 20% in respect of CSR - HR criteria broken down into: • 10% for carbon performance in relation to the 2022 ER 2020 thresholds for building permits submitted in 2022, • 10% for the progress of the Group's gender diversity policy as measured by the percentage of women in the Group's management bodies (Club 1797). Individual quantitative targets (15% of the overall target amount, i.e. a target amount of €75,000): • 10% in respect of the Group's market share in Residential Real Estate in France; • 5% for Commercial Real Estate order intake.
Exceptional remuneration	No exceptional remuneration
Stock options, performance shares or any other component of long term remuneration	60,000 shares based on the authorisation submitted for the approval of the Shareholders' Meeting of 18 May 2022 • Vesting in H1 2025 (three-year vesting period) subject to performance criteria and conditions for all shares; • Details of amounts and thresholds are not provided for reasons of confidentiality; • Conditions will be based on a number of indicators which measure the Group's financial and stock market performance, and its CSR policy: • 35% of shares awarded based on the cumulative current operating profit over the period, • 10% of the shares awarded based on the backlog at 31 December 2024, • 10% of the shares awarded according to a leverage ratio limit (net debt to EBITDA excluding IFRS 16), • 20% of shares awarded based on CSR/HR criteria: - 10% on the reduction of the Carbon footprint (trajectory at end-2024) compared to 2019, - 10% on the change in the gender equality index compared to 2021, • 10% of the shares awarded based on a client satisfaction criterion compared to 2021, • 15% of the shares awarded according to the relative level of TSR (total shareholder return) compared to the SBF 120 during the period.

Components of the remuneration policy	Description
Remuneration as a director	None
Valuation of benefits of any kind	€161/month – Company car
Supplementary pension scheme	Absence of supplementary pension plan
Severance benefits and non-competition indemnity	Work contract terminated with effect from 19 May 2021 Non-competition clause of one year: • Indemnity equal to half of the average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the two years preceding his effective departure date; • The Board of Directors reserves the right, at the time of the departure, to not request the application of this non-compete clause, and therefore not to pay the corresponding amount. End-of-service benefits An indemnity (other than indemnity under the non-competition clause) equal to 1.5 x average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the last two years preceding the effective departure date. Overall cap 2 x average gross annual remuneration of any kind (fixed and annual variable part) including any indemnity received for the termination of the work contract, in accordance with the provisions of the Afep-Medef Code. Amounts awarded and performance criteria conditioning the granting of benefits: 100% if: • Average stock market price in the six months preceding the termination of functions (ASM) at least equal to the average stock market price of the six months preceding the vote by the Shareholders' Meeting on the principle of these indemnities; • Consolidated current operating profit (using comparable accounting standards) (COP) over the two years preceding the termination of office in line with the forward-looking data for the same period provided to the market and approved by the Shareholders' Meeting. 65% if the COP goal is achieved but the share price has declined. 35% if the share price goal is achieved but the COP goal is not. Trigger event: final departure from the Group following: • Termination (except for serious or gross misconduct as defined by analogy with legal precedent under employment law) during the term of office; • Non-renewal of the term of office; • Resignation (before the end of the term of office) due to a disagreement of opinion with the Board of Directors (and after discussion within the Board to understand the objective reasons for this disagreement and its impact on the duties and responsibilities of the company Officer).

4.4.2.4 Remuneration policy applicable to Deputy Chief Executive Officer

The remuneration policy applicable to the Deputy Chief Executive Officer includes, firstly, components common to all company officers presented in Section 4.4.2.1, and secondly, specific components which are detailed below.

The Board of Directors reserves the right, in the event of fraud or proven serious or gross misconduct on the part of the Deputy CEO that has a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting or quantitative data used to measure the performance were manifestly and intentionally distorted, to reduce or cancel the amount not yet paid of the Deputy CEO's annual variable remuneration and/or, within five years following the payment of an annual variable remuneration or the

vesting of performance shares, to require the return of all or part of these sums already paid (so-called "clawback" clause). It should be noted that this option only applies to items of remuneration paid or awarded under the remuneration policy for 2021 and any future remuneration policy that provides for it, and not to previous remuneration policies.

Mr Jean-Claude BASSIEN CAPSA must hold at least 10% of free shares and in registered form.

Subject to approval by the Shareholders' Meeting to be held on 18 May 2022, this remuneration policy would apply to any successor of the Deputy CEO, until a new decision by the Shareholders' Meeting.

Mr Jean-Claude BASSIEN CAPSA – Deputy CEO – Remuneration policy for the 2022 financial year (ex-ante vote)

Components of the remuneration policy	Description
Fixed remuneration	€450,000
Annual variable remuneration	€250,000 (i.e. 56% of the annual fixed remuneration) for 100% achievement of objectives and possibility of outperformance at 110%, taking into account the economic context. The award, level and payment are subject to the achievement of the performance targets set, with achievement assessed by the Board of Directors, after consultation with the Remuneration, Appointments and CSR Committee. Payment following a favourable <i>ex-post</i> vote by the Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2022 (L.22-10-34 II of the French Commercial Code). As stated above, these items are subject to a clawback clause applicable in the event of fraud or proven serious or gross misconduct by the Deputy CEO having a significant adverse impact in terms of image and reputation and/or in financial terms on the Company and its Group, or if the financial, accounting or quantitative data used to measure performance were to be obviously and intentionally distorted.

Components of the remuneration policy	Description
Annual variable remuneration	€250,000 in the event of 100% achievement of the target objectives with the possibility of outperformance to 110%, taking into account the economic context. The details of the amounts and thresholds are not disclosed for reasons of confidentiality. Common quantitative objectives (85% of the total amount, i.e. a target amount of €212,500) • 55% in respect of Group COP 2022 excluding international (i.e. a target amount of €137,500); • 10% in respect of the leverage ratio: net debt / EBITDA excluding IFRS 16 at 31 December 2022, excluding international and external growth (i.e. a target amount of €25,000); • 20% in respect of CSR - HR criteria broken down into: • 10% for carbon performance in relation to the 2022 ER 2020 thresholds for building permits submitted in 2022, • 10% for the progress of the Group's gender diversity policy as measured by the percentage of women in the Group's management bodies (Club 1797). Individual quantitative objectives (15% of the total amount, i.e. a target amount of €37,500) in respect of the growth in revenue from Services
Exceptional remuneration	No exceptional remuneration
Stock options, performance shares or any other component of long term remuneration	40,000 shares based on the authorisation submitted for the approval of the Shareholders' Meeting of 18 May 2022 • Vesting in H1 2025 (three-year vesting period) subject to performance criteria and conditions for all shares. • Details of amounts and thresholds are not provided for reasons of confidentiality. • Conditions will be based on a number of indicators which measure the Group's financial and stock market performance, and its CSR policy: • 35% of shares awarded based on the cumulative current operating profit over the period; • 10% of the shares awarded based on the backlog at 31 December 2024; • 10% of the shares awarded according to a leverage ratio limit (net debt to EBITDA excluding IFRS 16); • 20% of shares awarded based on CSR/HR criteria: - 10% on the reduction of the Carbon footprint (trajectory at end-2024) compared to 2019, - 10% on the change in the gender equality index compared to 2021; • 10% of the shares awarded based on a client satisfaction criterion compared to 2021; • 15% of the shares awarded according to the relative level of TSR (total shareholder return) compared to the SBF 120 during the period.
Remuneration as a director	None
Valuation of benefits of any kind	€90/month – Company car

Components of the remuneration policy	Description
Supplementary pension scheme	Absence of supplementary pension plan
Severance benefits and non-competition indemnity	Work contract terminated with effect from 19 May 2021 Non-competition clause of one year: • Indemnity equal to half of the average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the two years preceding his effective departure date; • The Board of Directors reserves the right, at the time of the departure, to not request the application of this non-compete clause, and therefore not to pay the corresponding amount. End-of-service benefits An indemnity (other than indemnity under the non-competition clause) equal to 1.5 x average gross annual remuneration of any kind (fixed and annual variable component) paid by the Company during the last two years preceding the effective departure date. Overall cap 2 x average gross annual remuneration of any kind (fixed and annual variable part) including any indemnity received for the termination of the work contract, in accordance with the provisions of the Afep-Medef Code. Amounts awarded and performance criteria conditioning the granting of benefits: 100% if: • Average stock market price in the six months preceding the termination of functions (ASM) at least equal to the average stock market price of the six months preceding the vote by the Shareholders' Meeting on the principle of these indemnities; • Consolidated current operating profit (using comparable accounting standards) (COP) over the two years preceding the termination of office in line with the forward-looking data for the same period provided to the market and approved by the Shareholders' Meeting. 65% if the COP goal is achieved but the share price has declined. 35% if the share price goal is achieved but the COP goal is not. Trigger event: final departure from the Group following: • Termination (except for serious or gross misconduct as defined by analogy with legal precedent under employment law) during the term of office; • Non-renewal of the term of office; • Resignation (before the end of the term of office) due to a disagreement of opinion with the Board of Directors (and after discussion within the Board to understand the objective reasons for this disagreement and its impact on the duties and responsibilities of the company Officer).

4.4.2.5 Remuneration policy applicable to the members of the Board of Directors excluding the Chairman of the Board of Directors

The remuneration policy for directors consists of the specific elements described below. These specific elements are not applicable to the Chairman of the Board of Directors, nor to the Chief Executive Officer, whose remuneration policies are set out in sections 4.4.2.2 and 4.4.2.3 of this chapter, nor to the directors representing employees, whether they are shareholders or not, who are remunerated in accordance with the terms of the work contract between them and the Company.

Directors are appointed for four-year terms and their remuneration is exclusively comprised of a flat-rate fixed amount allocated to them by the Shareholders' Meeting. The flat-rate fixed amount thus allocated to the directors was set at the Shareholders' Meeting of 19 May 2021 at €350,000. It is proposed, given the change in the composition of the Board of Directors, to increase it to €400,000.

Subject to approval by the Shareholders' Meeting of 18 May 2022, the Board of Directors on 29 March 2022, after consulting the Remuneration, Appointments and CSR Committee, set the distribution rules between the directors and the non-voting Board member according to their appointment(s) to the various Committees and taking into account the work carried out by each Committee.

The allocation is based on the actual attendance at Board of Directors meetings and meetings of the Committees on which they serve (with no allowance for absences) as follows:

- €3,200 per Board of Directors meeting for each director, and €1,800 for the non-voting Board member;
- €2,600 per meeting of the Audit and Accounts Committee, and twice that amount for the Committee's Chairman;
- €1,800 per meeting of each other Committee, and twice that amount for each Committee Chairman; and
- €9,000 per year for the Vice-Chairwoman and Senior Independent Director.

Regarding the 2022 financial year, the payment of this amount will be made, on the basis of the €400,000 budgeted amount and according to the number of meetings held and effective attendance, as follows:

- Payment of a provisional amount in July 2022; and
- Regularisation at the end of the year with the payment of the balance in February 2023.

It is recalled that the payment of the amount allocated to the directors by way of remuneration for their work can be suspended, pursuant to the law, (i) under Article L.225-45-2 of the French Commercial Code, where the Board of Directors is not composed in accordance with Article L.22-10-3-1 of the same Code, and (ii) under the conditions of Article L.22-10-34-I of the French Commercial Code, where the Shareholders' Meeting does not approve the draft resolution on the disclosures mentioned in Article L.22-10-9 of the French Commercial Code.

4.5 PENSIONS AND OTHER BENEFITS

At 31 December 2021, there were no contractual agreements (apart from those, as the case may be, recognised in provisions for employee benefit obligations) in connection with pensions or related benefits for the

members of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the Deputy CEO company Officer.

4.6 STAKES HELD BY EXECUTIVE COMPANY OFFICERS AND THE MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY

The directors and the executive company officers are required to hold all the shares they own in registered form.

At 31 December 2021, members of the Board of Directors directly or indirectly held shares as shown in the table below:

Members of the Board of Directors	Number of shares ⁽¹⁾	Percentage of capital
Alain Dinin ⁽²⁾	898,620	1.60%
Luce Gendry ⁽³⁾	1,605	NS
Véronique Bédague ⁽⁴⁾	12,500	NS
Charles-Henri Filippi	3,000	NS
Jérôme Grivet	200	NS
Soumia Belaidi-Malinbaum	300	NS
Agnès Nahum	200	NS
Magali Smets	300	NS
Myriam El Khomri	200	NS
Crédit Mutuel Arkéa	2,999,451	5.34%
Bruno Catelin	813	NS
Pascal Oddo	1,000	NS
Jean-Paul Belot	52,959	NS
Karine Suzzarini	1,130	NS
TOTAL	3,972,278	7.08%

(1) According to statements made to the AMF and/or the Company.

(2) And related persons, excluding indirect shareholding via New Port.

(3) Of which 1,405 shares held via a controlled company.

(4) Excluding indirect holding via New Port.

With regard to Mr Alain Dinin, the number of shares he holds represents several years' worth of remuneration; it did therefore not appear necessary to the Board of Directors to set a minimum shareholding threshold.

At 31 December 2021, Mr Alain Dinin owned 10.1% of New Port, which held 5.1% of the Group's shares. Mr Alain Dinin therefore indirectly owns 0.5% of Nexity, in addition to his shareholding mentioned above.

For Mrs Véronique Bédague, the Board of Directors has set a minimum threshold of 10% of free shares to be held in registered form.

At 31 December 2021, Mrs Véronique Bédague held 0.36% of New Port and was therefore also an indirect shareholder of Nexity, in addition to her aforementioned stake.

For Mr Jean-Claude Bassien Capsa, Deputy CEO and company officer, the Board of Directors has set a minimum threshold of 10% of free shares to be held in registered form.

As of December 31, 2021, he did not hold any shares directly. Nevertheless, he holds 0.14% of New Port and is therefore also an indirect shareholder of Nexity.

Company officers and non-members of the Board of Directors ⁽¹⁾	Number of shares ⁽²⁾	Percentage of capital
Jean-Claude Bassien	None	N/A

(1) And related persons.

(2) According to statements made to the AMF and/or the Company.

At 31 December 2021, the directors and company officers directly held 7.08% of the Company's share capital.

A shareholders' concert is based around Mr Alain Dinin, and comprises the main executives of the Group. This concert represents 21.7% of the Company's share capital at 31 December 2021. This concert includes managers from Nexity, New Port, Crédit Mutuel Arkéa and, since 2021, AG2R La Mondiale.

4.7 TRANSACTIONS IN SECURITIES

4.7.1 Transactions in securities by members of the Board of Directors and the main executives

First name/Surname	Capacity	Nature of the transaction	Description of the financial instrument	Number of shares	Average unit price (in euros)
Alain Dinin (and related parties outside New Port)	Chairman	Disposal	shares	428,358	42.65
Julien Carmona	Deputy CEO – Company Officer (until 19 May 2021)	Disposal	shares	2,000	38.80
Helen Romano	Vice-Chairwoman of the Residential Real Estate division	Free share acquisition	shares	4,339	N/A
Jean Benucci	Deputy Managing Director of the Residential Real Estate division	Disposal	shares	500	38.12
		Free share acquisition	shares	3,664	N/A
Stéphanie Le Coq de Kerland	Group Legal Director	Free share acquisition	shares	1,736	N/A
Karine Olivier	Managing Director of the Services to Individuals division	Free share acquisition	shares	3,857	N/A
Jean-Luc Porcedo	Chairman of Villes & Projets	Free share acquisition	shares	1,254	N/A
Cyril Ferrette	Deputy Managing Director of the Residential Real Estate division	Free share acquisition	shares	4,339	N/A

Source: statements made to the AMF and/or the Company.

4.7.2 Transactions in securities by shareholders holding more than 5% of the share capital

First name/Surname	Capacity	Nature of the transaction	Description of the financial instrument	Number of shares	Average unit price (in euros)
New Port SAS	Shareholder	Disposal	shares	1,200,000	40.50
AG2R La Mondiale	Shareholder	Acquisition	shares	2,806,487	ND
Wellington Management Group LLP	Shareholder	Net disposals	shares	226,363	ND

Source: statements made to the AMF and/or the Company.

4.8 STOCK OPTIONS AND FREE SHARES AWARDED TO THE EXECUTIVE COMPANY OFFICERS

4.8.1 Share subscription and purchase option plans (stock options)

No share subscription or purchase option plans are in force for the executive company officers.

4.8.2 Awards of free shares

Mr Alain Dinin, Chairman of the Board of Directors, does not benefit from any free share award plan. He has waived his right since 2006.

Mrs Véronique Bédague and Mr Jean-Claude Bassien Capsa benefit from the free share award plans detailed in Chapter 3 – "Statement of non-financial performance" of this Universal registration document and detailed in Sections 4.4.1.2 and 4.4.1.3 above.

4.9 MAIN SHAREHOLDERS

4.9.1 Breakdown of share capital at 31 December 2021

The following table shows the number of shares and the percentage of share capital and voting rights held by the Company's shareholders at 31 December 2021, as reported to the AMF and/or to the Company at that date, it being specified there is no double voting right:

Shareholders (at 31 December 2021)	Number of shares	% of capital and theoretical voting rights	% of actual voting rights
Alain Dinin, New Port and other executives			
Alain Dinin ⁽¹⁾	898,620	1.60%	1.63%
New Port concert group and Other executives ⁽²⁾	5,507,268	9.81%	9.97%
Subtotal – Nexity Management	6,405,888	11.41%	11.60%
FCPE and other employees			
FCPE Nexity Actions and Nexity Levier 2017	1,668,112	2.97%	3.02%
Other employees	330,332	0.59%	0.60%
Subtotal – FCPE and other employees	1,998,444	3.56%	3.62%
Other shareholders holding more than 5% of the share capital			
CAA Predica + Spirica	3,603,925	6.42%	6.53%
CM Arkéa + Suravenir	2,999,451	5.34%	5.43%
Wellington Management Group LLP	2,825,637	5.03%	5.12%
AG2R La Mondiale	2,806,487	5.00%	5.08%
Public			
Free float	34,572,338	61.59%	62.62%
Treasury shares			
Treasury shares	917,554	1.63%	0.00%
TOTAL	56,129,724	100%	100%

(1) And related persons, excluding indirect holding *via* New Port.

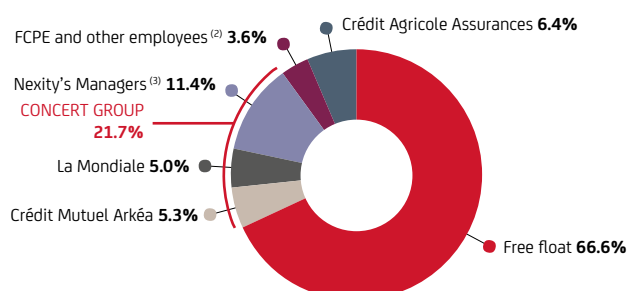
(2) Including New Port at 5.12%.

On 21 March 2022, ACM Vie, controlled by Caisse Fédérale de Crédit Mutuel, informed Nexity that it held 5.1% of the Company's share capital.

To the Company's knowledge, there is no other shareholder holding, directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights.

31 December 2021

56,129,724 shares ⁽¹⁾



(1) o/w Treasury shares: 917,554 shares (1.6%)

(2) o/w FCPE Nexity Actions and Nexity Levier 2017: 3.0%

(3) A. Dinin, New Port (5.1%) and other Nexity's managers members of the concert group

A shareholders' concert is based around Mr Alain Dinin, and comprises the main executives of the Group. This concert represents 21.7% of the Company's share capital at 31 December 2021. This concert includes managers from Nexity, New Port, Crédit Mutuel Arkéa, and since 2021 AG2R La Mondiale (see Section 4.6 "Stakes held by executive company officers and the members of the Board of Directors in the Company" of this chapter).

4.9.2 Changes in the capital and shareholding structure over the past three years

The following table shows a breakdown of the Company's share capital and voting rights by date:

Shareholding structure ⁽¹⁾	2021			2020			2019		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Alain Dinin ⁽²⁾	898,620	1.60%	1.63%	1,347,565	2.40%	2.43%	1,195,874	2.1%	2.1%
New Port concert group and other executives	5,507,268	9.81%	9.97%	6,928,115	12.34%	12.54%	7,001,866	12.5%	12.6%
Other employees	330,332	0.59%	0.60%	239,479	0.43%	0.43%	238,613	0.4%	0.4%
FCPE Nexity Actions and Nexity Levier 2017	1,668,112	2.97%	3.02%	1,633,688	2.91%	2.96%	1,528,042	2.7%	2.8%
CAA Predica + Spirica	3,603,925	6.42%	6.53%	3,593,774	6.40%	6.50%	3,594,472	6.4%	6.5%
CM Arkéa + Suravenir	2,999,451	5.34%	5.43%	2,999,451	5.34%	5.43%	2,999,451	5.4%	5.4%
Wellington Management Group LLP	2,825,637	5.03%	5.12%	3,052,000	5.44%	5.52%	N/A	N/A	N/A
AG2R La Mondiale	2,806,487	5.00%	5.08%	-	-	-	N/A	N/A	N/A
Free float	34,572,338	61.59%	62.62%	35,470,878	63.1%	64.18%	38,964,987	69.4%	70.2%
Treasury shares ⁽³⁾	917,554	1.63%	0.00%	864,774	1.54%	0.0%	606,419	1.1%	0.0%
TOTAL	56,129,724	100%	100%	56,129,724	100%	100%	56,129,724	100%	100%

(1) According to the information shown in Section 4.9.3

(2) And related persons, excluding indirect holding *via* New Port.

(3) Including shares purchased as part of the liquidity contract and various share buyback programmes.

4.9.3 Notifications of ownership threshold crossings under Article L.233-7 of the French Commercial Code and Article L.223-14 of the General Regulation of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF)

During the 2021 financial year

By declaration to the AMF on 15 January 2021 (AMF Notice No. 221C0137), the Group acting in concert around the Chairman of the Board of Directors, formed by Crédit Mutuel Arkéa, Suravenir, New Port and some of the Company's executive employee shareholders, reported that they had crossed below, on 12 January 2021, the legal threshold of 20% of the Company's share capital and voting rights, with 11,134,678 shares, i.e. 19.84% of the Company's share capital and voting rights.

In a letter dated 19 January 2021 sent to the Company, BlackRock Investment Management Limited declared that it had crossed above the statutory threshold of 3% of the Company's share capital and voting rights on 18 January 2021.

In a letter dated 26 January 2021 to the Company, BlackRock Investment Management Limited declared that it had fallen below the statutory threshold of 3% of the Company's share capital and voting rights on 25 January 2021.

In a letter dated 28 January 2021 to the Company, BlackRock Investment Management Limited declared that it had crossed above the statutory threshold of 3% of the Company's share capital and voting rights on 27 January 2021.

In a letter dated 29 January 2021 to the Company, BlackRock Investment Management Limited declared that it had fallen below the statutory threshold of 3% of the Company's share capital and voting rights on 28 January 2021.

In a letter dated 8 February 2021 to the Company, the Wellington Management Group LLP declared that it had fallen below the statutory threshold of 6% of the Company's share capital and voting rights on 5 February 2021.

In a letter dated 24 February 2021 to the Company, BlackRock Investment Management Limited declared that it had crossed above the statutory threshold of 3% of the Company's share capital and voting rights on 23 February 2021.

In a letter dated 14 April 2021 to the Company, Newport declared to the Company that it had fallen below the statutory thresholds of 7% and 6% of the share capital and voting rights of the Company, following sale of Company shares to La Mondiale.

By declaration to the AMF on 15 April 2021 (AMF Notice No. 221C805), La Mondiale, holding 2.4% of the Company's share capital and voting rights, declared that it had crossed above on 9 April following its agreement with Crédit Mutuel Arkéa, New Port, certain executive employee shareholders of the Company, the thresholds of 5%, 10% and 15% of the Company's share capital and voting rights, with 11,057,987 shares, i.e. 19.70% of the Company's share capital and voting rights.

In a letter dated 18 June 2021 to the Company, Amundi declared that it had crossed above the statutory threshold of 3% of the Company's share capital and voting rights.

By declaration to the AMF on 25 June 2021 (AMF Notice No. 221C1542), the concert formed around the Chairman of the Board, by Crédit Mutuel Arkéa, Suravenir, New Port, La Mondiale and certain executive employee shareholders of the Company, declared to have crossed above on 18 June 2021, the legal threshold of 20% of the Company's share capital and voting rights.

In a letter dated 27 July 2021 to the Company, Amundi declared that it had crossed above the statutory threshold of 4% of the Company's share capital and voting rights.

In a letter dated 3 September 2021 to the Company, Amundi declared that it had crossed above the statutory threshold of 3% of the Company's share capital and voting rights.

By declaration to the AMF on 24 September 2021 (AMF Notice No. 221C2497), La Mondiale declared that it had individually crossed above on 20 September 2021, the threshold of 5% of the share capital and voting rights with 2,806,487 shares, i.e. 5.00% of the Company's share capital and voting rights.

By declaration to the AMF on 20 October 2021 (AMF Notice No. 221C2806), Wellington Management Group LLP declared that it had crossed below the threshold of 5% of the share capital and voting rights of the Company with 2,805,236 shares, i.e. 4.99% of the Company's share capital and voting rights.

By declaration to the AMF on 8 December 2021 (AMF Notice No. 221C3401), Wellington Management Group LLP declared that on 7 December 2021 it had crossed above the threshold of 5% of the share capital and voting rights of the Company with 2,816,394 shares, i.e. 5.02% of the Company's share capital and voting rights.

By declaration to the AMF on 9 December 2021 (AMF Notice No. 221C3409), the Wellington Management Group LLP group declared that on 8 December 2021 it had crossed below the threshold of 5% of the share capital and voting rights of the Company with 2,800,441 shares, i.e. 4.99% of the Company's share capital and voting rights.

By declaration to the AMF on 10 December 2021 (AMF Notice No. 221C3423), Wellington Management Group LLP declared that on 9 December 2021 it had crossed above the threshold of 5% of the share capital and voting rights of the Company with 2,825,637 shares, i.e. 5.03% of the Company's share capital and voting rights.

During financial year 2022 and until 29 March 2022

In letters to the Company dated 9 and 28 February 2022, ACM Vie, controlled by Caisse Fédérale de Crédit Mutuel, declared that it had on 9 and 23 February 2022 individually crossed the statutory thresholds of 3% and 4% of the share capital and voting rights.

In a letter dated 25 February 2022 to the Company, Caisse Fédérale de Crédit Mutuel, controlling ACM Vie and CIC, declared that it had crossed, on a consolidated basis, on 8 and 22 February 2022 the statutory thresholds of 3% and 4% of the Company's share capital and voting rights.

By declaration to the AMF on 3 March 2022 (AMF Notice No. 222C0505), the Wellington Management Group LLP group declared that it had fallen below the threshold of 5% with 2,662,255 shares, i.e. 4.74% of the share capital and rights vote.

In a letter dated 21 March 2022, BlackRock declared to Nexity that it had fallen below the statutory threshold of 4% of the Company's share capital and voting rights on 18 March 2021.

In a letter dated 22 March 2022, BlackRock declared to Nexity that it had fallen below the statutory threshold of 4% of the Company's share capital and voting rights on 21 March 2021.

By declaration to the AMF on 22 March 2022 (AMF Notice No. 222C0655), Caisse Fédérale de Crédit Mutuel, controlling ACM Vie and CIC, declared that it had crossed above the threshold of 5% of the share capital and voting rights of the Company with 2,810,991 shares, i.e. 5.01% of the share capital on 15 and 16 March 2022. In addition, it is mentioned that Caisse Fédérale de Crédit Mutuel is also a holder through CIC of OCEANes maturing in 2025 that may give rise, in the event of conversion, to the issue of 255,189 shares and OCEANes maturing in 2028 that may give in the event of conversion upon issuance of 261,870 shares.

In a letter dated 23 March 2022 to the Company, the Wellington Management Group LLP declared that it had crossed below the threshold of 4% of the Company's share capital and voting rights on 22 March 2022.

In a letter dated 25 March 2022, BlackRock declared to Nexity that it had crossed above the statutory threshold of 4% of the Company's share capital and voting rights on 24 March 2021.

4.9.4 Shareholders' agreement

At the date of this Universal registration document, the Company was not aware of any shareholders' agreements.

4.9.5 Control of the Company

At 31 December 2021, Nexity was not a controlled company within the meaning of Article L.233-3-II of the French Commercial Code.

4.9.6 Agreements potentially entailing changes in control of the Company

At the date of this Universal registration document, the Company was not aware of any agreements between shareholders that might entail a change in control of the Company.

Furthermore, some borrowings mentioned in Note 23 to the consolidated financial statements at 31 December 2021

included in Chapter 5 of this Universal registration document contain change of control clauses.

There is no change of control clause in the employment contracts of members of the Executive Committee and other key executives of the Company.

4.10 INFORMATION ON THE SHARE CAPITAL

4.10.1 Share capital

At 31 December 2021, the Company's share capital totalled €280,648,620, divided into 56,129,724 fully paid-up shares with a nominal value of €5 each.

4.10.2 Securities not representing capital

At the date at which this Universal registration document was filed, there were no securities that did not represent the Company's capital.

4.10.3 Treasury shares

At the Shareholders' Meeting of 19 May 2021, the shareholders voted to adopt a resolution authorising the Board of Directors, for a period of 18 months, to arrange for the Company to buy its own shares under the provisions of Articles L.22-10-61 *et seq.* of the French Commercial Code and in compliance with the conditions laid down in Articles 241-1 to 241-7 of the General Regulation of the AMF and in the directly applicable provisions of European Commission Regulation No. 596/2014 of 16 April 2014.

Under the terms of this authorisation, shares in the Company may be purchased, sold, transferred or exchanged, in compliance with applicable legislation and regulations, using any means or procedures, at any time, on one or more occasions, including by trading blocks of shares or carrying out over-the-counter trades (which may account for the entirety of the associated programme), using financial contracts, warrants or securities conferring rights to shares in the Company, or by putting in place option-based strategies (provided that such approaches do not materially increase the volatility of the Company's shares), or by issuing securities which, by way of their conversion, exchange, redemption, the exercise of a warrant or by any other method confer rights to shares in the Company held by the latter, up to a maximum of 10% of the share capital. Where applicable, this threshold may be adjusted to reflect transactions affecting the Company's share capital after the Shareholders' Meeting of 19 May 2021.

This authorisation is intended to enable the Company to:

- Enhance liquidity in the Company's shares and increase the regularity with which the share price is listed or avoid price discrepancies not supported by market trends, under the terms of a liquidity contract entered into with an investment services provider acting independently in compliance with market practices accepted by the AMF;
- Allot the shares to company officers or employees of the Company and/or companies belonging to its group, under the terms and conditions laid down in applicable legislation and regulations, under (i) programmes intended to share the benefits of the Company's growth, (ii) the rules governing stock options laid down in Articles L.225-179 *et seq.* of the French Commercial Code, (iii) the rules governing the issue of free shares laid down in Articles L.225-197-1 to L.225-197-3 of the French Commercial Code and (iv) an employee savings scheme, as well as to enter into transactions intended to provide for such activities, under the conditions laid down by market authorities and at times considered appropriate by the Board of Directors or persons acting under its authority;
- Deliver the shares upon the exercise of rights attached to securities giving an immediate or future right to the allotment of shares in the Company *via* redemption, conversion, exchange, presentation of a warrant or any other method, and to enter into any transactions to provide for the issuance of such securities, under the conditions laid down by market authorities and at times considered appropriate by the Board of Directors or persons acting under its authority;
- Retire some or all of the shares by reducing the Company's share capital (in particular with a view to optimising cash management, return on equity or earnings per share), subject to the approval of Resolution 13 presented below at this Shareholders' Meeting; and

- Trade in its own shares for any other purpose already authorised or that should become authorised by applicable legislation and regulations or recognised by the AMF as an accepted market practice. In such cases, the Company would notify its shareholders *via* a press release.

On 19 May 2021, on the basis of an authorisation given by the Shareholders' Meeting held on that date, the Company launched a share buyback programme aimed primarily at enhancing liquidity in the Company's shares and increasing the regularity with which the share price is listed or avoiding price discrepancies which are not supported by market trends, under the terms of a liquidity contract entered into with an investment services provider acting independently in compliance with market practices accepted by the AMF.

This programme followed the one launched on 19 May 2020, based on the authorisation by the Shareholders' Meeting of the same day with an identical primary goal.

The shares bought back by the Company in 2021 were:

- Under the liquidity contract entered into on 1 October 2015 with Oddo BHF acting as Investment Services

Provider (ISP). The total amount allocated to this contract in order to implement this agreement was €5.7 million, of which €1.2 million allocated as of 13 May 2020. Between 1 and 5 January 2021, the date of the end of this appointment, 2,360 shares were bought back for €84.3 thousand and 11,110 shares were sold for €418.3 thousand;

- Under the liquidity contract entered into on 6 January 2021 with Exane BNP Paribas acting as Investment Services Provider (ISP). To implement this contract, €2.9 million and 116,892 shares were allocated to it. During the 2021 financial year, the Company bought back 1,094,443 shares totalling €45.7 million, and sold 1,125,751 shares totalling €47.0 million;
- As part of the agreement signed with Exane BNP Paribas, the Company bought back 505,861 shares for €19.9 million, between 19 November 2021 and 31 December 2021 (agreement signed on 18 November 2021). This buyback programme had an ESG component.

Moreover, a total of 380,292 free shares were awarded during the financial year as part of the vesting process for free shares.

TREASURY SHARES

<i>(number of shares)</i>	Authorisations	o/w liquidity contract	o/w to cover free share award plans	Total holding (at transaction date)
Position at 31 December 2020	5,612,972	125,642	732,434	858,076
Purchase, sale and transfer of shares				
• <i>via</i> the liquidity contract entered into with an Investment Services Provider		(40,058)		(40,058)
• as part of the share buyback programme of treasury shares destined to be awarded under the free share award plans			505,861	505,861
• transfers during the financial year to cover free shares vested			(380,292)	(380,292)
Implementation of the programme authorised by the Shareholders' Meeting of 19 May 2021	10% of the adjusted capital according to its change			
POSITION AT 31 DECEMBER 2021	5,612,972	85,584	858,003	943,587
Fraction of capital	10%	0.2%	1.5%	1.7%
Portfolio value, at purchase price		3,359,249	30,706,838	34,066,088
Portfolio value, at the reporting date		3,538,043	35,469,844	39,007,887

4.10.4 Schedule of authorisations granted at the Company's Shareholders' Meetings

The outstanding authorisations to the Board of Directors granted at the Company's Shareholders' Meetings were as follows at 29 March 2022:

Purpose of the authorisation	Date and duration of the authorisation	Maximum nominal amount of capital increase ⁽¹⁾	Amount used and decision of use
Issues of shares			
1. Issues with preemptive subscription rights Capital increase, with preemptive subscription rights, through the issue of shares or other securities providing access to the share capital	Shareholders' Meeting of 19 May 2020 (26 th resolution) 26 months, to 18 July 2022	25% of the share capital or €600 million in debt securities ⁽²⁾	Not used
2. Issues without preemptive subscription rights Capital increase through the issuance of shares or other securities providing access to the share capital	Shareholders' Meeting of 19 May 2020 (27 th resolution) 26 months, to 18 July 2022	With priority rights: 25% of the share capital or €600 million in debt securities ⁽²⁾⁽³⁾ Without priority rights: 10% of the share capital or €300 million in debt securities ^{(2) (3) (4)}	Not used
3. Issues, without preemptive subscription rights, open to qualified investors (as described in Paragraph II of Article L.412-2 of the French Monetary and Financial Code) Capital increase through the issuance of shares or other securities providing access to the share capital	Shareholders' Meeting of 19 May 2020 (28 th resolution) 26 months, to 18 July 2022	10% of the share capital or €300 million in debt securities ^{(2) (3) (4)}	Not used
4. Overallotment option	Shareholders' Meeting of 19 May 2020 (29 th resolution) 26 months, to 18 July 2022	Up to the limit of 15% of the initial issue described in Points 1, 2 and 3 of this table, and at the same price ⁽²⁾⁽³⁾⁽⁴⁾	Not used
5. Capital increase by capitalisation of reserves, earnings, premiums or other accounts	Shareholders' Meeting of 19 May 2020 (30 th resolution) 26 months, to 18 July 2022	25% of the share capital ⁽²⁾⁽³⁾	Not used
6. Issue in exchange for contributions of equity securities or other securities giving access to the share capital through a public exchange offer initiated by the Company	Shareholders' Meeting of 19 May 2020 (31 st resolution) 26 months, to 18 July 2022	10% of the share capital ⁽²⁾⁽³⁾⁽⁴⁾	Not used

Purpose of the authorisation	Date and duration of the authorisation	Maximum nominal amount of capital increase ⁽¹⁾	Amount used and decision of use
7. Restrictions on the authority to use the authorisations described in Points 1, 2, 3, 4, 5, and 6 during a takeover bid	Shareholders' Meeting of 19 May 2020 (25 th resolution) 26 months, to 18 July 2022	See the authorisations described in Points 1 to 6 above	Not used
Issues reserved for eligible employees or company officers			
8. Free awards of new or existing shares	Shareholders' Meeting of 19 May 2021 (21 st resolution) 14 months, to 17 July 2022	1% of the share capital at the date on which the grant is decided by the Board of Directors ⁽⁵⁾	Award of 373,400 free shares granted by the Board of Directors at its meeting of 19 May 2021 and 22,000 shares granted by the Board of Directors at its meeting on 26 October 2021
9. Issues reserved for participants in Group company savings schemes	Shareholders' Meeting of 19 May 2020 (32 nd resolution) 26 months, to 18 July 2022	1% of diluted share capital at 19 May 2020	Not used
Share repurchase and reduction in share capital			
10. Repurchase by the Company of its own shares	Shareholders' Meeting of 19 May 2021 (19 th resolution) 18 months, to 18 November 2022	10% of the share capital, adjusted to reflect the transactions affecting the share capital after 19 May 2021	See Section 4.10.3 above for the liquidity contract and authorisation to purchase shares.
11. Reduction in share capital via the retirement of treasury shares	Shareholders' Meeting of 19 May 2021 (20 th resolution) 18 months, to 18 November 2022	10% of the share capital per 24-month period	Not used

(1) In the event of a capital increase, the limit is expressed as a percentage of the number of shares composing the share capital at the date of the Shareholders' Meeting. Where debt instruments are issued, the maximum limit is stated in euros.

(2) Where debt securities are issued, the amount of debt issued may result in a capital increase equal to the designated percentage (25% or 10%).

(3) This amount is counted against the maximum percentage of 25% or €600 million for issues with preemptive subscription rights.

(4) This amount is deducted from the maximum percentage of 10% of the share capital and the amount of €300 million applicable to issues without preferential subscription rights (with the exception of issues by public offering with shareholders' priority right).

(5) Limit separate from the limits for the delegations of authority set at the Shareholders' Meeting of 19 May 2020.

4.10.5 Other securities giving access to the share capital

On 27 February 2018, the Company completed a private placement (as provided for in Paragraph II of Article L.411-2 of the version of the French Monetary and Financial Code applicable at that date) of 2,902,336 bonds with the option of redemption in cash and/or new and/or existing shares (the 2018 ORNANE bonds). The total amount issued was €200 million.

The 2018 ORNANE bonds were admitted for trading on the *Marché Libre* of Euronext Access Paris.

The initial conversion ratio was adjusted to 1.243 shares as of 26 May 2021 following the distribution approved at the Shareholders' Meeting of 19 May 2021.

Bondholders may request to have their securities converted into or exchanged for newly issued or existing shares at any time.

Unless redeemed early, exchanged or converted as laid down in the Terms and Conditions, the 2018 ORNANE bonds must be redeemed in full on 2 March 2025.

On 19 April 2021, the Company completed a €240 million private placement (as provided for in paragraph II of Article

L.411-2 of the version of the French Monetary and Financial Code applicable at that date) of 4,012,706 bonds with the option of redemption in cash and/or new and/or existing shares (the 2021 OCEANE bonds). This new issue made it possible to partially finance the buyback of the entire €270 million bond convertible into and/or exchanged for new and/or existing shares (OCEANE) issued in 2016.

The 2021 OCEANE bonds were admitted for trading on the *Marché Libre* of Euronext Paris.

The initial conversion ratio was adjusted as of 26 May 2021, to 1.046 shares following the distribution approved at the Shareholders' Meeting of 19 May 2021.

Bondholders may request to have their securities converted into or exchanged for newly issued or existing shares at any time.

Unless redeemed early, exchanged or converted as set out in the Terms and Conditions, the 2021 OCEANE bonds must be redeemed in full on 19 April 2028.

	Detail of bond issues	
	OCEANE 2021	ORNANE 2018
Meeting date	19/05/2020	31/05/2016
Date of the Board of Directors' meeting	24/02/2021	20/02/2018
Total number of bonds issued as of the date of this document	4,012,706	2,902,336
of which subscribed by company officers:	None	None
Maturity date	19/04/2028	02/03/2025
Annual interest rate	0.875%	0.25%
Methods of conversion or exchange	see Terms and Conditions	see Terms and Conditions
Number of shares granted as of the date of this document	-	-
Cumulative number of cancelled or lapsed bonds	-	-
Number of bonds outstanding at the reporting date	4,012,706	2,902,336

4.10.6 Potential impact of securities giving access to share capital

At 31 December 2021	
Number of shares outstanding	56,129,724
Number of free shares awarded, not cancelled and not vested (less the number of treasury shares allocated to free share award plans)	435,237
Number of shares issued as part of the conversion of 100% of the 2018 ORNANE bonds	3,607,604
Number of shares issued as part of the conversion of 100% of the 2021 OCEANE bonds	4,197,290
TOTAL NUMBER OF SECURITIES AFTER ISSUANCE OF SECURITIES GIVING ACCESS TO THE SHARE CAPITAL	64,369,855

On the basis of the number of shares making up the share capital as at 31 December 2021, the issuance of all free share awards granted (less allocated treasury shares) and the conversion of 2018 ORNANE and 2021 OCEANE bonds would result in maximum potential dilution of 12.8%.

4.10.7 Pledges of shares

As of the registration date of this Universal registration document, the Company is unaware of any pledges of shares.

4.10.8 Conditional or unconditional options or agreements over the capital of any Group member

After exercising the option in May 2021 on approximately 10% of the shares, Nexity holds 90.40% of Accessite. Under certain conditions, Nexity has mechanisms at its disposal under which it has the option of ultimately acquiring the share capital in full.

On 29 June 2021, it sold part of its stake in Ægide SA to AG2R La Mondiale. At 31 December 2021, Nexity held 18% of Ægide SA. Under certain conditions, Nexity benefits from mechanisms enabling it to sell the remainder of its stake to AG2R La Mondiale.

Following the exercise of the option in July 2021 on 10% of the shares, Nexity holds 78% of the shares of Édouard Denis Développement, the parent company of the Édouard Denis real estate development group. Under certain conditions, Nexity has mechanisms at its disposal giving it the option of ultimately acquiring the share capital in full.

Nexity has a 65% stake in Prado Gestion (Primosud). Under certain conditions, Nexity has mechanisms at its disposal under which it has the option of ultimately acquiring the share capital in full.

Nexity holds a 57.70% stake in Bureaux à Partager (Morning Coworking). Under certain conditions, Nexity has mechanisms at its disposal under which it has the option of ultimately acquiring the share capital in full.

Nexity holds a 65% of pantera AG. Under certain conditions, Nexity has mechanisms at its disposal under which it has the option of ultimately acquiring the share capital in full.

Given the relative size of the businesses concerned, these commitments pose no risk to the Group's financial structure.

4

4.11 STATUTORY PROVISIONS

In order to bring them into line with the law, the Company's Articles of Association were updated at the Combined Shareholders' Meeting of 19 May 2021.

4.11.1 Corporate purpose (Article 2 of the Articles of Association)

Under the terms of Article 2 of its Articles of Association "Object and Purpose", the Company's corporate purpose, in France and abroad, is:

- To develop and market new and pre-owned residential and commercial real estate, in France and abroad, including the improvement, subdivision and renovation of real property of any kind, the provision of property development, marketing and advisory services to individuals and companies and any other activities related to or associated with these activities;
- To acquire interests, through any means and in any form whatsoever, in any French or foreign commercial, industrial, financial, property or asset management company – by acquiring a company, creating a new company or contributing assets, or through a merger, alliance, joint venture or economic interest group – and to administer, manage and control such interests;
- To participate in the management or administration of a company or investment fund whose purpose is to acquire interests, through any means and in any form whatsoever, in any company, business or undertaking – by acquiring a company, creating a new company or contributing assets, or through a merger, alliance, joint venture or economic interest group – and to administer, manage and control such interests, and to provide property development, marketing and advisory services to individuals and companies and direct or indirect technical or administrative assistance to subsidiaries of the Company;
- To invest in real property or other assets, manage real property and other assets, and conduct analysis and research of a financial or non-financial nature; and
- In general, to engage in financial, commercial or industrial activities involving real property or other assets that are directly or indirectly related to the above purpose or to any similar or related purpose that is liable to further the development of the Company's purpose.

4.11.2 Financial year (Article 22 of the Articles of Association)

The Company's financial year runs from 1 January to 31 December.

4.11.3 Statutory distribution of profits (Articles 22 and 23 of the Articles of Association)

Each share entitles its owner to a share of profits in proportion to the amount of share capital the share represents.

From those profits, after deducting any prior year losses, shall be appropriated (i) at least 5% to constitute the legal reserve, until such time as the legal reserve represents at least one-tenth of the share capital and resuming if and when the legal reserve falls below this level for whatever reason, and (ii) after this appropriation is made any other appropriations to reserves required by the law shall be made.

Any remaining profits, plus retained earnings, constitute distributable profits.

Dividends shall be paid within nine months of the end of the financial year, unless this period is extended by decision of the courts. The Board of Directors may, subject to legal or regulatory requirements, distribute one or more interim dividends before the financial statements for the year are approved.

4.11.4 Changes in capital and voting rights (Article 20 of the Articles of Association)

Any change in the share capital or voting rights attached to the securities making up the share capital shall comply with applicable laws and regulations. The Articles of Association make no specific provision in this regard.

4.11.5 Shareholders' Meetings (Article 19 of the Articles of Association)

Meeting Notice

Shareholders' Meetings shall be convened, and conduct business as laid down in law. The Company may fulfil the required formalities prior to Shareholders' Meetings using electronic communication methods, pursuant to Article R.225-63 of the French Commercial Code.

Shareholders' Meetings shall be held at the Company's registered office or at any other location indicated in the Meeting Notice.

Shareholders may vote on resolutions at Ordinary, Extraordinary, Special or Combined Shareholders' Meetings, according to the type of resolution to be voted on.

Attendance

Under Article 19 of the Articles of Association, shareholders may attend and vote at any Shareholders' Meeting, in person or by proxy, pursuant to Article L.22-10-39 of the French Commercial Code.

Shareholders are entitled to attend Shareholders' Meetings insofar as the shares they own are fully accounted for, as follows, by the regulatory deadline (Article R.225-85 of the French Commercial Code):

- Owners of registered shares (*actions nominatives*) must have their shares registered in the Company's accounts by the deadline; and

- Owners of bearer shares (*actions au porteur*) must have their shares recorded in the accounts of their authorised intermediary by the deadline. The holding of bearer shares with an authorised intermediary is evidenced by an ownership certificate issued by that intermediary.

In accordance with the provisions of Article R.225-85 of the French Commercial Code, as amended by Decree No. 2014-1466 of 8 December 2014, shares must be fully accounted for no later than 00:00 hours (Paris time) on the second business day preceding the meeting.

Shareholders may be represented by another shareholder, their spouse, their civil partner or any other natural or legal person of their choice. Shareholders may also vote by post, or electronically if applicable and subject to prior consent by the Board of Directors, using a form sent to them at their request as specified in the preliminary notice and in the Meeting Notice, in accordance with applicable laws and regulations. Shareholders may send in and revoke their proxy forms electronically. Pursuant to the Board of Directors' decision indicated in the preliminary notice and the Meeting Notice, the electronic signature of this form may be either (i) a secure electronic signature as defined in Decree No. 2001-272 of 30 March 2001 adopted pursuant to Article 1316-4 of the French Civil Code concerning electronic signatures, or (ii) provided using some other reliable identification process that meets the requirements

of the first sentence of the second paragraph of the aforementioned Article 1316-4. A shareholder's attendance at a Shareholders' Meeting shall invalidate any vote made by post, electronically or by proxy. In the event of a conflict between a proxy vote and a postal vote, the proxy vote will shall have priority, regardless of when the votes were cast. Voting forms sent in by post shall not count towards the quorum unless they are duly completed and received by the Company at least three (3) calendar days before the date of the Shareholders' Meeting. Voting instructions granting proxy or power of attorney that are sent in electronically as laid down in law and as determined by the Board of Directors shall be executed if received by the Company by 3:00 p.m. (Paris time) the day before the Shareholders' Meeting.

Voting rights

Voting rights attached to shares are proportional to the portion of share capital those shares represent, with each share entitling its holder to one vote. No double voting rights have been granted pursuant to the last paragraph of Article L.10-10-46 of the French Commercial Code.

Form of shares and identification of shareholders

Fully paid-up shares may be held in registered or bearer form at the shareholder's option, subject to the legal and regulatory requirements and the Company's Articles of Association. Shares must be held in registered form until fully paid up.

Amendments to the Articles of Association

In accordance with Article L.225-96 of the French Commercial Code, the Extraordinary Shareholders' Meeting alone is authorised to amend the Articles of Association in all their provisions. Any clause to the contrary is deemed unwritten. However, it may not increase shareholders' commitments, subject to transactions resulting from a regularly carried out reverse stock split. It may only validly deliberate if the shareholders present or represented hold at least one quarter of the shares with voting rights on the

first notice of meeting and one fifth on the second notice of meeting. Failing this, the second meeting may be extended to a date no later than two months after the date on which it was due to be held. It rules by a two-thirds majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid vote.

4.11.6 Threshold crossings (Article 10 of the Articles of Association)

Any natural or legal person, acting alone or in concert, that comes to hold a number of shares representing over 5%, 10%, 15%, 20%, 25%, 30%, 33 1/3%, 50%, 66 2/3%, 90% or 95% of the Company's share capital or voting rights shall inform the Company and the French Financial Markets Authority (AMF) of the total number of shares or voting rights held within four trading days after crossing above any of these ownership thresholds. This reporting requirement also applies when a shareholder crosses below any of these thresholds, in terms of share capital or voting rights.

Unless properly reported, any shares over and above the threshold that should have been reported in accordance with the aforementioned legal requirements will have no voting rights at any Shareholders' Meeting for a period of two years after the reporting requirement is met.

Furthermore, pursuant to the Company's Articles of Association, any natural or legal person, acting alone or in concert, who comes to hold, either directly or indirectly,

according to the same calculation methods and conditions as those laid down in Articles L.233-7 *et seq.* of the French Commercial Code and in the AMF's General Regulation, a number of shares representing over 3% of the Company's share capital and/or voting rights, and subsequently to this each additional 1% of the Company's share capital and/or voting rights including beyond the 5% threshold and all legal and regulatory reporting thresholds, shall notify the Company by registered post with acknowledgement of receipt within four trading days of the date on which the aforementioned threshold is exceeded, indicating the percentage of share capital and voting rights held and any securities that give or may in the future give the shareholder access to the share capital and the associated potential voting rights. This information is also reported, subject to the same requirements, whenever the percentage of the share capital or voting rights held falls below one of these thresholds.

At the request of one or more shareholders holding at least 3% of the Company's share capital or voting rights and duly recorded in the minutes of a Shareholders' Meeting, failure by a shareholder to observe these provisions may be sanctioned by the revocation of that shareholder's right to exercise the voting rights attached to the excess shares over and above the reporting threshold at any Shareholders' Meeting for a period of two years after the date on which the reporting requirement is met.

Subject to the exceptions laid down in legal provisions, any person who holds, either individually or in concert, in respect of one or more temporary sales of those shares or any transaction conferring the right or giving rise to the obligation to resell those shares or return them to the seller, a number of shares representing more than 0.5% of total voting rights, shall notify both the Company and the French Financial Markets Authority (AMF) of the total number of

shares temporarily held no later than 00:00 hours (Paris time) three business days before the date of the Shareholders' Meeting, provided that the contract arranging that transaction remains in force at that date. As well as the number of shares acquired under the terms of one of the aforementioned transactions, the notification must include the identity of the seller, the date and maturity of the contract governing the transactions and, where applicable, the voting agreement. The Company shall publish this information under the terms and conditions laid down in the AMF's General Regulation.

Unless properly reported, any shares purchased under one of the aforementioned transactions will be stripped of voting rights for the Shareholders' Meeting in question and for any other Shareholders' Meeting that might be held until such time as those shares are resold or returned.

4.11.7 Composition of the Board of Directors (Articles 11 to 14 of the Articles of Association)

Information on the start and end dates of directors' terms of office is set out in Section 4.1.2 "Members of the Board of Directors during the financial year ended 31 December 2021" of this chapter.

The Board of Directors has no fewer than three and no more than eighteen members.

Board members are appointed at the Ordinary Shareholders' Meeting for four-year terms expiring at the end of the Ordinary Shareholders' Meeting held during the financial year in which their terms of office expire to approve the financial statements for the preceding financial year. The Board of Directors also includes two directors representing the Group's employees (Article L.22-10-7 of the French Commercial Code). These directors are appointed by the Group's Committee for a period of four years from the date of this appointment. When the number of directors appointed at a Shareholders' Meeting is greater than twelve, a second director representing the employees is elected under the same conditions.

The Board of Directors also includes a director representing employee shareholders, when the Company's employees hold more than 3% of the share capital.

With the exception of the director representing the employees, according to the Articles of Association each member of the Board of Directors must own at least 200 shares and keep them in registered form for the entirety of his or her term of office. The number of shares held by serving directors is set out in Section 4.6 "Stakes held by executive company officers and the members of the Board of Directors in the Company" of this chapter.

Directors are always eligible for reappointment. No more than one third of the Board members may be aged 70 or over. If a director or permanent representative reaches the age of 70 when one third of the Board members have already reached that age, the oldest director or permanent representative will be deemed to have resigned as at the next Ordinary Shareholders' Meeting. Where a director is a legal entity, these age limits apply to that entity's permanent representative.

Chairman of the Board of Directors

The Board of Directors elects one of its individual members as Chairman for a duration not exceeding the electee's term of office as director. The Chairman must be under 75 years of age. If the Chairman of the Board of Directors reaches this age limit while in office, he or she will be deemed to have resigned at the end of the next Annual Ordinary Shareholders' Meeting. The Board of Directors determines

the Chairman's remuneration. It may also dismiss the Chairman at any time.

The Chairman organises and directs the Board's activities and reports on them at Shareholders' Meetings. The Chairman oversees the proper functioning of the Company's corporate bodies and specifically ensures that the directors are in a position to fulfil their duties.

Vice-Chairman and Senior Independent Director

If deemed necessary, the Board of Directors may also appoint one or more Vice-Chairmen chosen from among the independent directors, for a term of office that may not exceed that of their appointment as director.

Mrs Luce Gendry has served in this position since 17 February 2015.

The Vice-Chairman may convene Board meetings should the Chairman be unable to do so.

In the absence of the Chairman of the Board of Directors, the Vice-Chairman may also chair Board meetings.

The Vice-Chairman is also the Senior Independent Director. His or her duties, responsibilities, resources and prerogatives as such are described in the internal rules and regulations of the Board of Directors. In this capacity, he or she coordinates meetings of independent directors, supervises the formal assessment of the work of the Board of Directors and is the point of contact for Board members in the event of a conflict of interest.

Non-voting Board members

The Company's Articles of Association stipulate that the Board of Directors may be assisted in its duties by up to three non-voting Board members appointed by the Shareholders' Meeting for a term of three years. The non-voting Board members may be either natural or legal persons and need not be shareholders. The non-voting Board members attend Board meetings but cannot vote in decisions. They serve as general advisors to the directors, who are under no obligation to heed their opinions or

recommendations. The non-voting Board members are bound by the same confidentiality obligations as voting directors and may be dismissed at any time by vote at an Ordinary Shareholders' Meeting.

An amendment to the Articles of Association will be proposed at the Shareholders' Meeting of 18 May 2022 to remove the option of appointing one or more non-voting Board members.

Representative of the Social and Economic Committee

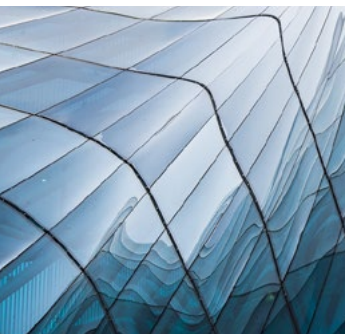
Following the appointment of a director representing the employees by the Works Council of UES Nexity Promotion Construction, in accordance with the provisions of Article

L.2323-65 of the French Labour Code, a single representative of this Works Council attends Board meetings.

4.11.8 Duties and powers of the Board of Directors (Article 15 of the Articles of Association)

The Board of Directors sets the Company's business objectives and oversees their implementation. Except for certain powers expressly allocated to Shareholders' Meetings, and insofar as the corporate purpose allows, the

Board of Directors addresses all issues pertaining to the running of the Company and votes on how to resolve matters concerning it. The Board of Directors undertakes any controls and checks it deems appropriate.



Financial report



5.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021	242	5.3 ADDITIONAL ITEMS	326
5.1.1 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	243	5.3.1 INFORMATION ON INVOICE PAYMENT TERMS	326
5.1.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	247	5.3.2 NON-DEDUCTIBLE EXPENSES	326
5.1.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	294	5.3.3 DIVIDEND POLICY	326
5.2 PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2021	298	5.3.4 PROPOSAL FOR THE ALLOCATION AND DISTRIBUTION OF 2021 EARNINGS	327
5.2.1 CONDENSED FINANCIAL STATEMENTS	299	5.3.5 STATUTORY LIMITATION PERIOD	327
5.2.2 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS	303	5.3.6 TABLE OF NEXITY'S RESULTS OVER THE PAST FIVE FINANCIAL YEARS	328
5.2.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	322	5.4 ITEMS UNDER OPERATIONAL REPORTING	329
		5.5 TRENDS	332
		5.5.1 ECONOMIC UNCERTAINTIES	332
		5.5.2 RECENT DEVELOPMENTS	332
		5.5.3 DEVELOPMENT PIPELINE AT 31 DECEMBER 2021	332
		5.5.4 OUTLOOK	333

5.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

5.1.1	Condensed consolidated financial statements	243	DEBT AND FINANCIAL RISK FACTORS		270	
5.1.2	Notes to the consolidated financial statements	247	Note 20	Breakdown of net debt	270	
Note 1	Information on the Company and significant developments	247	Note 21	Borrowings and financial liabilities	271	
			Note 22	Other financial receivables	275	
			Note 23	Cash and cash equivalents	275	
			Note 24	Financial risk factors	276	
GENERAL INFORMATION		248	Note 25	Fair value of financial instruments by accounting category	277	
Note 2	Principles and policies	248	PROVISIONS			279
Note 3	Scope of reporting and business combinations	249				
Note 4	Recognition of revenue and operating profit	252				
Note 5	Alternative performance measures	253				
Note 6	Segment information	253	INCOME			281
NON-CURRENT ASSETS		261	Note 27	Employee benefits expense	281	
Note 7	Goodwill	261	Note 28	Other operating expenses	282	
Note 8	Right-of-use assets, other property, plant, equipment and intangible assets	262	Note 29	Depreciation, amortisation and impairment of non-current assets	282	
Note 9	Investments in associates	264	Note 30	Net finance income (expense)	282	
Note 10	Other financial assets	264	Note 31	Taxes	283	
WORKING CAPITAL REQUIREMENT		265	Note 32	Earnings per share	285	
Note 11	Breakdown of working capital requirement	265	ADDITIONAL INFORMATION			286
Note 12	Inventories and work in progress	266	Note 33	Off-statement of financial position commitments	286	
Note 13	Trade and other receivables	266	Note 34	Statutory Auditors' fees	288	
Note 14	Other current assets	267	Note 35	Information on related parties	289	
Note 15	Other current liabilities	267	Note 36	Events after the reporting period	289	
EQUITY		267	Note 37	Main consolidated companies at 31 December 2021	290	
Note 16	Share capital	267	5.1.3 Statutory Auditors' report on the consolidated financial statements			294
Note 17	Non-controlling interests	267				
Note 18	Free share award plans	268				
Note 19	Treasury shares held	269				

5.1.1 Condensed consolidated financial statements

Consolidated statement of financial position

ASSETS			
(in thousands of euros)	Notes	Balance at 31/12/2021	Balance at 31/12/2020 Restated
Non-current assets			
Goodwill	7	1,356,493	1,484,027
Other intangible assets	8	117,895	110,200
Right-of-use assets	8	582,076	431,101
Property, plant and equipment	8	59,267	56,543
Investments in associates	9	124,934	57,764
Other financial assets	10	58,334	61,306
Deferred tax assets	31	23,037	29,187
Total non-current assets		2,322,036	2,230,128
Current assets			
Inventories and work in progress	12	1,811,194	1,603,975
Trade and other receivables	13	1,323,153	1,129,692
Tax receivable	31	23,562	22,744
Other current assets	14	1,515,489	1,430,834
Other financial receivables	22	236,125	193,637
Cash and cash equivalents	23	1,061,626	1,305,133
Total current assets		5,971,149	5,686,015
Assets held for sale		-	1,264,091
TOTAL ASSETS		8,293,185	9,180,234
LIABILITIES AND EQUITY			
(in thousands of euros)	Notes	Balance at 31/12/2021	Balance at 31/12/2020 Restated
Equity			
Share capital	16	280,649	280,649
Additional paid-in capital		521,060	521,060
Treasury shares held	19	(34,066)	(29,025)
Reserves and net profit earnings		836,003	839,112
Net profit for the period		324,906	113,012
Equity attributable to equity holders of the parent company		1,928,552	1,724,809
Non-controlling interests	17	19,620	9,247
Total equity		1,948,172	1,734,056
Non-current liabilities			
Non-current borrowings and financial liabilities	21	708,033	946,465
Non-current lease liabilities	21	516,817	363,427
Employee benefits	26	24,964	25,462
Deferred tax liabilities	31	93,258	65,167
Total non-current liabilities		1,343,072	1,400,521
Current liabilities			
Short-term borrowings, financial liabilities and operating liabilities	21	1,086,306	1,078,614
Current lease liabilities	21	108,668	101,584
Current provisions	26	77,408	78,664
Trade and other payables		1,699,525	1,678,389
Current tax liabilities	31	24,941	40,516
Other current liabilities	15	2,005,093	1,877,075
Total current liabilities		5,001,941	4,854,842
Liabilities associated with assets held for sale		-	1,190,815
TOTAL LIABILITIES AND EQUITY		8,293,185	9,180,234

The statement of financial position at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

Consolidated income statement

<i>(in thousands of euros)</i>	Notes	31/12/2021 (12-month period)	31/12/2020 (12-month period) Restated
Revenue	4	4,468,371	4,511,648
Purchases		(2,888,052)	(2,937,480)
Employee benefits expense	27	(730,020)	(751,436)
Other operating expenses	28	(284,463)	(300,519)
Taxes and duties		(34,916)	(32,631)
Depreciation, amortisation and impairment of non-current assets	29	(157,538)	(246,561)
Current operating profit		373,382	243,021
Non-recurring operating profit	3.3	115,608	-
Operating profit		488,990	243,021
Share of net profit from equity-accounted investments	9	31,094	28,737
Operating profit after share of net profit from equity-accounted investments		520,084	271,758
Financial expenses	30	(87,655)	(94,647)
Financial income	30	4,151	12,101
Net finance income (expense)		(83,504)	(82,546)
Pre-tax recurring profit		436,580	189,212
Income tax	31	(98,128)	(68,129)
Share of net profit/(loss) from other equity-accounted investments	9	(1,988)	(1,873)
NET PROFIT		336,464	119,210
attributable to equity holders of the parent company		324,906	113,012
attributable to non-controlling interests		11,558	6,198
<i>(in euros)</i>			
Net earnings per share	32	5.85	2.05
Diluted earnings per share	32	5.25	1.77

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

Consolidated statement of comprehensive income

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 (12-month period) Restated
NET PROFIT	336,464	119,210
Foreign currency translation gains and losses	(38)	(2,785)
Gains and losses that may be recycled to net profit	(38)	(2,785)
Actuarial gains and losses on retirement benefits	221	(1,553)
Deferred tax on actuarial gains and losses	(61)	431
Gains and losses that may not be recycled to net profit	160	(1,122)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)	122	(3,907)
TOTAL COMPREHENSIVE INCOME	336,586	115,303
attributable to equity holders of the parent company	325,028	109,105
attributable to non-controlling interests	11,558	6,198

Change in consolidated equity

<i>(in thousands of euros)</i>	Share capital	Additional paid-in capital	Treasury shares held	Reserves and net profit earnings	Other comprehensive income	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
Movements in 2020								
At 1 January 2020	280,649	548,489	(24,657)	933,407	8,781	1,746,669	10,605	1,757,274
Restatement following IFRS IC decisions				128		128		128
At 1 January 2020 restated	280,649	548,489	(24,657)	933,535	8,781	1,746,797	10,605	1,757,402
Treasury shares			12,792	(16,039)		(3,247)		(3,247)
Share-based payments			(17,160)	11,656		(5,504)		(5,504)
Impact of acquisitions or disposals of non-controlling interests after acquisition of control				(12,321)		(12,321)		(12,321)
Dividends paid by Nexity (€2.00 per share)				(109,827)		(109,827)		(109,827)
Total movements linked to relationships with shareholders	-	-	(4,368)	(126,531)	-	(130,899)	-	(130,899)
Net profit for the period				113,012		113,012	6,198	119,210
Other comprehensive income					(3,907)	(3,907)		(3,907)
Total comprehensive income	-	-	-	113,012	(3,907)	109,105	6,198	115,303
Dividends paid by subsidiaries						-	(5,985)	(5,985)
Impact of changes in scope				(195)		(195)	(1,571)	(1,766)
AT 31 DECEMBER 2020 RESTATED	280,649	548,489	(29,025)	919,822	4,874	1,724,809	9,247	1,734,056
Movements in 2021								
At 1 January 2021	280,649	548,489	(29,025)	919,822	4,874	1,724,809	9,247	1,734,056
Treasury shares			(5,041)	(13,366)		(18,407)		(18,407)
Share-based payments				12,871		12,871		12,871
OCEANE 2021 equity component				18,679		18,679		18,679
Impacts of the 2016 OCEANE buyback				(13,553)		(13,553)		(13,553)
Impact of acquisitions or disposals of non-controlling interests after acquisition of control				(5,890)		(5,890)		(5,890)
Dividends paid by Nexity (€2.00 per share)				(110,639)		(110,639)		(110,639)
Total movements linked to relationships with shareholders	-	-	(5,041)	(111,898)	-	(116,939)	-	(116,939)
Net profit for the period				324,906		324,906	11,558	336,464
Other comprehensive income					122	122		122
Total comprehensive income	-	-	-	324,906	122	325,028	11,558	336,586
Dividends paid by subsidiaries						-	(6,527)	(6,527)
Impact of changes in scope				(4,346)		(4,346)	5,342	996
AT 31 DECEMBER 2021	280,649	548,489	(34,066)	1,128,484	4,996	1,928,552	19,620	1,948,172

Consolidated statement of cash flows

<i>(in thousands of euros)</i>	Notes	31/12/2021 (12-month period)	31/12/2020 12-month period restated
Net profit attributable to equity holders of the parent company		324,906	113,012
Net profit attributable to non-controlling interests		11,558	6,198
Consolidated net profit		336,464	119,210
Elimination of non-cash income and expenses:			
Elimination of depreciation, amortisation and provisions		37,065	58,648
Elimination of depreciation of right-of-use assets		124,794	196,025
Elimination of impairment of goodwill		61,088	
Elimination of gains and losses on asset disposals		(204,669)	(5,550)
Elimination of the impact of changes in fair value		422	(6,003)
Elimination of net profit from equity-accounted investments		(31,094)	(28,737)
Elimination of net profit from other equity-accounted investments		1,988	1,873
Elimination of the impact of share-based payments		12,871	11,659
Cash flow from operating activities after interest and tax expenses		338,929	347,125
Elimination of net interest expense/(income)		67,073	78,946
Elimination of tax expense, including deferred taxes and tax credits		96,526	64,866
Cash flow from operating activities before interest and tax expenses		502,528	490,937
Change in operating working capital	11	(318,500)	339,992
Dividends received from equity-accounted investments	9	22,242	17,824
Interest paid		(32,982)	(33,944)
Tax paid		(75,788)	(50,177)
Net cash from/(used in) operating activities		97,500	764,632
Purchase of subsidiaries, net of cash acquired	3.5	(237)	(40,243)
Proceeds from sale of subsidiaries, net of cash divested	3.6	212,025	621
Other changes in scope		129	304
Reclassification in accordance with IFRS 5		-	(59,688)
Purchase of property, plant, equipment and intangible assets		(54,649)	(76,115)
Purchase of financial assets		(28,921)	(15,936)
Proceeds from sale of property, plant, equipment and intangible assets		1,288	9,562
Proceeds from sale and redemption of financial assets		8,067	8,764
Net cash from/(used in) investing activities		137,702	(172,731)
Dividends paid to equity holders of the parent company		(110,639)	(109,827)
Dividends paid to minority shareholders of consolidated companies		(6,527)	(5,985)
Net disposal/(acquisition) of treasury shares		(18,148)	(22,178)
(Acquisitions)/disposals of non-controlling interests with no gain or loss of control		(41,553)	(37,483)
Proceeds from issuance of bonds		583,291	275,557
Redemption of bonds		(619,705)	(289,614)
Repayment of lease liabilities		(182,628)	(206,774)
Decrease in receivables and increase in short-term financial debt		(50,498)	12,434
Net cash from/(used in) financing activities		(446,407)	(383,870)
Impact of changes in foreign currency exchange rates on cash and cash equivalents		216	(991)
CHANGE IN CASH AND CASH EQUIVALENTS		(210,989)	207,040
Cash and cash equivalents at beginning of period		1,253,388	1,046,348
Cash and cash equivalents at end of period	23	1,042,399	1,253,388

5.1.2 Notes to the consolidated financial statements

Note 1 Information on the Company and significant developments

1.1 Information on the Company

Nexity is an integrated real estate operator harnessing the entire spectrum of property know-how and skills to serve private individuals, companies, institutional investors and local authorities. Covering all segments of the real estate development and services markets, Nexity is one of the top players in French real estate and offers its clients a unique range of expertise and advice, products, services and solutions to meet their evolving needs.

The Group is present throughout France, with some limited operations elsewhere in Europe.

It is organised around the following three business divisions:

- The Development division, which includes the following activities:
 - Residential Real Estate Development, including the promotion of new homes and subdivisions of building land, in France, and marginally in other European countries,
 - Commercial Real Estate Development, corresponding to the development of office

buildings, business parks, logistics platforms, shops and hotels;

- The Services division including:
 - services for individuals (property administration, management and transactions, management of student residences), for companies (management and consulting, coworking activities),
 - real estate product distribution activities;
- The Other activities division, which includes Nexity's urban regeneration business (Villes & Projets), investment activities, innovative start-ups in the incubation phase and the holding company.

The Century 21 France real estate franchise network was sold on 12 May 2021. The sale of Ægide shares to AG2R La Mondiale on 29 June 2021, resulted in a loss of control; this investment is now equity accounted.

Nexity's shares are listed on Eurolist by NYSE Euronext Paris.

1.2 Significant developments

The 2021 financial year was marked by the following events:

Business activity

- 20,838 new home reservations in France;
- €421 million in Commercial Real Estate order intake.

Refocusing of business activities

- Disposal of the Century 21 France real estate franchise network on 12 May 2021 (see Note 3.3);
- Sale of 45% of Ægide-Domitys shares on 29 June 2021, to AG2R La Mondiale, resulting in the loss of control of the Company. Nexity retains an 18% investment in Ægide-Domitys (see Note 3.3);
- Development resources focused on the French market and development stopped in Germany (see Note 3.3).

Financing

Issue on 19 April 2021 of a €240 million OCEANE (a bond that may be converted into new shares or exchanged for existing shares), maturing in seven years, under the following conditions:

- 35% conversion premium, or a conversion price of €59.81;
- Interest rate 0.875% per year.

This issue was coupled with the buyback of 100% of the OCEANE at maturity, on 1 January 2023, issued for €270 million (see Note 18.1).

Change in governance

As part of the Group's new governance separating the functions of Chairman of the Board of Directors and Chief Executive Officer, Ms Véronique Bédague was made Chief Executive Officer of Nexity at the Shareholders' Meeting on 19 May 2021. Mr Jean-Claude Bassien, Deputy CEO in charge of Services, has been appointed second company officer.

Mr Alain Dinin, Chairman, continues to support the Executive Management team in the major strategic choices and allocations of resources.

GENERAL INFORMATION

Note 2 Principles and policies

2.1 Statement of compliance

The consolidated financial statements of Nexity group as at 31 December 2021 are prepared in accordance with IFRS (International Financial Reporting Standards) and the interpretations and decisions of IFRS IC (IFRS Interpretations Committee) as adopted in the European Union.

The accounting policies and principles used to prepare the consolidated financial statements for the period ended 31 December 2021 were the same as those applied for the financial year ended 31 December 2020, except for the points described in Section 2.2.

The Company's press releases and annual reports – including historical financial information about the Company and the consolidated financial statements – are available on the Company's website www.nexity.fr/en/group. Copies may also be obtained from Nexity's registered office at 19, rue de Vienne – TSA 50029 – 75801 Paris Cedex 8 (France).

The consolidated financial statements were approved by the Board of Directors on 23 February 2022 and will be submitted for approval at the Shareholders' Meeting of 18 May 2022.

2.2 New standards, interpretations and decisions of the IFRS IC

To take into account the IFRS IC decisions published in 2021, the 2020 income statement and statement of financial position have been restated for the following amounts:

<i>(in thousands of euros)</i>	31/12/2020 12-month period Published	Restatement of costs of software used in SaaS mode	Restatement of retirement benefits	31/12/2020 12-month period restated
Income statement				
Operating profit	249,827	(6,806)	-	243,021
Income tax	(69,886)	1,757	-	(68,129)
Net profit	124,259	(5,049)	-	119,210
Assets				
Other intangible assets	117,495	(7,295)	-	110,200
Deferred tax assets	27,474	1,884	(171)	29,187
Liabilities and equity				
Equity attributable to equity holders of the parent company	1,729,729	(5,411)	491	1,724,809
Employee benefits	26,124	-	(662)	25,462

IAS 19 (IFRS IC April 2021 decision)

Amendment of the deferral period for retirement benefit plans, by recognising the post-employment benefit expense over the last years of service of the employee, provided that these benefits meet three characteristics:

- Benefit conditional on continued employment on the retirement date;
- Amount of benefit based on seniority;
- Capped benefit.

The retrospective impact of this change in method was recognised in retained earnings on 1 January 2020 for an amount of €491 thousand. There is no impact on the restated income statement for 2020.

Costs of software used in SaaS mode (IFRS IC March 2021 decision)

Nexity uses SaaS contracts which do not give exclusive control rights over the software used and are treated as service contracts.

The IFRS IC has ruled on the costs of configuring and adapting these tools: these cannot give rise to the recognition of a non-current asset but must be expensed as soon as they are realised.

The retrospective impact of this change in method was recognised in retained earnings on 1 January 2020 for an amount of €363 thousand and in 2020 income for €5,049 thousand.

2.3 Estimates and assumptions

In the process of preparing the consolidated financial statements, the measurement of certain statement of financial position and income statement items calls for the use of assumptions or assessments based, in particular, on budgets for real estate projects. These are used to measure the operating margin, non-current assets, provisions, inventory impairment and accrued expenses, as well as the assets held for sale and the associated liabilities. Other items also require the use of estimates based on assumptions regarding business plans, or changes in the rates applied, and include provisions, goodwill, and put options granted to minority shareholders.

These assumptions, estimates or assessments are established and reviewed regularly on the basis of information available and the actual position of the Company on the date the financial statements are prepared, taking into consideration past experience and other relevant factors. Actual results may differ significantly from estimates due to changes in the underlying conditions and assumptions.

The assumptions, estimates and assessments used in the presentation of the financial statements for 31 December 2021 were made in a context of continued high uncertainty (health crisis, risk of inflation, interest rate hikes, Presidential and legislative elections in the second quarter of 2022, etc.) but which should have limited impact on the Group's activities.

2.4 Reporting date

Group companies are consolidated on the basis of their financial statements for the period ended 31 December 2021.

Note 3 Scope of reporting and business combinations

3.1 Consolidation and reporting

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has power over the entity, has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity.

In assessing control, potential voting rights that the Group is able in practice to exercise are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates and joint ventures

Associates are entities in which the Group has significant influence, but not control, over financial and operating policies.

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. Most joint ventures are real estate development programmes (residential or commercial) undertaken with another developer (joint ventures).

The consolidated financial statements include the Group share of the total recognised gains and losses of associates and joint ventures on an equity-accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Transactions eliminated in the consolidated financial statements

The following are eliminated:

- Intragroup receivables and payables; and
- Intragroup balances and transactions (purchases, sales, dividends, profit, provisions recorded against consolidated companies, etc.).

3.2 Scope of reporting

3.2.1 Scope at 31 December 2021

Basis of reporting	Development	Services	Other activities	Total at 31/12/2021
Fully consolidated	1,722	90	26	1,838
Joint ventures	297	3	4	304
Associates	-	1	2	3
Equity-accounted	297	4	6	307
Total scope of reporting	2,019	94	32	2,145

3.2.2 Changes in scope

The number of consolidated companies decreased by 160 between 31 December 2020 and 31 December 2021.

109 companies were added to the scope of reporting in 2021. These are mainly companies created to serve as programme vehicles for the Group's real estate projects.

269 companies were removed from the scope of reporting in 2021, mainly corresponding to the disposals of Ægide-Domitys and Century 21 France.

3.3 Non-recurring operating profit

As at 31 December 2021, non-recurring operating profit of €115.6 million breaks down into €176.7 million profit on disposals of subsidiaries and €61.1 million in impairment losses on goodwill. Net profit from discontinued operations and non-recurring items amounted to €137 million.

<i>(in millions of euros)</i>	Disposal of Ægide-Domitys	Disposal of Century 21 France	Total disposals	International CGU	Total non-current
Capital gain on disposal	165.1	11.6	176.7	-	176.7
Impairment of goodwill	-	-	-	(61.1)	(61.1)
Non-recurring operating profit	165.1	11.6	176.7	(61.1)	115.6
Contribution to operating profit until disposal	39.4	2.0	41.4	-	41.4
Non-recurring operating profit and discontinued operations	204.5	13.6	218.1	(61.1)	157.0
Other items contributing to net profit	(19.7)	(0.1)	(19.8)	-	(19.8)
Net profit from non-recurring activities and from discontinued operations	184.8	13.5	198.3	(61.1)	137.2

3.3.1 Disposals of companies

Nexity made two disposals during the first half of 2021 (Century 21 France real estate franchise network, and operation of Ægide-Domitys senior residences).

The contribution of these disposals to the reduction in net debt amounted to €306.7 million and breaks down as follows:

<i>(in thousands of euros)</i>	Total	Ægide-Domitys	Century 21
Impact on the statement of cash flows			
Proceeds from disposals	208.2	121.9	86.3
Selling costs	(8.6)	(6.8)	(1.8)
Impact excluding the statement of cash flows (change in scope)			
Cancellation of the commitment to buy back the balance of the put options (value at 1 January)	107.2	107.2	-
TOTAL REDUCTION IN NET DEBT	306.7	222.2	84.5

Disposal of the Ægide-Domitys group

The loss of control of Ægide-Domitys led to the Company being equity accounted from 30 June 2021.

AG2R La Mondiale holds 67% of Ægide's share capital, following the sale, on 29 June 2021, of 45% of the shares in Ægide by Nexity and 22% by the founding shareholders. Nexity retains an 18% investment in Ægide, and the founding shareholders a 15% investment.

Based on an enterprise value of €375 million, Nexity generated a 100% capital gain of €165.1 million, net of selling costs. The commitment to buy back the balance of put options granted to non-controlling shareholders was cancelled for €107.2 million. Nexity retains 18% of Ægide's share capital, equity accounted on its statement of financial position and measured at fair value at €48.8 million.

Disposal capital gain details

<i>(in thousands of euros)</i>	100%
Transaction value	375.0
Net debt at 30 June 2021	(105.0)
SALE PRICE OF SHARES (A)	270.0
<i>Of which proceeds from 45% of shares</i>	121.9
<i>Of which commitment sold under the agreement to sell non-controlling interests (37%)</i>	99.3
<i>Of which QP retained 18% (investments in associates)</i>	48.8
Selling costs (B)	(6.8)
SALE PRICE OF SHARES NET OF SELLING COSTS C = (A-B)	263.2
Consolidated equity 31/12/2020 – IFRS 5	73.3
Contribution up to the disposal date	24.8
Contribution to consolidated equity on the disposal date (D)	98.1
DISPOSAL CAPITAL GAIN (C-D)	165.1

Impact on consolidated net debt

<i>(in thousands of euros)</i>	Disposal date
Proceeds from the sale of shares 45%	121.9
Cancellation of commitment sold under the agreement to sell non-controlling interests (37%)	99.3
Fair value change on the commitment sold	7.8
Selling costs	(6.8)
NET DEBT IMPACT	222.2

At the same time, Nexity and Ægide-Domitys signed a long-term strategic partnership for the development of future serviced senior residences (RSS). In this context, Nexity will continue to carry out joint developments with Ægide-Domitys.

Disposal of Century 21 France

Disposal of Century 21 France on 12 May 2021 for €86 million. The capital gain recognised at the end of this

disposal amounted to €11.6 million net of selling costs. The income statement simplifies the contribution of Century 21 France until 31 March 2021. There was no significant impact on profit between 31 March and the disposal date.

<i>(in thousands of euros)</i>	
Sale price of shares (A)	86.3
Selling costs (B)	(1.8)
Sale price of shares net of selling costs C = (A-B)	84.5
Contribution to consolidated equity on the disposal date (D)	72.9
Disposal capital gain (C-D)	11.6

3.3.2 Change in value of goodwill

The Group has decided to prioritise the allocation of development resources across the French market. The

future cash flow projections of the International Real Estate Development CGU also take into account the discontinuation of development in Germany and generate an impairment of 100% of the goodwill of this CGU.

3.4 Additions to the scope**Property management firms**

In 2021, the Group acquired several property management contract portfolios in France for a purchase price of €237 thousand. These transactions generated provisional goodwill of €237 thousand.

3.5 Detail of acquisitions reported in the consolidated statement of cash flows

<i>(in thousands of euros)</i>	Acquisitions 2021	Acquisitions 2020
Purchase price	237	50,295
Cash of subsidiaries acquired	-	(10,052)
ACQUISITIONS OF CONSOLIDATED COMPANIES, NET OF CASH ACQUIRED	237	40,243

In addition, acquisitions of companies carrying assets used to support development activities and not corresponding to business combinations in accordance with IFRS 3 are restated as a change in activity in the financial statements, and appear as a change in working capital requirement in the statement of cash flows.

3.6 Detail of disposals reported in the consolidated statement of cash flows

<i>(in thousands of euros)</i>	Disposals in 2021	Disposals in 2020
Sale price received	212,148	621
Cash of subsidiaries sold	(123)	-
PROCEEDS FROM SALES OF CONSOLIDATED COMPANIES, NET OF CASH DIVESTED	212,025	621

3.7 Geographical breakdown of revenue

The Group conducts international business in Europe (Belgium, Germany, Italy, Poland, Portugal and Switzerland) which in 2021 represented 1.5% of the revenue generated by the Group (compared with 1.9% in 2020).

Financial year 2021

<i>(in thousands of euros)</i>	France	International	Total
Development	3,412,463	59,113	3,471,576
Services	986,858	9,937	996,795
	4,399,321	69,050	4,468,371

Financial year 2020

<i>(in thousands of euros)</i>	France	International	Total
Development	3,391,194	74,498	3,465,692
Services	1,035,206	10,750	1,045,956
	4,426,400	85,248	4,511,648

Note 4 Recognition of revenue and operating profit

Consolidated revenue represents the amount of activity of the Group's various divisions after elimination of intragroup transactions.

Development

Property development operations are carried out in France, in the form of VEFA off-plan sales or property development contracts. Revenue and margin from property development operations are then generated on the products sold as the stage of completion advances. The method is similar in Germany and Belgium.

Partially completed operations at the end of the financial year are recorded using the percentage-of-completion method on the basis of the most updated estimates of the results of operations, discounted at year-end.

The status percentage is calculated based on the commercial status and on the cost status percentage completed on the reporting date.

If results on completion cannot be determined reliably, revenue is only recognised on recoverable costs.

The operating margin for the Group's development activities includes all costs directly attributable to contracts:

- Land acquisition costs;
- Site development and construction costs;
- Urban planning taxes and duties;
- Preliminary contract costs, which are capitalised only if the probability of obtaining the contract is high;
- Project ownership costs;
- Directly allocated marketing and selling costs (in-house and external sales commissions, etc.); and
- Financial expense directly attributed to operations (if the sale is not finished prior to completion).

The development activities' revenue generated by the percentage of completion method amounted to €3,291 million in 2021.

Revenue and profit from real estate development programmes undertaken in Italy, Poland and Portugal are recognised at the time of sale, which cannot be prior to the building's completion.

Revenue from subdivision business (building land) and real estate development (purchase and then resale of land after obtaining authorisations) is recorded in the notarial deed.

Services and Other activities

Revenue is recognised when transactions are closed and over the period that services are provided.

Income for distribution activities under the iSelection and PERL brands is recognised when the notarial deed is signed, based on the contracts, in the form of fees or sales of real estate products. Indeed, the sales contract follows the disposal of a VEFA off-plan sales contract acquired from a third-party developer, or sales on existing buildings.

Current operating profit

Current operating profit includes all operating profit items with the exception of items resulting from unusual, abnormal and infrequently occurring transactions. In particular, the impairment of goodwill and the remeasurement of equity-accounted investments following the acquisition of control are not included in current operating profit.

5

Note 5 Alternative performance measures

EBITDA acts as a measurement of operational cash flow generated (see Note 6.2.2). EBITDA is equal to current operating profit before depreciation, amortisation and impairment of non-current assets, net changes in provisions, share-based payment expenses and the transfer from inventory of financial expense directly attributable to property developments, plus dividends received from equity-accounted companies whose operations are an extension of the Group's business.

Depreciation includes right-of-use assets calculated in accordance with IFRS 16 and the neutralisation of internal margins for sale and leaseback transactions.

The Group also presents EBITDA after rents (before application of the standard on leases).

The Group uses working capital requirements (see Note 11) and net debt (see Note 20) to analyse its financial structure.

The backlog comprises the Group's already secured future revenue, expressed in euros, for its development activities (Residential Real Estate and Commercial Real Estate). The backlog includes reservations for which notarial deeds of sale have not yet been signed and the portion of revenue remaining to be generated on units for which notarial deeds of sale have already been signed (portion still to be built).

Note 6 Segment information

6.1 Segment definitions

Operating segments are subgroups of companies or activities for which separate financial information is available and reviewed on a regular basis by Company Management with a view to allocating resources and assessing their economic performance.

Development

Residential Real Estate Development

- Housing development; in France and abroad (Belgium, Germany, Italy, Poland, Portugal);
- Development of subdivisions.

Commercial Real Estate Development

Development of offices (new or refurbished), high-rises, retail property and hotels; logistics facilities and other industrial spaces.

Services

- Property management: rental management, transaction, condominium managing agent services;
- Real Estate Services to Companies: rental management and property management advice and rental of short-term workspaces (coworking);
- Management of student residences;
- Distribution of housing units intended for renting to individual client investors.

Other activities

- Pre-development urban regeneration projects;
- Investments in investment vehicles;
- The Nexity holding company;
- Restatements related to sale-leaseback transactions.

Operational reporting

Segment information is based on the operational reporting that the Group uses for management purposes. In its operational reporting, Nexity applies proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group's performance and risks as measured by revenue, operating profit, working capital requirement and debt.

Notes 6.2.1 and 6.3.1 present the condensed financial statements based on operational reporting data, with a reconciliation to the financial statements.

Operating reporting data are analysed and commented on in the management report and the press release on annual results.

6.2 Income statement**6.2.1 Income statement based on operational reporting**

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	Restatement of joint ventures	31/12/2021 Operational reporting	31/12/2020 12-month period restated	Restatement of joint ventures	31/12/2020 Operational reporting Restated
Revenue	4,468,371	368,160	4,836,531	4,511,648	342,993	4,854,641
Purchases	(2,888,052)	(329,839)	(3,217,891)	(2,937,480)	(302,513)	(3,239,993)
Employee benefits expense	(730,020)	-	(730,020)	(751,436)	-	(751,436)
Other operating expenses	(284,463)	909	(283,554)	(300,519)	(4,046)	(304,565)
Taxes (other than income tax)	(34,916)	(655)	(35,571)	(32,631)	(1,002)	(33,633)
Depreciation, amortisation and impairment of non-current assets	(157,538)	-	(157,538)	(246,561)	-	(246,561)
Current operating profit	373,382	38,575	411,957	243,021	35,432	278,453
Non-recurring operating profit	115,608	-	115,608	-	-	-
Operating profit	488,990	38,575	527,565	243,021	35,432	278,453
Share of net profit from equity-accounted investments	31,094	(31,094)	-	28,737	(28,737)	-
Operating profit after share of net profit from equity-accounted investments	520,084	7,481	527,565	271,758	6,695	278,453
Financial expenses	(87,655)	(3,620)	(91,275)	(94,647)	(2,564)	(97,211)
Financial income	4,151	(260)	3,891	12,101	(396)	11,705
Net finance income (expense)	(83,504)	(3,880)	(87,384)	(82,546)	(2,960)	(85,506)
Pre-tax recurring profit	436,580	3,601	440,181	189,212	3,735	192,947
Income tax	(98,128)	(3,601)	(101,729)	(68,129)	(3,735)	(71,864)
Share of net profit/(loss) from other equity-accounted investments	(1,988)	-	(1,988)	(1,873)	-	(1,873)
NET PROFIT	336,464	-	336,464	119,210	-	119,210
attributable to equity holders of the parent company	324,906	-	324,906	113,012	-	113,012
attributable to non-controlling interests	11,558	-	11,558	6,198	-	6,198
<i>(in euros)</i>						
Net earnings per share	5.85		5.85	2.05		2.05
Diluted earnings per share	5.25		5.25	1.77		1.77

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

6.2.2 Income statement broken down by segment

AT 31 DECEMBER 2021

<i>(in thousands of euros)</i>	Development	Services	Other activities	Total operational reporting
Total revenue	3,841,142	994,451	939	4,836,531
Revenue	3,841,142	994,451	939	4,836,531
Operating expenses	(3,477,345)	(767,352)	(12,518)	(4,257,216)
EBITDA	363,797	227,098	(11,580)	579,315
Rent	(19,776)	(154,096)	(8,755)	(182,628)
EBITDA after rent	344,020	73,002	(20,335)	396,688
Rent cancellation	19,776	154,096	8,755	182,628
Depreciation of right-of-use assets	(17,347)	(95,051)	(12,392)	(124,790)
Depreciation, amortisation and impairment of non-current assets	(8,181)	(19,737)	(4,906)	(32,825)
Net change in provisions	(537)	3,487	(613)	2,337
Share-based payments	(5,615)	(2,612)	(3,855)	(12,082)
Current operating profit	332,117	113,185	(33,346)	411,957
Non-recurring operating profit	(61,088)	-	176,696	115,608
Operating profit	271,029	113,185	143,350	527,565
Financial expenses	(33,784)	(4,247)	(28,764)	(66,795)
Financial income	1,656	(475)	2,711	3,891
Net finance income (expenses) before lease liability expenses	(32,128)	(4,722)	(26,053)	(62,903)
Financial expenses on lease liabilities	(1,757)	(21,281)	(1,443)	(24,481)
Net finance income (expense)	(33,885)	(26,003)	(27,496)	(87,384)
Pre-tax recurring profit	237,144	87,183	115,854	440,181
Income tax	(54,806)	(20,149)	(26,775)	(101,729)
Share of profit/(loss) from equity-accounted investments	(615)	-	(1,373)	(1,988)
NET PROFIT	181,723	67,034	87,707	336,464
attributable to equity holders of the parent company	170,268	66,916	87,722	324,906
attributable to non-controlling interests	11,455	118	(15)	11,558

AT 31 DECEMBER 2020 RESTATED

<i>(in thousands of euros)</i>	Development	Services	Other activities	Total operational reporting
Total revenue	3,809,538	1,045,103	-	4,854,641
Revenue	3,809,538	1,045,103	-	4,854,641
Operating expenses	(3,487,890)	(805,821)	(18,000)	(4,311,711)
EBITDA	321,648	239,283	(18,000)	542,930
Rent	(19,926)	(179,210)	(7,639)	(206,774)
EBITDA after rent	301,722	60,073	(25,639)	336,155
Rent cancellation	19,926	179,210	7,639	206,774
Depreciation of right-of-use assets	(17,573)	(165,868)	(12,584)	(196,025)
Depreciation, amortisation and impairment of non-current assets	(10,288)	(32,711)	(7,586)	(50,585)
Net change in provisions	(1,289)	(5,182)	261	(6,210)
Share-based payments	(6,068)	(3,396)	(2,192)	(11,656)
Current operating profit	286,430	32,126	(40,101)	278,453
Non-recurring operating profit				
Operating profit	286,430	32,126	(40,101)	278,453
Financial expenses	(27,448)	(6,662)	(33,640)	(67,750)
Financial income	6,606	639	4,460	11,705
Net finance income (expenses) before lease liability expenses	(20,841)	(6,023)	(29,180)	(56,045)
Financial expenses on lease liabilities	(1,817)	(26,615)	(1,029)	(29,461)
Net finance income (expense)	(22,658)	(32,638)	(30,209)	(85,506)
Pre-tax recurring profit	263,772	(512)	(70,310)	192,947
Income tax	(97,218)	189	25,163	(71,864)
Share of profit/(loss) from equity-accounted investments	(1,791)	(81)	(1)	(1,873)
NET PROFIT	164,763	(405)	(45,148)	119,210
attributable to equity holders of the parent company	158,495	(309)	(45,174)	113,012
attributable to non-controlling interests	6,268	(96)	26	6,198

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

6.2.3 Impact of disposals on comparative information

In order to have an understanding of the operating performance of the business activities on the basis of a like-for-like basis, the tables below present the segment income

statement by separating the like-for-like scope and the contribution of discontinued operations (Ægide-Domitys until 30 June and Century 21 France until 31 March), with the non-recurring profit.

AT 31 DECEMBER 2021

<i>(in thousands of euros)</i>	Development	Services	Other activities	Like-for-like scope	Non-recurring profit and discontinued operations	Total operational reporting
Total revenue	3,771,445	852,855	939	4,625,239	211,293	4,836,531
Revenue	3,771,445	852,855	939	4,625,239	211,293	4,836,531
Operating expenses	(3,410,612)	(665,343)	(11,339)	(4,087,294)	(169,923)	(4,257,216)
EBITDA	360,833	187,512	(10,400)	537,945	41,370	579,315
Rent	(19,379)	(99,349)	(7,998)	(126,727)	(55,901)	(182,628)
EBITDA after rent	341,454	88,163	(18,398)	411,219	(14,531)	396,688
Rent cancellation	19,379	99,349	7,998	126,727	55,901	182,628
Depreciation of right-of-use assets	(17,347)	(95,069)	(12,392)	(124,808)	18	(124,790)
Depreciation, amortisation and impairment of non-current assets	(7,447)	(18,574)	(6,374)	(32,395)	(430)	(32,825)
Net change in provisions	(463)	2,663	(595)	1,606	731	2,337
Share-based payments	(5,615)	(2,587)	(3,587)	(11,789)	(293)	(12,082)
Current operating profit	329,962	73,945	(33,347)	370,560	41,396	411,957
Non-recurring operating profit				-	115,608	115,608
Operating profit	329,962	73,945	(33,347)	370,560	157,004	527,565
Financial expenses	(33,225)	(4,206)	(26,835)	(64,266)	(2,529)	(66,795)
Financial income	1,652	334	1,557	3,542	349	3,891
Net finance income (expenses) before lease liability expenses	(31,573)	(3,872)	(25,278)	(60,723)	(2,180)	(62,903)
Financial expenses on lease liabilities	(1,714)	(10,997)	(1,393)	(14,104)	(10,377)	(24,481)
Net finance income (expense)	(33,287)	(14,869)	(26,671)	(74,827)	(12,557)	(87,384)
Pre-tax recurring profit	296,675	59,076	(60,018)	295,733	144,447	440,181
Income tax	(104,513)	(19,639)	29,645	(94,507)	(7,222)	(101,729)
Share of profit/(loss) from equity-accounted investments	(615)	-	(1,373)	(1,988)		(1,988)
NET PROFIT	191,547	39,438	(31,747)	199,238	137,225	336,464
attributable to equity holders of the parent company	180,199	39,326	(31,745)	187,780	137,126	324,906
attributable to non-controlling interests	11,348	112	(2)	11,458	99	11,558

In accordance with IFRS 5, the assets and liabilities of the Ægide-Domitys group were isolated on specific lines of the assets and liabilities of the consolidated statement of financial position at 31 December 2020. From the date of this reclassification, non-current assets were no longer amortised.

Non-recurring operating profit includes capital gains on disposals (Century 21 France and Ægide-Domitys) as well as the impairment of activities in Germany.

AT 31 DECEMBER 2020 RESTATED

<i>(in thousands of euros)</i>	Development	Services	Other activities	Like-for-like scope	Non-recurring profit and discontinued operations	Total operational reporting
Total revenue	3,653,556	767,436	-	4,420,992	433,649	4,854,641
Revenue	3,653,556	767,436	-	4,420,992	433,649	4,854,641
Operating expenses	(3,346,388)	(614,480)	(14,357)	(3,975,225)	(336,487)	(4,311,711)
EBITDA	307,168	152,956	(14,357)	445,768	97,162	542,930
Rent	(19,247)	(88,240)	(6,157)	(113,644)	(93,131)	(206,774)
EBITDA after rent	287,922	64,716	(20,514)	332,124	4,032	336,155
Rent cancellation	19,247	88,240	6,157	113,644	93,131	206,774
Depreciation of right-of-use assets	(16,956)	(81,184)	(11,216)	(109,356)	(86,669)	(196,025)
Depreciation, amortisation and impairment of non-current assets	(8,044)	(23,405)	(7,911)	(39,360)	(11,225)	(50,585)
Net change in provisions	(1,367)	(4,402)	302	(5,467)	(743)	(6,210)
Share-based payments	(5,893)	(3,070)	(2,016)	(10,979)	(677)	(11,657)
Current operating profit	274,909	40,895	(35,198)	280,606	(2,152)	278,453
Non-recurring operating profit	-	-	-	-	-	-
Operating profit	274,909	40,895	(35,198)	280,606	(2,152)	278,453
Financial expenses	(26,591)	(4,648)	(31,044)	(62,283)	(5,467)	(67,750)
Financial income	6,547	487	2,030	9,064	2,641	11,705
Net finance income (expenses) before lease liability expenses	(20,045)	(4,161)	(29,014)	(53,220)	(2,826)	(56,045)
Financial expenses on lease liabilities	(1,729)	(9,248)	(902)	(11,879)	(17,582)	(29,461)
Net finance income (expense)	(21,774)	(13,409)	(29,916)	(65,099)	(20,408)	(85,506)
Pre-tax recurring profit	253,135	27,486	(65,114)	215,507	(22,560)	192,947
Income tax	(78,431)	(13,591)	17,647	(74,375)	2,509	(71,864)
Share of profit/(loss) from equity-accounted investments	(1,791)	-	(1)	(1,792)	(81)	(1,873)
NET PROFIT	172,912	13,896	(47,468)	139,340	(20,131)	119,210
attributable to equity holders of the parent company	167,952	13,991	(47,494)	134,449	(21,438)	113,012
attributable to non-controlling interests	4,960	(95)	26	4,891	1,307	6,198

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

6.3 Statement of financial position

6.3.1 Statement of financial position based on operational reporting

ASSETS						
(in thousands of euros)	Balance at 31/12/2021	Restatement of joint ventures	31/12/2021 Operational reporting	Balance at 31/12/2020 Restated	Restatement of joint ventures	31/12/2020 Operational reporting Restated
Non-current assets						
Goodwill	1,356,493	-	1,356,493	1,484,027	-	1,484,027
Other intangible assets	117,895	-	117,895	110,200	-	110,200
Right-of-use assets	582,076	-	582,076	431,101	-	431,101
Property, plant and equipment	59,267	-	59,267	56,543	-	56,543
Investments in associates	124,934	(62,427)	62,507	57,764	(56,808)	956
Other financial assets	58,334	142	58,476	61,306	701	62,007
Deferred tax assets	23,037	1,843	24,880	29,187	2,263	31,450
Total non-current assets	2,322,036	(60,442)	2,261,594	2,230,128	(53,844)	2,176,284
Current assets						
Inventories and work in progress	1,811,194	184,848	1,996,042	1,603,975	131,022	1,734,997
Trade and other receivables	1,323,153	52,337	1,375,490	1,129,692	223,878	1,353,570
Tax receivable	23,562	417	23,979	22,744	338	23,082
Other current assets	1,515,489	54,338	1,569,827	1,430,834	48,631	1,479,465
Other financial receivables	236,125	(126,046)	110,079	193,637	(107,294)	86,343
Cash and cash equivalents	1,061,626	142,532	1,204,158	1,305,133	122,331	1,427,464
Total current assets	5,971,149	308,426	6,279,575	5,686,015	418,906	6,104,921
Assets held for sale	-	-	-	1,264,091	75,892	1,339,983
TOTAL ASSETS	8,293,185	247,984	8,541,169	9,180,234	440,954	9,621,188
LIABILITIES AND EQUITY						
(in thousands of euros)	Balance at 31/12/2021	Restatement of joint ventures	31/12/2021 Operational reporting	Balance at 31/12/2020 Restated	Restatement of joint ventures	31/12/2020 Operational reporting Restated
Equity						
Share capital	280,649	-	280,649	280,649	-	280,649
Additional paid-in capital	521,060	-	521,060	521,060	-	521,060
Treasury shares held	(34,066)	-	(34,066)	(29,025)	-	(29,025)
Reserves and retained earnings	836,003	-	836,003	839,112	-	839,112
Net profit for the period	324,906	-	324,906	113,012	-	113,012
Equity attributable to equity holders of the parent company	1,928,552	-	1,928,552	1,724,809	-	1,724,809
Non-controlling interests	19,620	-	19,620	9,247	-	9,247
Total equity	1,948,172	-	1,948,172	1,734,056	-	1,734,056
Non-current liabilities						
Non-current borrowings and financial liabilities	708,033	3,413	711,446	946,465	1,670	948,135
Non-current lease liabilities	516,817	-	516,817	363,427	-	363,427
Employee benefits	24,964	-	24,964	25,462	-	25,462
Deferred tax liabilities	93,258	11,074	104,332	65,167	10,904	76,071
Total non-current liabilities	1,343,072	14,487	1,357,559	1,400,521	12,574	1,413,095
Current liabilities						
Short-term borrowings, financial liabilities and operating liabilities	1,086,306	114,808	1,201,114	1,078,614	37,478	1,116,092
Current lease liabilities	108,668	-	108,668	101,584	-	101,584
Current provisions	77,408	1,813	79,221	78,664	1,688	80,352
Trade and other payables	1,699,525	114,834	1,814,359	1,678,389	140,266	1,818,655
Current tax liabilities	24,941	1,532	26,473	40,516	4,931	45,447
Other current liabilities	2,005,093	510	2,005,603	1,877,075	168,125	2,045,200
Total current liabilities	5,001,941	233,497	5,235,438	4,854,842	352,488	5,207,330
Liabilities associated with assets held for sale	-	-	-	1,190,815	75,892	1,266,707
TOTAL LIABILITIES AND EQUITY	8,293,185	247,984	8,541,169	9,180,234	440,954	9,621,188

6.3.2 Statement of financial position items broken down by segment

AT 31 DECEMBER 2021

<i>(in thousands of euros)</i>	Development	Services	Other activities	Inter-division eliminations and not segmented	Total Operational reporting
Assets					
Non-current division assets	406,486	1,616,569	542,409	(328,751)	2,236,713
Deferred tax assets				24,880	24,880
Total non-current assets	406,486	1,616,569	542,409	(303,871)	2,261,594
Current division assets	4,466,204	1,808,887	1,421,242	(1,440,737)	6,255,596
Tax receivable				23,979	23,979
Total current assets	4,466,204	1,808,887	1,421,242	(1,416,758)	6,279,575
Assets held for sale	-	-	-		-
TOTAL ASSETS	4,872,691	3,425,456	1,963,651	(1,720,629)	8,541,169
Liabilities and equity					
Total equity				1,948,172	1,948,172
Non-current division liabilities	410,790	472,535	698,653	(328,751)	1,253,227
Deferred tax liabilities				104,332	104,332
Total non-current liabilities	410,790	472,535	698,653	(224,419)	1,357,559
Current division liabilities	3,096,266	1,896,778	1,656,905	(1,440,984)	5,208,965
Current tax liabilities				26,473	26,473
Total current liabilities	3,096,266	1,896,778	1,656,905	(1,414,511)	5,235,438
Liabilities associated with assets held for sale	-	-	-		-
TOTAL LIABILITIES AND EQUITY	3,507,056	2,369,312	2,355,558	309,242	8,541,169
Working capital requirement	1,052,745	75,332	(6,930)	(2,247)	1,118,900

AT 31 DECEMBER 2020 RESTATED

<i>(in thousands of euros)</i>	Development	Services	Other activities	Inter-division eliminations and not segmented	Total Operational reporting
Assets					
Non-current division assets	469,425	1,545,071	400,944	(270,606)	2,144,835
Deferred tax assets				31,449	31,449
Total non-current assets	469,425	1,545,071	400,944	(239,157)	2,176,284
Current division assets	4,346,337	1,678,683	1,580,061	(1,523,241)	6,081,840
Tax receivable				23,082	23,082
Total current assets	4,346,337	1,678,683	1,580,061	(1,500,159)	6,104,921
Assets held for sale	258,485	1,060,487	21,011		1,339,983
TOTAL ASSETS	5,074,247	4,284,241	2,002,016	(1,739,316)	9,621,188
Liabilities and equity					
Total equity				1,734,056	1,734,056
Non-current division liabilities	322,589	338,211	946,829	(270,606)	1,337,023
Deferred tax liabilities				76,071	76,071
Total non-current liabilities	322,589	338,211	946,829	(194,535)	1,413,095
Current division liabilities	3,133,180	1,788,301	1,763,888	(1,523,487)	5,161,883
Current tax liabilities				45,447	45,447
Total current liabilities	3,133,180	1,788,301	1,763,888	(1,478,040)	5,207,330
Liabilities associated with assets held for sale	247,505	1,041,142	(21,940)		1,266,707
TOTAL LIABILITIES AND EQUITY	3,703,275	3,167,654	2,688,777	61,482	9,621,188
Working capital requirement	719,298	48,646	(64,015)	(22,118)	681,811

ANALYSIS OF THE FINANCIAL STATEMENTS

Non-current assets

Note 7 Goodwill

Nexity has five CGUs:

- Residential Real Estate Development;
- Commercial Real Estate Development;
- International Real Estate Development;
- Services;
- Distribution.

Goodwill impairment testing

Goodwill reflects the expertise and synergies expected from acquired companies.

Goodwill is tested for impairment at least once a year and when there is an indication of impairment loss.

To test for impairment, goodwill is broken down into cash-generating units (CGUs), which are groups of similar assets generating identifiable cash flows. An impairment test involves comparing the net carrying amount of each CGU with the recoverable amount. The recoverable amount corresponds to the value in use, determined on the basis of the present value of expected future cash flows, which is the most suitable method considering the lack of recent comparable transactions. In the event of impairment the corresponding amount is recognised as an expense in the income statement.

An impairment loss recognised for a CGU is first allocated to the carrying amount of the goodwill associated with the CGU and then to the other non-monetary assets of the CGU in proportion to their carrying amount.

An impairment loss of goodwill may not be reversed.

<i>(in thousands of euros)</i>	Balance at 31/12/2020	Acquisitions and remeasurements	Disposals	Impairment	Adjustments during the allocation period	Balance at 31/12/2021
Residential Real Estate Development	771,566	108	-	-	-	771,674
Commercial Real Estate Development	74,110	-	-	-	-	74,110
International Real Estate Development	68,295	-	-	(61,088)	(7,207)	-
Services	490,323	237	(59,584)	-	-	430,976
Distribution	79,733	-	-	-	-	79,733
TOTAL GOODWILL	1,484,027	345	(59,584)	(61,088)	(7,207)	1,356,493

The disposals correspond to the Century 21 real estate franchise network.

The loss of control of Ægide-Domitys had no impact as the corresponding goodwill had been reclassified to the line "Assets held for sale" at 31 December 2020 (application of IFRS 5).

The Group has decided to prioritise the allocation of development resources across the French market. The future cash flow projections of the International Real Estate Development CGU also take into account the discontinuation of development in Germany and generate an impairment of 100% of the goodwill of this CGU.

Main assumptions used for testing

At 31 December 2021, the same independent expert as the previous financial year calculated the discount rate of the future cash flows for the CGUs, using the Capital Asset Pricing Model (*Modèle d'Évaluation des Actifs Financiers* – CAPM) to measure the cost of equity, and using the actual cost method to measure the cost of debt.

Discount rate (WACC after tax)	31/12/2021	31/12/2020
Residential Real Estate Development	6.7%	6.4%
Commercial Real Estate Development	7.2%	6.9%
International Real Estate Development	7.2%	6.9%
Services	7.5%	6.8%
Distribution	6.7%	6.4%

Impairment tests use the five-year business plan adopted by Executive Management. The business plan includes differentiated growth assumptions depending on the business activity. These assumptions take into account current market conditions, their foreseeable changes, as well as the Group's assumptions on the evolution of the

regulatory environment and the intensity of competition. The budgeted margin levels are consistent with the margin targets set by the Commitments Committee for commercial and residential real estate development projects, and with the current profit margin for the business activities of the Services division.

The residential real estate market continues to be supported by the structural need for new housing and growing demand from institutional investors in a context of mortgage rates that are still low, but penalised by a supply shortage. The tertiary property market is in decline given the economic situation (decline in volumes invested, decline in take-up), but is expected to recover, driven by new uses (teleworking, coworking) and CSR requirements. Services benefits from a base of return clients. These assumptions are made in a context of moderate impact of the health crisis and macroeconomic conditions on activity.

Beyond the five-year plan, the perpetual growth rate used to calculate the terminal value is 1.5% (the same rate as at 31 December 2020). This rate is lower than the average growth rate for the business activities over the period of the business plan.

As part of the determination of forecast cash flows, the impacts of IFRS 16 on EBITDA and operating profit were neutralised in order to obtain cash operating flows after taking into account rental income.

In parallel, the tested carrying amount does not take into account the IFRS 16 right-of-use.

Sensitivity of useful life values to key assumptions

The Group carried out sensitivity tests at 31 December 2021. These tests involved calculating the potential impact of a change in the discount rate of up to 100 bps, as well as the cumulative application of substantially downgraded assumptions on terminal flows: a 20% decrease in revenue and a 1-point decrease in the margin.

Given the very pronounced difference between the DCF value and the value to be tested, there is no potential loss of value for all CGUs with downgraded assumptions.

Note 8 Right-of-use assets, other property, plant, equipment and intangible assets

<i>(in thousands of euros)</i>	Gross	Depreciation, amortisation and impairment	Balance at 31/12/2021	Gross	Depreciation, amortisation and impairment	Balance at 31/12/2020 restated
Other intangible assets	239,970	(122,075)	117,895	229,979	(119,779)	110,200
Right-of-use assets (IFRS 16)	955,961	(373,886)	582,076	672,227	(241,126)	431,101
Property, plant and equipment	209,332	(150,065)	59,267	198,248	(141,705)	56,543
TOTAL NON-CURRENT ASSETS	1,405,264	(646,026)	759,238	1,100,454	(502,610)	597,844

CHANGES IN THE FINANCIAL YEAR

<i>(in thousands of euros)</i>	Balance at 31/12/2020 restated	Movements, acquisitions and disposals	Additions for the financial year	Changes in scope and other	Balance at 31/12/2021
Other intangible assets	110,200	26,129	(15,504)	(2,931)	117,895
Right-of-use assets (IFRS 16)	431,101	266,678	(124,794)	9,091	582,076
Property, plant and equipment	56,543	27,812	(17,321)	(7,767)	59,267
TOTAL NON-CURRENT ASSETS	597,844	320,620	(157,618)	(1,608)	759,238

Rents not eligible under IFRS 16 amounted to €10.6 million for low value or short-term exemptions.

8.1 Other property, plant and equipment and intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. They consist mainly of software, IT developments, and client relationships that may be recognised when accounting for business combinations.

Amortisations are calculated on a straight-line basis based on the anticipated useful life of each asset: between one and seven years for software and IT developments, two years for client relationships as part of real estate development operations, and 20 years for client relationships as part of real estate services.

Property, plant and equipment is stated at acquisition or production cost less accumulated depreciation and impairment losses.

Property, plant and equipment is mainly composed of fixtures and fittings, office and computer equipment, and office furniture.

Amortisations are calculated on a straight-line basis based on the useful life of each asset's components. The amortisation periods generally used vary from three to ten years.

8.2 Right-of-use assets

Right-of-use assets correspond to the initial amount of lease liabilities as defined by IFRS 16 (see Note 21.3), minus completed depreciation, amortisation and impairment, and by the restatement of leaseback transactions.

The lease term used is the enforceable term of the contract, corresponding to the non-cancellable period of the contract during which the lessee has the right to use the asset, plus the periods covered by a renewal option that will probably be exercised or a termination option that will probably not be exercised. The lease liability should be valued over the "economic" term of the contract (vs. legal term), taking into account work carried out but not fully amortised, which would require continued operation. The included rent is either fixed or linked to a real estate index. Variable rent based on the lessee's income is excluded from lease liabilities and recognised in the profit (loss) for the period in question.

In order to apply the IFRS 16 standard, the Group restates leases for assets of more than €5,000 and of a duration of more than one year.

The standard requires the neutralisation of margins in the case of sale-leaseback transactions: at Nexity, this concerns the sale of real estate assets to investors who then lease these assets to the Group's subsidiaries (managed residential activities and, on occasion, office buildings occupied by Nexity employees). The portion of the margin generated by the share of rents discounted in relation to the sale price is neutralised during construction by a reduction in the value of rights of use, which reduces depreciation over the duration of the lease. These transactions are carried out in the ordinary course of business and represent individually insignificant amounts. At 31 December 2021, the total neutralised margins amounted to €6.4 million.

Right-of-use assets mainly concern real estate assets, including student residences, and managed office buildings for coworking or use by the Group's employees.

The amount of non-restated rents amounted to €15.1 million for low value exemptions.

BREAKDOWN BY TYPE OF RIGHT-OF-USE ASSET

<i>(in thousands of euros)</i>	<i>Average duration 2021 (in years)</i>	<i>Balance at 31/12/2021</i>	<i>Balance at 31/12/2020</i>
Student residences	5.8	322,100	275,534
Coworking spaces	6.7	113,317	47,212
Serviced residence and coworking space activities		435,417	322,745
Corporate assets	3.3	146,659	108,355
TOTAL RIGHT-OF-USE ASSETS	5.0	582,076	431,101

CHANGES IN THE FINANCIAL YEAR

<i>(in thousands of euros)</i>	<i>Balance at 31/12/2020</i>	<i>Movements, acquisitions and disposals</i>	<i>Additions for the financial year</i>	<i>Changes in scope and other</i>	<i>Balance at 31/12/2021</i>
Student residences	275,534	104,313	(58,049)	301	322,100
Coworking spaces	47,212	82,942	(16,841)	4	113,317
Corporate assets	108,355	79,423	(49,904)	8,785	146,659
TOTAL RIGHT-OF-USE ASSETS	431,101	266,678	(124,794)	9,091	582,076

Movements of acquisitions and disposals on IFRS 16 rights of use (€266,678 thousand) are primarily linked to new leases or renewals signed in 2021.

Note 9 Investments in associates

The Group's investments in associates are initially recorded at acquisition cost including any goodwill generated. Their carrying amount is then increased or decreased to take into account the Group share in any profit and loss generated after the acquisition date.

If the Group share of the losses of an associate or joint venture exceeds the carrying amount of the investee, the

carrying amount is reduced to nil and the recognition of further losses is discontinued unless the Group has a legal or constructive obligation to cover the losses or make payments in respect of said associate or joint venture.

If there is an indicator of impairment, a test is performed which compares the carrying amount of the investee to its recoverable amount.

CHANGE IN THE PERIOD

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Value of investments at beginning of period	57,764	39,926
Change in scope and foreign exchange gains and losses	11,251	4,448
Change in equity of associates	281	4,350
Share of profit from investees with activities that are an extension of the Group's operating activities	31,094	28,737
Group share of profit/(loss) from other investees	(1,988)	(1,873)
Dividends paid	(22,242)	(17,824)
Dividends distributed not paid	-	-
Reclassification of Ægide shares	48,774	-
VALUE OF INVESTMENTS AT PERIOD-END	124,934	57,764
o/w: investees with activities that are an extension of the Group's operating activities	62,427	56,808
o/w other investees	62,507	956

"Investees with activities that are an extension of the Group's operating activities" are joint ventures. Most joint ventures are real estate development programmes (residential or commercial) undertaken with another developer (joint ventures).

Other investees, amounting to €62,507 thousand, are associates: investments in Ægide-Domitys (development and operation of senior independent living facilities) and Bien'ici, a property listings website.

The change in investments in associates is mainly due to:

- Maintaining an 18% investment in Ægide-Domitys, which was remeasured at its fair value, i.e. €48.8 million at 31 December 2021. Ægide-Domitys is the French leader in the development and management of senior independent living facilities. Ægide-Domitys manages 137 serviced senior residences, i.e. more than 16,000 housing units at the end of 2021. Ægide-Domitys generated consolidated revenue of around €415 million in 2021;
- An additional €11.3 million investment in Bien'ici.

Note 10 Other financial assets

<i>(in thousands of euros)</i>	Balance at 31/12/2020	Movements, acquisitions and disposals	Additions for the financial year	Changes in scope and other	Balance at 31/12/2021
Start-up investments	26,087	4,098	(6,387)	-	23,798
Unconsolidated acquired companies	-	1,400	-	-	1,400
Companies soon to be dissolved	1,069	41	207	71	1,388
Cash allocated to the liquidity contract	2,554	1,877	-	-	4,431
Deposits and guarantees	14,585	(3,358)	200	41	11,468
Investments in funds and real estate projects	7,868	192	-	-	8,060
Loans for property acquisitions from Crédit Financier Lillois	8,820	(1,395)	(1)	-	7,424
Other	323	(325)	369	-	367
TOTAL OTHER FINANCIAL ASSETS	61,306	2,530	(5,612)	112	58,336

“Start-up investments” are investments in FPCIs (French private equity funds for professional investors) or direct investments in private companies, in business sectors such as digital technology that may offer future synergies or growth opportunities.

“Unconsolidated acquired companies” consists of firms in property management for individuals acquired at the reporting date and intended to be consolidated in the following financial year.

“Companies soon to be dissolved” means investments in private companies that have been used as vehicles for real estate developments that have been delivered.

“Cash allocated to the liquidity contract” designates the financial resources made available to the investment services provider contracted to manage the liquidity contract of Nexity’s publicly traded shares in accordance with the authorisations approved at the Shareholders’ Meeting.

“Deposits and guarantees” are held by third parties, and mainly include security deposits on the office buildings leased and occupied by the Group and on the surety, bonds obtained for property management and brokerage activities in real estate services. Deposits and guarantees relating to the completion of real estate development programmes are included in the calculation of the working capital requirement (WCR).

“Investments in funds and real estate projects” refers to medium-term financing contributed by the Group to joint ventures, and investments in real estate investment funds.

“Loans for property acquisitions from Crédit Financier Lillois” came to €7,424 thousand (including €387 thousand maturing in less than one year) at 31 December 2021, compared to €8,820 thousand (including €431 thousand maturing in less than one year) at 31 December 2020.

All the other financial assets mainly mature in more than one year.

WORKING CAPITAL REQUIREMENT

Note 11 Breakdown of working capital requirement

<i>(in thousands of euros)</i>	Notes	Balance at 31/12/2021	Balance at 31/12/2020
Current assets			
Inventories and work in progress	12	1,811,194	1,603,975
Trade and other receivables	13	1,323,153	1,129,692
Other current assets	14	1,515,489	1,430,834
Current liabilities			
Trade and other payables		(1,699,525)	(1,678,389)
Other current liabilities	15	(2,005,093)	(1,877,075)
WORKING CAPITAL REQUIREMENT BEFORE TAX		945,218	609,038
Tax receivable	31	23,562	22,744
Current tax liabilities	31	(24,941)	(40,516)
TOTAL WORKING CAPITAL REQUIREMENT		943,839	591,265
CHANGE IN THE PERIOD			
<i>(in thousands of euros)</i>		Change in the period	
WORKING CAPITAL REQUIREMENT BEFORE TAX AT 31/12/2020		609,038	
Change in working capital requirement as per cash flow statement		318,500	
Impact of changes in scope		21,526	
Change in receivables and payables for non-current assets and similar items (included in trade payables)		(3,846)	
WORKING CAPITAL REQUIREMENT BEFORE TAX AT 31/12/2021		945,218	

Note 12 Inventories and work in progress

"Inventories and work in progress" includes land recorded at acquisition cost, construction in progress (site development and construction costs), selling expenses assignable to contracts (in-house and external commissions) and finished products, recorded at production cost.

Preliminary contract costs for real estate development programmes are included in the cost of inventories if the probability of securing the contract is high. If the contract is not obtained, the related costs are expensed.

When the net realisable value of inventories and work in progress is less than their cost, impairment losses are recorded.

<i>(in thousands of euros)</i>	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
TOTAL INVENTORIES AND WORK IN PROGRESS	1,854,425	(43,231)	1,811,194	1,649,216	(45,241)	1,603,975

Note 13 Trade and other receivables

Client receivables

Current contracts are recorded at the original cost, minus any payments and increased by the profit amount recorded up to the statement of financial position date (minus anticipated losses) and interim invoices issued.

The amount of client receivables due at 31 December 2021 stood at €353,473 thousand.

Trade and other receivables

Trade and other receivables are stated at fair value upon initial recognition, then at amortised cost less allowances for uncollectible items.

<i>(in thousands of euros)</i>	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
Assets in VEFA off-plan sales contracts	969,681		969,681	913,559		913,559
Trade and other receivables	375,147	(21,675)	353,472	236,213	(20,080)	216,133
TOTAL TRADE AND OTHER RECEIVABLES	1,344,828	(21,675)	1,323,153	1,149,772	(20,080)	1,129,692

<i>(in thousands of euros)</i>	Balance at 31/12/2020	Movements related to operations	Balance at 31/12/2021
Residential Real Estate Development	850,418	52,444	902,862
Commercial Real Estate Development	63,141	3,829	66,970
TOTAL ASSETS IN VEFA OFF-PLAN SALES CONTRACTS	913,559	56,273	969,681

Assets in contracts are the share of performance obligations already completed by the Group, for which the final cash collection right is subject to a contractual payment schedule. Assets in contracts gradually become receivables as calls for funds are issued to clients, demonstrating the Group's unconditional cash collection right. Assets in contracts are therefore representative of some of the future payments to be received by the Group for on-going contracts.

The Group believes that its credit risk is not material as it essentially operates in a regulated business environment, which secures the payment of trade receivables.

Services covered by a VEFA off-plan sales contract, but not yet recognised in the revenue on a percentage-of-completion basis, totalled €3.3 billion at 31 December 2021.

Note 14 Other current assets

The Real Estate Services business enters into agreements with clients to perform services on their behalf as authorised agents. For this purpose, the Group holds client working capital accounts. As the authorised agent, the Group manages these accounts and reports them as separate accounts in its statement of financial position under the line items “Other current assets” and “Other current liabilities”.

<i>(in thousands of euros)</i>	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
Suppliers – advances and deposits paid	123,015	(82)	122,933	87,280	(128)	87,152
Government receivables	320,289	-	320,289	315,492	-	315,492
Prepaid expenses	29,564	-	29,564	21,756	-	21,756
Other receivables	61,372	(6,971)	54,401	94,060	(7,550)	86,510
Cash held in client working capital accounts	988,303	-	988,303	919,924	-	919,924
TOTAL OTHER CURRENT ASSETS	1,522,542	(7,053)	1,515,489	1,438,512	(7,678)	1,430,834

Note 15 Other current liabilities

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020
Tax payable and social security contributions	548,482	548,717
Prepaid income and other accruals	335,301	268,054
Clients – Advances and deposits received	132,972	125,243
Client working capital accounts	988,303	919,924
Reservation deposits held in escrow	36	15,137
TOTAL OTHER CURRENT LIABILITIES	2,005,093	1,877,075

In 2021, deferred income included €93,071 thousand in liabilities on Commercial Real Estate contracts, which represents the share of performance obligations which the Group has not yet completed, and for which payment has already been received.

EQUITY**Note 16 Share capital**

At 31 December 2021, the share capital of the parent company comprised 56,129,724 shares with a par value of €5 per share, unchanged since 31 December 2020.

Note 17 Non-controlling interests

Non-controlling interests are mainly non-controlling interests in the subsidiaries that are not wholly owned by the Group.

For certain entities, the Group has made undertakings to purchase the remaining stake that it does not own. In such cases, the minority stake is reclassified as a financial liability (see Note 21.2). The non-controlling interest is no longer recognised, and the entity's profit or loss is fully consolidated in the Group's financial statements.

Note 18 Free share award plans

Free shares may be granted to Group employees and executives by the Board of Directors, as authorised by a vote at a Shareholders' Meeting.

Employee incentive plans offering free share awards, ongoing or ended in the period, are as follows:

NEXITY PLANS

<i>(in number of shares)</i>	Awarded	Cancelled	Vested*	Awarded, not cancelled and not vested	Vesting period ends
May 2018 plan	284,950	53,208	231,742	-	Q2 2021
May 2018 plan for all employees	209,070	73,140	135,930	-	Q2 2021
October 2018 plan	24,000	11,100	12,900	-	Q4 2021
May 2019 plan	222,700	34,550	-	188,150	Q2 2022
October 2019 plan	235,500	21,500	-	214,000	Q4 2022
April 2020 plan	48,000	8,000	-	40,000	Q2 2023
May 2020 plan	48,000	24,000	-	24,000	Q2 2023
May 2020 plan	60,000	60,000	-	-	Q2 2023
May 2020 plan for all employees	222,670	44,905	175	177,590	Q2 2023
July 2020 plan	122,400	8,900	-	113,500	Q3 2023
March and April 2021 plans	147,700	-	-	147,700	Q3 2024
May 2021 plan	373,400	7,100	-	366,300	Q3 2024
October 2021 plan	22,000	-	-	22,000	Q4 2024
TOTAL NEXITY PLANS	2,020,390	346,403	380,747	1,293,240	

* Including 455 in previous years.

The Shareholders' Meeting has granted the Board of Directors the right until 17 July 2022 to allocate 1% of the share capital for free share awards (subject to certain conditions and with a minimum three-year vesting period). A total of 395,400 free shares have been awarded under this authorisation.

The maximum potential dilution (taking into account treasury shares acquired and held to be granted to recipients of free share awards) would be 0.8% (as a percentage of share capital ownership) if all free shares already awarded were to vest, and 1.1% if the calculation includes all possible free shares not yet awarded.

In 2021, 380,292 free shares were vested, and with all awards satisfied using treasury shares, the shares were transferred to their recipients.

Valuation of Nexity's free share plans

Free shares are recognised at the grant date at their fair value. Changes in value after the grant date have no effect on the initial measurement.

The calculated value of the free shares is recognised as an employee benefits expense on a straight-line basis over the vesting period with a corresponding increase in equity.

The aggregate value is modulated to take into account the probability of the allocation conditions being met for each plan, based on the following criteria:

- Length of service at the Company at the end of the plan; and
- Where applicable, financial or non-financial performance conditions determined on the basis of multi-year objectives.

The aggregate value of Nexity's free share plans was €52,929 thousand in 2021, representing an expense of €12,871 thousand.

<i>(in thousands of euros)</i>	May 2018 plan	October 2018 plan	May 2019 plan	October 2019 plan	April 2020 plan	May 2020 plan	July 2020 plan	March 2021 plan	April 2021 plan	May 2021 plan	October 2021 plan	Total
Aggregate value	14,968	415	5,610	7,228	833	3,680	2,444	4,727	294	12,073	657	52,929
Expenses 2021	2,792	(115)	1,885	2,445	279	1,170	816	1,097	63	2,395	44	12,871
Assumptions												
Share price on grant date <i>(in euros)</i>	49.8	42.1	40.5	45.0	26.3	28.1	27.6	43.16	46.04	45.16	39	
Vesting period <i>(in years)</i>	3	3	3	3	3	3	3	3	3	3	3	
Dividend rate ⁽¹⁾	5.0%	5.0%	6.5%	6.0%	6.5%	6.5%	5.5%	5%	5%	5%	5%	

(1) Based on the Nexity underlying rate.

Note 19 Treasury shares held

As authorised at the Shareholders' Meeting and implemented by the Board of Directors, the Group may find it necessary to hold treasury shares up to the limit of 10% of the share capital, adjusted for changes.

At 31 December 2021, treasury shares were held for two main purposes:

- In connection with a liquidity contract entered into with an investment services provider;
- In connection with share buyback programmes implemented to cover free share plans.

Nexity treasury shares are recognised at cost and presented as a deduction from equity. Any gains or losses from the disposal of treasury shares, determined using the first-in, first-out (FIFO) method, are directly recognised in equity and have no effect on profit or loss for the period.

<i>(in number of shares)</i>	Authorisations	O/w liquidity contract	O/w to cover free share plans	Total holding (at transaction date)
POSITION AT 31 DECEMBER 2020	5,612,972	125,642	732,434	858,076
Purchase, sale and transfer of shares				
• via the liquidity contract	-	(40,058)	-	(40,058)
• held to be used for free share awards	-	-	505,861	505,861
• transfers during the financial year to cover free shares vested	-	-	(380,292)	(380,292)
Implementation of the programme authorised by the Shareholders' Meeting of 19 May 2021	10% of the adjusted capital according to its change			
POSITION AT 31 DECEMBER 2021	5,612,972	85,584	858,003	943,587

The 943,587 treasury shares held at 31 December 2021 were recognised as a deduction from net assets for a value of €34,066 thousand.

DEBT AND FINANCIAL RISK FACTORS

Note 20 Breakdown of net debt

BREAKDOWN OF NET DEBT			
<i>(in thousands of euros)</i>	Notes	Balance at 31/12/2021	Balance at 31/12/2020
Bond issues	21	806,317	997,044
Long-term borrowings and financial debt	21	118,333	341,120
Short-term borrowings and financial debt	21	747,380	536,498
Loans and borrowings		1,672,029	1,874,662
Current accounts held as liabilities and related payables	21	103,082	98,673
Current accounts held as assets and related receivables	22	(236,125)	(193,637)
Other financial receivables and payables		(133,043)	(94,964)
Cash and cash equivalents	23	(1,061,626)	(1,305,133)
Bank overdraft facilities	23	19,227	51,745
Net cash and cash equivalents		(1,042,399)	(1,253,388)
TOTAL NET FINANCIAL DEBT BEFORE LEASE LIABILITIES		496,587	526,310
Lease liabilities	21	625,485	465,010
TOTAL NET DEBT		1,122,072	991,320

Components of net debt recognised in the statement of cash flows

CHANGE IN THE PERIOD							
<i>(in thousands of euros)</i>	Balance at 31/12/2020	Cash flows	Impact of changes in scope	Change in fair value	Leases	Other	Balance at 31/12/2021
Loans and borrowings	1,874,662	(77,967)	(107,217)	1,377	-	(18,826)	1,672,029
Other financial receivables and payables	(94,964)	(50,498)	-	-	-	12,418	(133,043)
Net cash and cash equivalents	(1,253,388)	210,989	-	-	-	-	(1,042,399)
TOTAL NET DEBT BEFORE LEASE LIABILITIES	526,310	82,524	(107,217)	1,377	-	(6,407)	496,587
Lease liabilities	465,010	(182,628)	-	24,481	323,926	(5,304)	625,485
TOTAL NET DEBT	991,320	(100,104)	(107,217)	25,858	323,926	(11,711)	1,122,072

<i>(in thousands of euros)</i>	Cash flows
Proceeds from issuance of bonds	583,291
Redemption of bonds	(619,705)
Acquisitions of non-controlling interests	(41,553)
Change in bank borrowings and acquisition-related debt	(77,967)
Repayment of lease liabilities	(182,628)
Change in other borrowings and other financial receivables	(50,498)
Change in cash and cash equivalents	210,989
Total change in net debt	(100,104)

Note 21 Borrowings and financial liabilities

<i>(in thousands of euros)</i>	Balance at 31/12/2021		Balance at 31/12/2020	
	Non-current	Current	Non-current	Current
Bond issues	589,700	216,617	605,347	391,697
Loans and borrowings	118,333	747,380	341,120	536,498
Current account and equivalent liabilities	-	103,082	-	98,673
Bank overdraft facilities	-	19,227	-	51,745
TOTAL BORROWINGS AND FINANCIAL LIABILITIES BEFORE LEASE LIABILITIES	708,033	1,086,306	946,467	1,078,614
Lease liabilities	516,817	108,668	363,427	101,584
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	1,224,849	1,194,974	1,309,893	1,180,197

21.1 Bond issues

At 31 December 2021, the reported nominal amount of bond issues (€831 million) differed from their consolidated value (€806 million), as a result of the restatement of the OCEANE bond equity component and the phasing of arrangement costs.

Bondholders may ask for early redemption in whole or in part, in cash, if at least 50% of the voting rights attaching to Nexity's shares are directly held by a single third party.

Nexity SA Euro PP bond issues

EURO PP BONDS				
Issue date	Nominal amount at 31/12/2021 (in millions of euros)	Nominal amount at 31/12/2020 (in millions of euros)	Annual interest rate (i)	Maturity
05/05/2014	-	146.0	3.52%	05/05/2021
29/06/2017	30.0	30.0	2.05%	10/11/2023
29/06/2017	121.0	121.0	2.60%	29/06/2025
20/12/2019 – Green Euro PP	84.0	84.0	2.26%	20/12/2026
20/12/2019 – Green Euro PP	156.0	156.0	2.46%	20/12/2027
TOTAL	391.0	537.0		

On 5 May 2021, Nexity SA redeemed the Euro PP bond issued on 5 May 2014 for a nominal amount of €146 million.

Financial covenants

Under the terms of these issues, the Group is required to comply with the following covenants, which are calculated on the basis of the consolidated financial statements every six months on a rolling 12-month basis: All of these ratios were met as at 31 December 2021.

Issue date of bonds	Ratio limit	Ratio at 31/12/2021
Net debt before IFRS 16/Consolidated equity	≤ 2	0.3
Leverage ratio: Net debt before 16 and project-related debt (1)/EBITDA after rent	≤ 3.5	1.3
Ratio of EBITDA after rent/Net borrowing costs excl. IFRS 16	≥ 2.5	8.9

(1) Project-related debt is debt linked to Commercial Real Estate Developments that have been sold, and debt linked to real estate assets, taken out by Nexity or one of its subsidiaries, with no possibility of recourse against other members of the Group.

The leverage ratio at 31 December 2021 was calculated as follows:

<i>(in millions of euros)</i>	Calculation of the leverage ratio at 31/12/2021
Net debt before IFRS 16	496.6
Neutralisation of non-recourse project-related debt	(58.6)
Neutralisation of non-recourse project-related cash	52.5
Net debt before IFRS 16 and project-related debt	490.4
EBITDA after rent	380.2
Leverage ratio	1.29

EBITDA after lease payments (rolling 12-month basis) was determined as follows:

<i>(in millions of euros)</i>	31/12/2021 12 months	31/12/2020 12 months
Current operating profit	373.4	249.8
Depreciation of right-of-use assets	124.8	196.0
Depreciation, amortisation and impairment of non-current assets	32.8	50.6
Net change in provisions	(2.5)	6.6
Share-based payments	12.1	11.7
Dividends received from equity-accounted investees that are operational in nature	22.2	17.8
EBITDA	562.9	532.5
Restatement of rent	(182.6)	(206.8)
EBITDA AFTER RENT	380.2	325.7

Convertible bonds issued by Nexity SA

CONVERTIBLE BONDS ISSUES

Issue date	Nominal amount at 31/12/2021 <i>(in millions of euros)</i>	Nominal amount at 31/12/2020 <i>(in millions of euros)</i>	Annual interest rate	Maturity	Number of bonds
OCEANE 2016 – 13/05/2016	-	270.0	0.125%	01/01/2023	4,199,066
ORNANE 2018 – 27/02/2018	200.0	200.0	0.250%	02/03/2025	2,902,336
OCEANE 2021 – 19/04/2021	240.0	-	0.875%	19/04/2028	4,012,706
TOTAL	440.0	470.0			

2016 OCEANE bond issue (bonds that may be converted or exchanged for new or existing shares)

In 2016, the Group issued €270 million of 6.5-year bonds that may be converted or exchanged for new or existing shares (OCEANE bonds), for a nominal value of €64.30, redeemable at maturity in January 2023 and paying an annual coupon rate of 0.125%.

This OCEANE bond was repurchased for a total amount of €280 million during the first half of 2021. The difference with the value of the debt component, i.e. €260 million at the date of the buyback, impacted equity in the amount of €19.2 million and financial expenses in the amount of €0.4 million. The cost of the buyback includes transaction-related costs, i.e. €1.7 million, also recognised in financial expenses over the period.

2018 ORNANE bond issue (bonds that may be converted into cash and/or new shares and/or existing shares)

On 27 February 2018, the Group issued €200 million of seven-year bonds that may be converted into cash and/or new shares and/or existing shares (ORNANE bonds), redeemable at maturity in March 2025 and paying an annual coupon rate of 0.25%.

The nominal unit value per 2018 ORNANE convertible bond was set at €68.91. In accordance with the dividend protection clause included in the terms and conditions of the bond, the conversion rate was adjusted after the dividend distribution in June 2021 and amounts to 1.243 shares, with a nominal value of €5, for one bond (compared to one share for one bond at the date of issue).

If all convertible bonds were converted, the dilution would be 6.0% (as a percentage of share capital ownership).

At 31 December 2021, the market value of this instrument was €200 million, which is fully accounted for under the "Borrowings and financial liabilities" item. For the recognition of this instrument, Nexity group has selected the fair value option: all changes in fair value are recorded through "Net finance income (expenses)".

2021 OCEANE bond issue (bonds that may be converted or exchanged for new or existing shares)

On 19 April 2021, the Group issued €240 million of seven-year bonds that may be converted into cash and/or new shares and/or existing shares (OCEANE) for a nominal value of €59.81, redeemable at maturity in April 2028 and paying an annual coupon rate of 0.875%.

In accordance with IAS 32, an entity recognises separately the components of a financial instrument that creates a financial liability of the entity, and grants an option to the holder of the instrument to convert it into an equity instrument of the entity. The liability component is measured at fair value in reference to a similar liability without an associated equity component. The carrying

amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

After this initial measurement of the debt and equity portion, the debt component is measured at amortised cost. The interest expense on the debt is calculated using the effective interest rate and recognised in net profit. The equity component is not remeasured.

The nominal unit value per 2021 OCEANE convertible bond was set at €59.81. In accordance with the dividend protection clause included in the terms and conditions of the bond, the conversion rate was adjusted after the dividend distribution in June 2021 and amounts to 1,046 shares with a nominal value of €5, for one bond (compared to one share for one bond at the date of issue).

If all convertible bonds were converted, the dilution would be 7.0% (as a percentage of share capital ownership).

At 31 December 2021, after taking into account financial expenses for the period, the equity component of this instrument amounted to €23 million and its debt component to €217 million.

21.2 Credit facilities

	31/12/2021		31/12/2020	
	Non-current payables	Current payables	Total payables	Total payables
<i>(in millions of euros)</i>				
Nexity corporate borrowing facilities	-	30.0	30.0	100.0
Other corporate borrowing facilities	-	-	-	62.0
Negotiable debt securities (NEU CP and NEU MTN)	-	448.0	448.0	226.4
Put options granted to minority shareholders	118.3	69.4	187.8	336.5
TOTAL CORPORATE DEBT	118.3	547.4	665.8	724.9
Project-related loans	-	199.9	199.9	152.7
TOTAL CREDIT FACILITIES	118.3	747.4	865.7	877.6

At 31 December 2021, the credit facilities and put options granted to non-controlling shareholders totalled €865.7 million. The Group has revolving non-allocated credit facilities and credit facilities earmarked to fund real estate development programmes. Borrowings and financial liabilities are mainly denominated in euros and are at floating rates indexed to Euribor.

Generally, credit contracts require the borrower to comply with a number of covenants, particularly of a financial nature, as summarised below:

Nexity corporate borrowing facilities

Nexity SA has access to non-allocated credit facilities for a maximum amount of €600 million, which breaks down as follows:

- Up to €500 million granted by a syndicate of banks maturing in July 2023. One of the clauses of the credit agreement provides for early repayment in the event of a change in the control of Nexity SA affecting at least 30% of its share capital or if the Group's equity interest in Nexity Logement were to fall below 95%;
- Up to €100 million on another credit facility, including €75 million maturing in June 2023 and €25 million maturing in April 2023. One of the clauses of the credit contract provides for early repayment in the event of a change in the control of Nexity SA affecting at least 50.01% of its share capital.

These credit facilities were not used as at 31 December 2021.

In addition, Nexity SA benefits from a non-allocated drawn loan of €30 million maturing in March 2023.

Banking contracts are subject to the same financial

covenants as bond debt. At 31 December 2021, the Group was in compliance with all its financial covenants.

Other corporate borrowing facilities

Some subsidiaries use borrowing facilities to finance their operating requirements or transactions.

Negotiable debt securities

The Group has set up negotiable debt securities (commercial paper) in the form of NEU CP (Negotiable European Commercial Paper) and NEU MTN (Negotiable European Medium Term Notes):

<i>(in millions of euros)</i>	Authorisations	Outstanding
Negotiable European Commercial Paper < 1 year	300.0	217.0
Negotiable European Medium Term Notes > 1 year	300.0	231.0
TOTAL AT 31 DECEMBER 2021	600.0	448.0

Put options granted to minority shareholders

The amount of put options was down €149 million at 31 December 2021 compared to 31 December 2020. This change was mainly due to the cancellation of the Ægide-Domitys buyback commitment for €107.2 million. The balance corresponds to the remeasurement of the commitments to take into account the updating of assumptions, net of payments for the year.

The maturity schedule of put options granted to minority shareholders is based on the probable date of performance of the contractual commitments. At 31 December 2021, Bureaux à Partager (Morning), Accessite, Édouard Denis, pantera AG and Prado Gestion were mainly concerned.

Project-related loans

Specific bank financing may be arranged on an individual project basis to cover funding requirements.

21.3 Lease liabilities

<i>(in thousands of euros)</i>	Balance at 31/12/2020	Repayment for the period	Financial expenses	Reclassification	New leases	Other	Balance at 31/12/2021
Current lease liabilities	101,584	(182,628)	5,348	161,934	22,782	(352)	108,668
Non-current lease liabilities	363,426	-	19,133	(161,934)	301,144	(4,952)	516,817
TOTAL LEASE LIABILITIES	465,010	(182,628)	24,481	-	323,926	(5,304)	625,485

The discount rate is the marginal rate of the lessee's debt on the lease start date. This rate is calculated each half-year by group of subsidiaries with the same risk profiles. At 31 December 2021, these rates were between 1.36% and 2.9%.

21.4 Liquidity risk

Amortisation schedule

(in millions of euros)	Drawn 31/12/2021	Depreciation					
		2022	2023	2024	2025	2026	> 5 years
Bond issues	391.0	-	30.0	-	121.0	84.0	156.0
Convertible bonds (OCEANE and ORNANE)	440.0	-	-	-	200.0	-	240.0
Put options granted to minority shareholders	187.8	69.4	28.7	89.7	-	-	-
TOTAL BOND DEBT AND PUT OPTIONS	1,018.8	69.4	58.7	89.7	321.0	84.0	395.9
Holding company corporate credit line	30.0	-	30.0	-	-	-	-
Negotiable debt securities (NEU CP and NEU MTN)	448.0	249.4	102.0	96.6	-	-	-
Project-related loans	199.9	125.6	66.8	7.5	-	-	-
TOTAL BANK DEBT	677.9	375.0	198.8	104.1	-	-	-
Total amortisation		444.4	257.6	193.8	321.0	84.0	395.9
TOTAL BORROWINGS AND FINANCIAL LIABILITIES BEFORE LEASE LIABILITIES	1,696.7	1,252.3	994.8	801.0	480.0	396.0	0.0
Lease liabilities	625.5	98.0	82.3	75.0	55.3	60.7	254.2
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	2,322.2	1,779.8	1,439.9	1,171.1	794.8	650.1	0.0

The other components of net debt shown in Note 20 are short-term items.

At 31 December 2021, the maturity of borrowings and financial liabilities prior to IFRS 16 was 74% higher at

one year, and 23% higher at five years.

The average maturity of debt outstanding at 31 December 2021 was three years and one month.

21.5 Derivative instruments

The Group is exposed to market risk, particularly in terms of interest rates. The Group may use a number of derivatives to manage this risk (such as swaps, caps and collars). The purpose is to reduce, where appropriate, the fluctuations in cash flows related to changes in interest rates.

Derivative instruments are recognised at fair value in the statement of financial position, based on external appraisals. The gain or loss on remeasurement of the derivative instruments to fair value is recognised in the income statement, unless the instruments are used for hedging purposes. At 31 December 2021, the Group had no hedging derivatives in place.

Note 22 Other financial receivables

(in thousands of euros)	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
Current accounts – Assets and similar receivables	241,097	(4,972)	236,125	193,767	(130)	193,637
TOTAL OTHER FINANCIAL RECEIVABLES	241,097	(4,972)	236,125	193,767	(130)	193,637

Note 23 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments, generally with maturities of three months or less, with immaterial risk of changes in value. This item includes reservation deposits held in escrow for clients of the Residential Real Estate division.

Highly liquid investments are measured to fair value at the reporting date. Highly liquid investments are recognised on the transaction date. Changes in value are recorded in the net finance income (expenses).

Cash held in client working capital accounts by the Services division is recorded as a separate item under “Other current assets”.

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020
Marketable securities – Cash equivalents	295,530	382,258
Cash and cash equivalents	766,096	907,738
Reservation deposits held in escrow	-	15,137
TOTAL CASH AND CASH EQUIVALENTS	1,061,626	1,305,133

Deposits held in escrow for clients of the Residential Real Estate division are now held with notaries. Previously, these deposits were placed in escrow accounts at the time of the reservation (under “Reservation deposits held in escrow” at 31 December 2020).

The majority of cash and cash equivalents are invested in fixed-rate demand deposit accounts.

Aggregate cash and cash equivalents at the reporting date in the statement of cash flows were as follows:

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020
Cash and cash equivalents	1,061,626	1,305,133
Bank overdraft facilities	(19,227)	(51,745)
CASH AND CASH EQUIVALENTS AS REPORTED IN THE STATEMENT OF CASH FLOWS	1,042,399	1,253,388
o/w available cash	1,042,399	1,238,251
o/w unavailable cash	-	15,137

Note 24 Financial risk factors

24.1 Interest rate risk

Exposure to interest rate risk

Bond issues pay a fixed rate. The majority of the Group's bank borrowings are at floating interest rates.

The Group's cash is mainly invested in demand deposit and term deposit accounts with leading banks offering immediate or short-notice liquidity, and to a limited extent in UCITS funds applying a “standard money-market management” approach with portfolios favouring liquidity and a high level of security.

The cost of borrowing on debt drawn down by the Group was 2.1% in 2021 (2.2% in 2020).

The Group may set up interest rate hedging instruments using hedge accounting (where effective) to mitigate the effects of severe interest rate movements. Such instruments are entered into with top-ranking financial institutions.

Interest rate sensitivity analysis

The fixed-rate debt share (before IFRS 16) represents approximately 60% of total debt at 31 December 2021.

The Group's exposure to interest rate risk excludes fixed-rate debt and debt hedged by financial instruments (swaps), but includes the following items with respect to net interest income:

- In terms of borrowings, all floating-rate loans and borrowings, whether or not hedged by interest rate caps and floors, and held-for-trading financial instruments;
- In terms of financial income, cash and cash equivalents and demand deposit accounts; and
- In terms of operating profit generated by the Services division, the interest on cash held in client working capital accounts (except for separate accounts).

The Group is not exposed to long-term interest rate risk as regards its net finance expense because its floating-rate debt is mostly indexed to 3-month Euribor.

The following tables provide a simulation sensitivity analysis of a 50 basis point instantaneous rise in short-term interest rates (and symmetrically a 50 basis point instantaneous decrease in short-term interest rates) on the various items described above based on the Group's financial structure at 31 December 2021.

The simulation merely reflects the purely mathematical impact of a change in interest rates on the Group's financial assets and liabilities. It does not show the more pervasive influence of interest rate movements on the borrowing capacity of the Group's clients and the potential impact of such movements on the Group's business activity and performance.

**INTEREST RATE SENSITIVITY ANALYSIS OF FLOATING-RATE DEBT INSTRUMENTS WITHIN NET DEBT ACCOUNTS
AFTER HEDGING AND OF CASH AND CASH EQUIVALENTS HELD IN CLIENT WORKING CAPITAL**

<i>(in millions of euros)</i>	Impact on the income statement after tax
Sensitivity analysis at 31 December 2021	
Impact of a 50-bp increase in short-term interest rates	(0.5)
Impact of a 50-bp decrease in short-term interest rates	1.0
Sensitivity analysis at 31 December 2020 restated	
Impact of a 50-bp increase in short-term interest rates	(0.2)
Impact of a 50-bp decrease in short-term interest rates	0.3

24.2 Foreign exchange risk

The Group's exposure to exchange rate risk is not material because it has no material operations outside the eurozone.

24.3 Equity risk

The Group does not hold any listed securities. However, under the liquidity contract in place, the Group may hold a small percentage of treasury shares.

The other treasury shares are allocated to the delivery of shares under free share plans.

The Group thus deems itself not exposed to any material equity risk.

Note 25 Fair value of financial instruments by accounting category

POSITION AT 31 DECEMBER 2021

Statement of financial position items <i>(in millions of euros)</i>	Notes	Accounting categories					Fair value measured on the basis of			
		Assets and liabilities at fair value through profit or loss	Hedging derivatives	Financial instruments available for sale	Loans and receivables	Liabilities at amortised cost	Total net carrying amount	Listings on an active market	Internal model based on observable data	Internal model based on non-observable data
								Level 1	Level 2	Level 3
Equity investments unconsolidated	10			9.1			9.1		9.1	
Capitalised receivables	10				49.3		49.3		49.3	
Current accounts and other financial receivables	20				236.1		236.1	236.1	-	
Cash and reservation deposits	20				1,061.6		1,061.6	1,061.6		
TOTAL FINANCIAL ASSETS		-	-	9.1	1,347.0	-	1,356.1	1,297.8	58.3	-
Credit facilities	20					865.7	865.7		865.7	
Bond issues	20					806.3	806.3		806.9	
IFRS 16 Lease liabilities	20					625.5	625.5		625.5	
Current account liabilities	20					103.1	103.1		103.1	
Bank overdraft facilities	20					19.2	19.2	19.2		
TOTAL FINANCIAL LIABILITIES		-	-	-	-	2,419.8	2,419.8	19.2	2,401.2	-

POSITION AT 31 DECEMBER 2020

Accounting categories												Fair value measured on the basis of			
Statement of financial position items (in millions of euros)	Notes	Assets and liabilities at fair value through profit or loss	Hedging derivatives	Financial instruments available for sale	Loans and receivables	Liabilities at amortised cost	Total net carrying amount	Listings on an active market	Internal model based on observable data	Internal model based on non-observable data	Total fair value				
								Level 1	Level 2	Level 3					
Equity investments unconsolidated	10			6.3			6.3		6.3		6.3				
Capitalised receivables	10				55.0		55.0		55.0		55.0				
Current accounts and other financial receivables	20				193.6		193.6	193.6	-		193.6				
Cash and reservation deposits	20				1,305.1		1,305.1	1,305.1			1,305.1				
TOTAL FINANCIAL ASSETS		-	-	6.3	1,553.8	-	1,560.1	1,498.8	61.3	-	1,560.1				
Derivative instruments held for trading	20	-					-		-		-				
Derivative instruments for hedging	21		-				-		-		-				
Credit facilities	20					877.6	877.6		877.6		877.6				
Bond issues	20					997.0	997.0		1,000.7		1,000.7				
IFRS 16 Lease liabilities	20					465.0	465.0		465.0		465.0				
Current account liabilities	20					98.7	98.7		98.7		98.7				
Bank overdraft facilities	20					51.7	51.7	51.7			51.7				
TOTAL FINANCIAL LIABILITIES		-	-	-	-	2,490.1	2,490.1	51.7	2,442.0	-	2,493.7				

In the absence of an active market, the fair value of bonds has been determined using the risk-free interest rate and a stable risk premium.

PROVISIONS

Note 26 Current and non-current provisions

26.1 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and when it is probable that an outflow of economic benefits will be required to settle that obligation.

If the effect of the time value of money is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

CHANGES IN PROVISIONS

<i>(in thousands of euros)</i>	Balance at 31/12/2020 restated	Additions	Reversals used	Reversals unused	Changes in scope and other	Balance at 31/12/2021
Employee benefits	25,462	2,399	(1,970)	-	(927)	24,964
Total non-current provisions	25,462	2,399	(1,970)	-	(927)	24,964
Litigation	49,997	12,702	(8,457)	(4,584)	224	49,882
Tax and investment risk	43	2	(265)	-	265	45
Employee benefits (short-term portion)	1,239	-	(9)	-	88	1,318
Provisions for risks and charges	27,385	7,247	(7,898)	(539)	(33)	26,163
Total current provisions	78,664	19,951	(16,629)	(5,123)	544	77,408
TOTAL PROVISIONS	104,126	22,350	(18,599)	(5,123)	(383)	102,372

ANALYSIS BY TYPE OF EXPENSE

<i>(in thousands of euros)</i>	Balance at 31/12/2020 restated	Net change for operations	Net change for financing	Net change for tax	Changes in scope and other	Balance at 31/12/2021
Employee benefits	25,462	429	-	-	(927)	24,964
Total non-current provisions	25,462	429	-	-	(927)	24,964
Litigation	49,997	(339)	-	-	224	49,882
Tax and investment risk	43	-	2	(265)	265	45
Employee benefits (short-term portion)	1,239	(9)	-	-	88	1,318
Provisions for risks and charges	27,385	(1,147)	(43)	-	(33)	26,163
Total current provisions	78,664	(1,538)	2	(265)	544	77,408
TOTAL PROVISIONS	104,126	(1,109)	2	(265)	(383)	102,372

"Changes in scope and other" primarily refers to the actuarial gains and losses on employee benefits (see Note 26.2).

- Non-current provisions (for the share due after one year) include provisions for employee benefits (see Note 26.2);
- Current provisions include:
 - provisions for disputes ongoing at the date of the financial statements. They are valued based on current proceedings and estimated risk exposure on the date of the financial statements, there are many disputes, but the individual amount of each one is not very significant at the Group level. These disputes often take a long time to resolve, due to their technical nature and the time required to seek expert opinions,
 - provisions for tax to cover risks resulting from tax audits. Any additional tax due is expensed in the financial year the reassessment is accepted. If contested, the risk may be provisioned,
 - provisions for risks and charges including accrued expenses mainly related to ordinary operations. The individual amounts are relatively low at the Group level.

26.2 Employee benefits

As regards the Group, employee benefits are provided through defined-benefit and defined-contribution plans. Obligations relating to these plans involve retirement and long-service benefits, less the fair value of any qualifying plan assets (defined-benefit plans). Estimates for these obligations, which are discounted to present value, are calculated annually on the basis of actuarial assumptions for life expectancy and rates of employee turnover and salary increases.

The values obtained are subject to verification by an independent actuary using the projected unit credit method. Actuarial gains and losses on retirement benefits are recognised directly in other comprehensive income. Actuarial gains and losses on long-service benefits are recognised in income statement.

DETAIL OF EMPLOYEE BENEFIT OBLIGATIONS (STATEMENT OF FINANCIAL POSITION)

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020
Measurement of obligations		
Obligations at beginning of financial year	26,702	25,203
Net current service cost	2,108	2,261
Interest expense	36	126
Employee benefits paid	(1,291)	(2,163)
Change of scheme	(132)	-
Reclassification under IFRS 5	-	(775)
Disposals	(853)	-
EXPECTED OBLIGATION AT YEAR-END	26,570	24,652
o/w current value at year-end	26,282	26,702
o/w actuarial gains/(losses)	288	(2,050)
Changes in assumptions	(789)	731
Changes in turnover assumptions	(188)	1,011
Experience adjustments	690	308
Reconciliation of financial position (at year-end)		
Current value of benefit obligation	26,282	26,702
NET BENEFIT LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION	26,282	26,702
o/w non-current provisions	24,964	25,462
o/w current provisions	1,318	1,240
Assumptions relating to obligations		
Retirement benefits discount rate at year-end	0.59%	0.23%
Long-service award discount rate at year-end	0.16%	-0.11%
Salary increase rate (at year-end)	2.00%	2.00%

The main assumptions for calculating employee benefits are based on a retirement departure age of 62 years for non-managers and 64 years for managers, on the employee's initiative, an average turnover rate of 14.86% and a social security contribution rate of 42%.

The INSEE 2013/2015 mortality table is still used.

The discount rate is determined on the basis of the index rate for AA-rated corporate bonds in the eurozone.

The actuarial difference (gain or loss) is recognised in:

- "Other comprehensive income" for retirement benefits;
- "Income statement" for long-service awards.

DETAIL OF EXPENSES IN THE PERIOD

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020
Expense for the year		
Net current service cost	2,108	2,261
Interest expense	36	126
Change of scheme	(132)	-
Amortisation of unrecognised actuarial gains and losses	(68)	498
TOTAL EXPENSE RECOGNISED UNDER OPERATING PROFIT	1,945	2,885
o/w net expense recognised for employee benefits	654	722
o/w expenses included under employee benefits expense	1,291	2,163
CHANGE IN GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME	(221)	1,552
Actuarial gains and losses on retirement benefits	(221)	1,552
o/w changes in assumptions	(674)	619
o/w changes in turnover assumptions	(91)	792
o/w experience adjustments	544	142

CHANGE IN THE PERIOD

<i>(in thousands of euros)</i>	Balance at 31/12/2020	Gains and losses recognised directly in other comprehensive income	Income	Changes in scope	Balance at 31/12/2021
Employee benefits	26,702	(221)	654	(853)	26,282

SENSITIVITY OF PROVISIONS FOR EMPLOYEE BENEFITS TO RATE ASSUMPTIONS

<i>(in thousands of euros)</i>	Provisions for employee benefits
Provisions for employee benefits at 31 December 2021	26,282
Sensitivity analysis at 31 December 2021	
Impact of a 10-bp increase in the discount rate	(226)
Impact of a 10-bp decrease in the discount rate	230
Impact of a 50-bp increase in the salary increase rate	1,140

INCOME

Note 27 Employee benefits expense

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Salaries and withholdings	(696,157)	(726,412)
Tax credit on remuneration	405	229
Employee profit-sharing	(21,397)	(13,597)
Expense related to share-based payments	(12,871)	(11,656)
TOTAL EMPLOYEE BENEFITS EXPENSE	(730,020)	(751,436)

The Group's average full-time equivalent workforce was 9,822 employees at 31 December 2021, versus 11,067 employees at 31 December 2020. At 31 December 2021, there was a total workforce of 8,296 employees.

Salaries and withholdings for continuing operations amounted to €628,038 thousand in 2021, corresponding to an average workforce of 8,120 employees.

Note 28 Other operating expenses

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 12-month period restated
Rent	(12,795)	(14,496)
Rental expenses	(15,492)	(18,974)
Fees and commissions	(70,147)	(74,290)
Other external services	(188,375)	(197,679)
Other income	24,167	14,796
Other expenses	(21,084)	(11,039)
Gain/(loss) on disposal of consolidated shares	(737)	1,163
TOTAL OTHER OPERATING EXPENSES	(284,463)	(300,519)

Note 29 Depreciation, amortisation and impairment of non-current assets

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Depreciation of right-of-use assets	(124,794)	(196,025)
Net increase/(decrease) in depreciation, amortisation and impairment of non-current assets	(32,744)	(50,536)
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-CURRENT ASSETS	(157,538)	(246,561)

The non-current assets of Ægide-Domitys are classified as “Assets” held for sale from 31 December 2020. They are, therefore, not amortised over the 2021 financial year.

Note 30 Net finance income (expense)**30.1 Breakdown of net finance income (expense)**

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Interest expense	(44,891)	(53,955)
Interest income	2,299	4,470
Cost of financial debt before interest expense on lease liabilities	(42,592)	(49,485)
Interest expense on lease liabilities	(24,481)	(29,461)
COST OF NET FINANCIAL DEBT	(67,072)	(78,946)
Other financial expenses	(18,284)	(11,231)
Other financial income	1,852	7,631
OTHER NET FINANCIAL INCOME/(EXPENSE)	(16,432)	(3,599)
Total financial expenses	(87,655)	(94,647)
Total financial income	4,151	12,101
TOTAL NET FINANCE INCOME (EXPENSE)	(83,504)	(82,546)

Interest expense on lease liabilities in 2021 includes €10,277 thousand for Domitys-managed senior residences, compared with €17,335 thousand in 2020.

30.2 Detail of other financial income/(expense) by type

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Other net financial expenses	(4,874)	(7,615)
Other net financial income	1,047	1,528
Change in fair value of ORNANE bonds	-	2,003
Impact of OCEANE exchange	(2,133)	-
Discount expenses for supplier debts of 1 year or more	(395)	(1,521)
Net gain/(loss) on derivative instruments	-	4,000
Net financial impairment and provisions	(10,454)	(2,305)
Transfer of financial expense to inventories	377	310
OTHER NET FINANCIAL INCOME/(EXPENSE)	(16,432)	(3,599)

For the recognition of ORNANE for 2018 (see Note 18.1), Nexity group has selected the fair value option: all changes in fair value are recorded through "Net finance income (expense)".

At 31 December 2021, the market value of this instrument was €200 million, which is fully accounted for under the "Borrowings and financial liabilities" item.

The 2016 OCEANE bond buyback generated an expense of €2.1 million, which breaks down into €0.4 million related to the difference between the amortised value and the fair value of the debt at the buyback date, €1.3 million in transaction costs and €0.4 million for the balance of the initial issue costs that remained to be spread.

5

Note 31 Taxes**31.1 Income taxes**

<i>(in thousands of euros)</i>	31/12/2021 (12-month period)	31/12/2020 12-month period restated
Corporate income tax	(54,229)	(83,079)
Deferred tax	(35,342)	33,935
CVAE (French business value-added tax)	(8,822)	(19,043)
Net change in tax provisions	265	57
TOTAL INCOME TAXES	(98,128)	(68,129)

31.2 Changes in statement of financial position tax items**CHANGES IN STATEMENT OF FINANCIAL POSITION TAX ITEMS**

<i>(in thousands of euros)</i>	Balance at 31/12/2020 restated	Expense*	Tax credits	Not recognised in the income statement	Net payments*	Balance at 31/12/2021
Current tax						
Tax receivable	22,744					23,562
Current tax liabilities	(40,516)					(24,941)
TOTAL CURRENT TAX	(17,773)	(63,051)	1,867	1,790	75,788	(1,379)
Deferred tax						
Assets	29,187					23,037
Liabilities and equity	(65,167)					(93,258)
TOTAL DEFERRED TAX	(35,980)	(35,342)		1,101		(70,221)

* Included in the CVAE (French business value-added tax).

31.3 Tax proof

RECONCILIATION OF THEORETICAL AND ACTUAL TAX RATES IN THE CONSOLIDATED INCOME STATEMENT

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020 restated
Theoretical tax base		
Net profit	324,906	113,012
Share of profit from investees with activities that are an extension of the Group's operating activities	(31,094)	(28,737)
Share of profit/(loss) from other equity-accounted investments	1,988	1,873
Change in value of goodwill	61,088	
Attributable to non-controlling interests	11,558	6,198
Income tax	98,128	68,129
Pre-tax profit on activities	466,574	160,475
Non-taxable portion of capital gains on disposals	(195,780)	
Pre-tax recurring profit	270,794	160,475
Theoretical tax rate used by the Group	28.41%	32.02%
Actual tax rate for current activities	36.24%	42.45%
Actual tax rate for current activities excluding CVAE	34.09%	34.30%
Theoretical income tax expense	(76,933)	(51,384)
Difference between theoretical tax and actual income tax	(21,195)	(16,745)
The difference is due to:		
Tax on equity-accounted flow-through entities	(4,007)	(3,905)
Impact of the CVAE levy (net of the income tax saving)	(6,316)	(12,945)
Effect of tax rates	9,672	9,154
Tax on non-taxable net income for the period	556	1,424
Tax on non-deductible or uncapitalised net expenses for the period	(20,515)	(9,994)
Impact of derecognition of bases for prior periods	(585)	(479)
NET DIFFERENCE	(21,195)	(16,745)

In 2021, profit(loss) before tax includes capital gains on disposals of Ægide-Domitys and Century 21, which are largely non-taxable. The effective tax rate is shown excluding these capital gains to facilitate comparison with the previous year.

The differences observed between the income tax expense based on the theoretical tax rate in France and the tax expense recognised for the financial year exist mainly for the following reasons:

As most equity-accounted investments are tax-transparent, their contribution to the income statement is presented pre-tax. The matching income tax expense is included in the Group's income tax expense.

The CVAE levy is classified under "Income taxes". Excluding the CVAE levy, the Group's tax rate was 34.1% in 2021.

The effect of tax rates is primarily due to the difference between Nexity group's tax consolidation rate, which is subject to corporate tax rates (28.41%), and the rate for subsidiaries consolidated for all but tax purposes with revenue of less than €250 million (26.5%).

The non-deductible net expenses primarily comprise discount expenses for payables calculated under IFRS, and permanently non-deductible losses for certain subsidiaries.

Excluding the CVAE levy, the Group's income tax rate was 34.1% compared with 34.3% in 2020. The fall in the income tax rate on large companies in France was offset at Nexity by an increase in non-deductible losses on certain subsidiaries.

31.4 Deferred tax assets and liabilities by nature

Deferred taxes are generally recorded for all timing differences between the tax value and book value of assets and liabilities on the consolidated statement of financial position, and are determined based on the liability method. The effects of changes in tax rates are recorded in the income statement for the year in which the change in tax rate is approved by Parliament. Deferred tax assets resulting from temporary differences, tax losses and tax

credits carried forward are only recognised if their future realisation is probable. This likelihood is assessed at the end of the financial year based on the forecast results of the tax entities concerned.

Deferred taxes are reported net on the statement of financial position at Group tax consolidation level, and in the asset and liability columns of the consolidated statement of financial position.

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020 Restated
Employee benefits	5,456	6,023
Loss carryforwards	7,511	9,864
Portion of contract revenues earned	(98,909)	(66,648)
Other deferred provisions, income and expenses	15,721	14,781
NET DEFERRED TAX	(70,221)	(35,980)
O/w deferred tax assets	23,037	29,187
O/w deferred tax liabilities	(93,258)	(65,167)

31.5 Tax amounts by type without tax base

<i>(in thousands of euros)</i>	Balance at 31/12/2021	Balance at 31/12/2020	Change
Loss carryforwards	89,324	81,801	7,522
Other deferred provisions, income and expenses	21,994	22,380	(385)
TOTAL AMOUNTS WITHOUT TAX BASE	111,318	104,181	7,137

Deferred taxes have not been calculated for these amounts as it is unlikely that they will be used and/or the timing of their use cannot be estimated reliably or is too distant in the future.

Note 32 Earnings per share

The calculation of basic earnings per share (EPS) is based on the net profit attributable to shareholders of the parent company and the average number of shares outstanding during the financial year, less the average number of treasury shares held during the financial year.

As regards free share allocations, the calculation of diluted earnings per share is based on the treasury stock method assuming that all dilutive options and other dilutive potential ordinary shares are exercised. Dilution is attributable to the free share award plans described in Note 18. The average number of shares is calculated as the weighted average number of shares outstanding, which reflects the grant dates of plans during the financial year.

The numbers of potentially dilutive shares only take into account plans valued at a price lower than the average share price during the period.

Convertible bonds have a dilutive impact on the diluted earnings per share when the net interest expense recorded is lower than the basic earnings per share for each bond. The weighted average number of shares is therefore increased by the weighted average number of convertible bonds, and the Group share of net profit is adjusted for the net financial expense of the convertible bonds.

The maximum potential dilution resulting from the conversion of all the convertible bonds and the vesting of all free shares in awards granted would be 12.8% (as a percentage of share capital ownership) based on the number of shares at the end of the period.

	31/12/2021 (in number of shares)	Earnings per share (in euros)	31/12/2020 (number of shares)	Restated earnings per share (in euros)
Number of shares at end of period	56,129,724		56,129,724	
Average number of shares outstanding during the period	55,507,254	5.85	55,229,796	2.05
Dilutive effect of share plans using the treasury stock method	96,397		197,083	
Dilutive effect of convertible bond issues	6,558,075		8,614,408	
Average number of shares (diluted)	62,161,726	5.25	64,041,287	1.77

ADDITIONAL INFORMATION

Note 33 Off-statement of financial position commitments

Off-statement of financial position items are described in the consolidated financial statements for the year ended 31 December 2021.

33.1 Off-statement of financial position commitments related to the Group's scope

LIABILITY GUARANTEES			
(in thousands of euros)		Total at 31/12/2021	Total at 31/12/2020
Liability guarantees received		17,728	20,828
Liability guarantees given		61,150	4,090

Liability guarantees received are related to the acquisition of companies and decrease at the end of the guaranteed period.

The increase in liability guarantees given corresponds to commitments related to the disposals of Ægide and Century 21 France.

33.2 Off-statement of financial position commitments related to Group financing

The amount of credit facilities granted is shown in Note 21.2.

Guarantees, collateral and pledges granted to banks in connection with certain credit facilities break down as follows:

TYPE OF GUARANTEE					
(in thousands of euros)	Date of departure	Maturity date	Amount payables guaranteed	Total consolidated statement of financial position item	% of item posted
Intangible assets:			-	2,056,464	
Property, plant and equipment:			-	59,267	
Financial assets:			-	58,334	
Inventories:			1,500	1,811,194	0.1%
Pledging of securities by Oralix Investissements as collateral for a loan to acquire companies	18/10/2016	29/11/2022	1,500		
Cash and cash equivalents:			-		
RATIO OF TOTAL GUARANTEES TO TOTAL CONSOLIDATED ASSETS			1,500	8,293,185	0.0%

33.3 Off-statement of financial position commitments relating to operating activities

The commitments given and received listed below include activities related to joint ventures and reflect operational reporting.

Commitments received

COMMITMENTS RECEIVED FOR RECURRING OPERATIONS

<i>(in thousands of euros)</i>	Total at 31/12/2021	Total at 31/12/2020
Payment guarantees received from clients in respect of development contracts	979,264	1,167,422
Other commitments	6	6
TOTAL COMMITMENTS RECEIVED	979,270	1,167,428

Payment guarantees in respect of development contracts primarily relate to Commercial Real Estate. These guarantees are issued by financial institutions. Their amount is calculated every six months in relation to the total outstanding balance owed by the client. The Group grants the client a corresponding performance bond (see below).

Other commitments mainly concern guarantees on various indemnity payments.

In the course of its ordinary business in France, the Group also receives retention bonds in lieu of holdback from contractors on construction projects (up to 5% of the contract amount).

Commitments given

COMMITMENTS GIVEN FOR RECURRING OPERATIONS

<i>(in thousands of euros)</i>	Total at 31/12/2021	Total at 31/12/2020
Residential Real Estate	2,869,340	2,686,305
Commercial Real Estate	1,033,111	1,173,832
Counter-guarantees for performance bonds	3,902,451	3,860,137
Counter-guarantees for deposit payment bonds	59,041	53,226
Other commitments given	436,043	365,845
TOTAL COMMITMENTS GIVEN	4,397,535	4,279,208

Completion bonds are issued on a case-by-case basis by financial institutions to clients buying property, in accordance with existing law. In exchange, Nexity grants financial institutions an irrevocable undertaking to mortgage the property and a commitment not to transfer or sell its shares in the Company backing the development project.

The value of completion bonds is measured internally on a quarterly basis, before being reconciled and adjusted to the values set by the financial institutions based on changes in their commitments. Such a guarantee has never been exercised.

Deposit payment bonds are bank guarantees that may substitute cash payments on reacquisition agreements and promises to buy land and involve counter guarantees offered by Nexity to the financial institutions issuing the guarantees (see section on bilateral commitments below).

Other commitments given include guarantees on deferred payments relating to land purchases and planning taxes and duties.

Bilateral commitments

In the course of its normal business, the Group enters into the following agreements:

- In order to secure land for future housing and land development, the Group signs unilateral and bilateral purchase agreements with landowners:
 - under a unilateral purchase agreement to sell, the landowner agrees to sell the land. In exchange, the Group agrees to pay an indemnity, which the landowner may retain if the transaction falls through,
 - under bilateral purchase agreements, the landowner agrees to sell the land, and the Group agrees to buy it if the conditions precedent are fulfilled. The Group undertakes to pay an indemnity, or penalty clause, if it does not purchase the land despite all the conditions precedent being lifted,
 - when the commitments are signed, the reservation fees are either paid by the Group and sequestered by the notary, or are subject to a bank guarantee;

- In order to market its real estate development and subdivision programmes, the Group signs reservation or purchase agreements with its clients:
 - the pre-acquisition agreements become deeds of sale if the conditions precedent are fulfilled (particularly if clients obtain financing to buy the property),
 - in return for the reservation of the property, the clients pay a deposit (or guarantee), which is returned if the sale falls through; and
- Real estate agents and intermediaries from the Services division are also required to provide guarantees pursuant to the Hoguet Act, which sets forth regulations governing the profession, particularly with regard to the management of client working capital accounts. At 31 December 2021, the amount guaranteed came to €1,298 million.

33.4 Schedule of contractual commitments and obligations

(in thousands of euros)	Total at 31/12/2021	Schedule at 31 December 2021		
		under 1 year	1 year to 5 years	over 5 years
Non-current borrowings and financial liabilities	951,602	-	715,632	235,970
Operating loans and borrowings	720,111	645,723	74,387	-
Completion bonds	3,902,451	1,729,694	2,072,711	100,046
Other off statement of financial position commitments	436,043	76,125	351,642	8,276
TOTAL CONTRACTUAL AND COMMITMENT OBLIGATIONS	6,010,207	2,451,543	3,214,372	344,292

Note 34 Statutory Auditors' fees

FINANCIAL YEARS: 2021 AND 2020 ⁽¹⁾	KPMG				MAZARS				OTHER AUDIT FIRMS			
	Amount excl. VAT		%		Amount excl. VAT		%		Amount excl. VAT		%	
(in thousands of euros)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Statutory Auditors, certification, review of individual and consolidated financial statements ⁽²⁾												
Issuer: Nexity SA	449	380	19%	16%	409	357	31%	25%				
Fully consolidated subsidiaries	1,941	1,994	81%	83%	859	1,061	66%	73%	163	259	100%	100%
Services excluding account certification ⁽³⁾												
Issuer: Nexity SA		0	-	-	31	31	2%	2%				
Fully consolidated subsidiaries	20	31	1%	1%	0	0	0%	0%			-	-
TOTAL	2,410	2,404	100%	100%	1,299	1,449	100%	100%	163	259	100%	100%

(1) Services provided during the accounting period and expensed in the income statement.

(2) Including the services of independent experts and members of the audit firm's network, who were called upon in connection with the statutory audit.

(3) Mainly certification of CSR information, pre-acquisition audits and various certificates.

Note 35 Information on related parties

35.1 Services between related parties

Ægide-Domitys

Nexity holds 18% of this company, which is the French leader in the development and management of senior independent living facilities. At 31 December 2021, the Ægide-Domitys group managed 137 serviced senior residences i.e. more than 16,000 housing units. As part of the sale of Ægide shares to AG2R LA MONDIALE, a long-term partnership was signed which provides for an ambitious development plan with a rate of opening of around twenty new residences built as a joint venture each year, to reach more than 300 residences by 2030.

Ægide-Domitys generated consolidated revenue of around €415 million in 2021.

Co-development projects

The Group engages in numerous co-developments via programme-specific companies. In accordance with IFRS 11, those entities are accounted for using the equity method. Their results are reflected in the column entitled "Restatement of joint ventures" in Note 6.

35.2 Remuneration of directors and executive officers

Remuneration of directors and executive officers concerns company officers.

The amounts equal the expense recognised in the income statement for the period.

<i>(in thousands of euros)</i>	31/12/2021
Short-term benefits	3,069
Post-employment benefits	NA
Long-term benefits	NA
Termination benefits	731
Share-based payments	(749)

N/A: Not applicable.

Note 36 Events after the reporting period

No significant events occurred between 31 December 2021 and the Board of Directors' meeting of 23 February 2022 convened to approve the financial statements for the period ended 31 December 2021.

Note 37 Main consolidated companies at 31 December 2021

MAIN FULLY CONSOLIDATED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
NEXITY	19, rue de Vienne – 75801 PARIS CEDEX 08	444 346 795	SA	100.00%
ACCESSITE	35, quai du Lazaret – 13002 MARSEILLE	394 232 300	SAS	90.40%
APOLLONIA	19, rue de Vienne – 75801 PARIS CEDEX 08	332 540 087	SAS	100.00%
ATHIS MONS QUAI DE L'INDUSTRIE	25, allée Vauban – 59562 LA MADELEINE CEDEX	751 068 313	SCI	100.00%
BUREAUX À PARTAGER	21, place de la république – 75003 PARIS	789 597 317	SAS	57.70%
BYM STUDIO	21, place de la république – 75003 PARIS	879 907 020	SAS	57.70%
CERGY BOULEVARD DE L'OISE	25, allée Vauban – 59562 LA MADELEINE CEDEX	814 368 023	SNC	100.00%
COLOMBES ILOT MAGELLAN	25, allée Vauban – 59562 LA MADELEINE CEDEX	835 177 478	SCI	100.00%
COMPAGNIE IMMOBILIERE ET DIGITALE	19, rue de Vienne – 75801 PARIS CEDEX 08	851 681 874	SAS	100.00%
CONSTRUGESTION	2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	430 342 667	SARL	78.00%
EDMP - HAUTS DE France	2, rue Leday Le Nouvel Hermitage – 80100 ABBEVILLE	879 769 115	SAS	78.00%
ÉDOUARD DENIS DÉVELOPPEMENT	2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	531 728 889	SAS	78.00%
ÉDOUARD DENIS INGIENERING	2, rue Leday Le Nouvel Hermitage – 80100 ABBEVILLE	484 839 857	SARL	78.00%
ETOILE PROPERTY MANAGEMENT	2, rue Olympe de Gougès – 92600 ASNIERES-SUR-SEINE	425 059 904	SAS	100.00%
FEREAL	19, rue de Vienne – 75801 PARIS CEDEX 08	334 850 690	SA	100.00%
FONCIER CONSEIL	19, rue de Vienne – 75801 PARIS CEDEX 08	732 014 964	SNC	100.00%
GARENNE AMENAGEMENT	19, rue de Vienne – 75801 PARIS CEDEX 08	837 487 172	SAS	100.00%
GARENNE DEVELOPPEMENT	19, rue de Vienne – 75801 PARIS CEDEX 08	839 944 352	SCI	100.00%
GEORGE V GESTION	19, rue de Vienne – 75801 PARIS CEDEX 08	327 256 947	SAS	100.00%
HIPTOWN	19, rue de Vienne – 75801 PARIS CEDEX 08	843 950 494	SAS	75.00%
I INVEST	400, promenade des Anglais – 06200 NICE	479 020 893	SAS	100.00%
IMMOPERL 1	115, rue Réaumur – 75002 PARIS	820 891 778	SNC	100.00%
IMMOPERL 2	115, rue Réaumur – 75002 PARIS	820 891 612	SNC	100.00%
ISELECTION	400, promenade des Anglais – 06200 NICE	432 316 032	SAS	100.00%
L ESPACE	21, place de la république – 75003 PARIS	811 806 215	SAS	57.70%
LES DUNES DE FLANDRES	2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	408 888 659	SARL	78.00%
MONTREUIL LES RESERVOIRS BOULEVARD DE LA BOISSIERE	25, allée Vauban – 59562 LA MADELEINE CEDEX	480 556 042	SCI	70.00%

MAIN FULLY CONSOLIDATED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
NEXIMMO 96	19, rue de Vienne – 75801 PARIS CEDEX 08	808 177 364	SAS	100.00%
NEXIMMO 103	19, rue de Vienne – 75801 PARIS CEDEX 08	814 256 483	SAS	100.00%
NEXIMMO 104	19, rue de Vienne – 75801 PARIS CEDEX 08	814 257 036	SAS	100.00%
NEXIMMO 110	19, rue de Vienne – 75801 PARIS CEDEX 08	823 425 889	SAS	100.00%
NEXIMMO 116	19, rue de Vienne – 75801 PARIS CEDEX 08	834 215 485	SAS	100.00%
NEXIMMO 120	19, rue de Vienne – 75801 PARIS CEDEX 08	834 215 865	SAS	100.00%
NEXITY BELGIUM	53-55, rue Vilain XIII – 1000 BRUSSELS	872 755 619	SA	100.00%
NEXITY CONTRACTANT GENERAL	10/12, rue Marc-Bloch – 92110 CLICHY-LA-GARENNE	813 337 136	SAS	100.00%
NEXITY DEUTSCHLAND	Carmerstraße 2 – D-10623 Berlin Corso Galileo Ferraris -110 – 10129 TURIN	HRB24493 4 950 890 964	GmbH	100.00%
NEXITY HOLDING ITALIA			SRL	100.00%
NEXITY IMMOBILIER D'ENTREPRISE	19, rue de Vienne – 75801 PARIS CEDEX 08	332 335 769	SA	100.00%
NEXITY IR PROGR AQUITAINE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 289	SAS	100.00%
NEXITY IR PROGR ATLANTIQUE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 305	SAS	100.00%
NEXITY IR PROGR BRETAGNE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 354	SAS	100.00%
NEXITY IR PROGR CENTRE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 453	SAS	100.00%
NEXITY IR PROGR COTE D'AZUR	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 485 320	SAS	100.00%
NEXITY IR PROGR DOMAINES	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 309 751	SAS	100.00%
NEXITY IR PROGR EST	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 485 304	SAS	100.00%
NEXITY IR PROGR GFI	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 586	SAS	100.00%
NEXITY IR PROGR GRAND PARIS	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 763	SAS	100.00%

MAIN FULLY CONSOLIDATED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
NEXITY IR PROGR LANGUEDOC ROUSSILLON	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 789	SAS	100.00%
NEXITY IR PROGR LOIRE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 485 353	SAS	100.00%
NEXITY IR PROGR NORMANDIE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 418 503	SAS	100.00%
NEXITY IR PROGR PAYS BASQUE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 768	SAS	100.00%
NEXITY IR PROGR RHÔNE LOIRE AUVERGNE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 813	SAS	100.00%
NEXITY IR PROGR SEERI	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 797	SAS	100.00%
NEXITY LAMY	19, rue de Vienne – 75801 PARIS CEDEX 08	487 530 099	SAS	100.00%
NEXITY LOGEMENT	19, rue de Vienne – 75801 PARIS CEDEX 08	399 381 821	SAS	100.00%
NEXITY PATRIMOINE	19, rue de Vienne – 75801 PARIS CEDEX 08	329 087 118	SNC	100.00%
NEXITY POLSKA	ul. Aleje Jerozolimskie, n 98 – 00807 VARSOVIE	281 618	SP.Z.O.O	100.00%
NEXITY PORTUGAL	Rua Professor Carlos Alberto da Mota Pinto, n°9 – 1070-374 Lisboa	514 895 900	SARL	100.00%
NEXITY PROPERTY MANAGEMENT	2, rue Olympe de Gouges – 92600 ASNIERES-SUR-SEINE	732 073 887	SA	100.00%
NEXITY STUDÉA	19, rue de Vienne – 75801 PARIS CEDEX 08	342 090 834	SA	100.00%
NICE AVENUE CYRILLE BESSET	25, allée Vauban – 59562 LA MADELEINE CEDEX	812 601 649	SNC	100.00%
NP 10	ul. Aleje Jerozolimskie, n 98 – 00807 VARSOVIE	647 694	SP.Z.O.O	100.00%
ORALIA INVESTISSEMENTS	94, quai Charles de Gaulle – 69006 LYON	395 329 113	SAS	100.00%
ORALIA MANAGEMENT	94, quai Charles de Gaulle – 69006 LYON	395 190 051	SARL	100.00%
ORALIA PARTENAIRES	94, quai Charles de Gaulle – 69006 LYON	397 581 984	SAS	100.00%
PANTERA AG	Saliering 32 – D-50677 COLOGNE	HRB69948	AG	65.00%
PARC DE SENART	19, rue de Vienne – 75801 PARIS CEDEX 08	482 815 552	SNC	100.00%
PERL	115, rue Réaumur – 75002 PARIS	438 411 035	SAS	100.00%
PRADO GESTION	30 rue Louis Rège – 13008 MARSEILLE	479 927 238	SAS	65.00%
PRIMOSUD	30 rue Louis Rège – 13008 MARSEILLE	339 901 365	SAS	65.00%
QUIMPER SULLY	25, allée Vauban – 59562 LA MADELEINE CEDEX	821 145 125	SCI	100.00%
RICHARDIÈRE	22, rue Georges Picquart – 75017 PARIS	682 009 121	SAS	100.00%
SEERI	19, rue de Vienne – 75801 PARIS CEDEX 08	331 129 437	SAS	100.00%
ST DENIS GEORGES SAND	25, allée Vauban – 59562 LA MADELEINE CEDEX	814 296 349	SCI	100.00%
ST QUEN COURS DES DOCKS N11	25, allée Vauban – 59562 LA MADELEINE CEDEX	825 382 393	SCI	100.00%
STRASBOURG BOULEVARD DE DRESDE	25, allée Vauban – 59562 LA MADELEINE CEDEX	530 829 712	SCI	100.00%
SYNONIM PROGRAMMES	25, allée Vauban – 59562 LA MADELEINE CEDEX	834 116 261	SAS	100.00%

MAIN FULLY CONSOLIDATED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
TÉRÉNÉO	10, rue Horus – 59650 VILLENEUVE D'ASCQ	502 931 777	SAS	100.00%
TOULOUSE ARÈNE	25, allée Vauban – 59562 LA MADELEINE CEDEX	814 795 779	SAS	60.00%
VILLENEUVE LE ROI CŒUR DE SEINE	25, allée Vauban – 59562 LA MADELEINE CEDEX	498 975 507	SNC	100.00%
VILLES & PROJETS	19, rue de Vienne – 75801 PARIS CEDEX 08	409 260 775	SAS	100.00%
MAIN EQUITY-ACCOUNTED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
Joint ventures				
BAGNEUX BRIAND	19, rue de Vienne – 75801 PARIS CEDEX 08	818 336 059	SAS	50.00%
ÉCO-CAMPUS À CHATILLON	19, rue de Vienne – 75801 PARIS CEDEX 08	751 851 726	SAS	50.00%
MERCEDES	19, rue de Vienne – 75801 PARIS CEDEX 08	383 288 305	SAS	50.00%
Associates				
ÆGIDE	42, avenue Raymond Poincaré – 7 5116 PARIS	401 397 765	SA	18.00%
BIEN'ICI	19, rue de Vienne – 75801 PARIS CEDEX 08	488 073 412	SAS	56.10%

5.1.3 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Nexity for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Financial Statements Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 of Regulation (EU).

Observation

Without calling into question the opinion expressed above, we draw your attention to Note 2.2 to the consolidated financial statements which presents the effects of the change in accounting method arising from application of the IFRS IC decisions on configuration and customisation costs in cloud computing arrangements and on attributing retirement benefits to periods of service

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken for the public health emergency have had many consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

hereby the These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill

(Notes 7 to the consolidated financial statements)

Risk identified

In the framework of its development, the Group has undertaken a certain number of acquisitions and has recognised goodwill in the consolidated statement of financial position as at 31 December 2021 for a total carrying amount of €1,356.5 million.

At each year end, the Group's management reviews the carrying amounts of goodwill and tests them for impairment at least once per year and whenever any indication of impairment is noted. For that purpose, goodwill is allocated to cash-generating units (CGUs) defined as homogeneous groups of assets that generate separately identifiable cash flows. Impairment testing involves comparing the carrying amount of each CGU with its recoverable amount. The bases applied for that purpose by management, and details of the applicable assumptions, are described in Note 7 to the consolidated financial statements. Recoverable amounts are determined by reference to the value in use of each CGU based on the present value of its estimated future cash flows, the applicable 5-year business plan used by general management and presented to the Board of Directors, and the perpetual growth rate estimated for the period beyond the 5-year horizon.

The Group performs sensitivity analyses as described in Note 7 to the consolidated financial statements.

Given the judgement required by management to determine recoverable amounts, in the context of the current health crisis, the sensitivity analysis, the impact of the new allocation and the materiality of goodwill, we consider the measurement of goodwill to be a key audit matter.

Audit procedures in response to the risk identified

We assessed the compliance of the Company's valuation methodology with the applicable accounting standards, and its bases of application, with regard to:

- The reasonableness of the approach used to determine which CGUs on which to perform impairment tests;
- The reasonableness of the process for preparing the applicable 5-year business plan, in particular by comparing the prior year's impairment test projections with the current year's results in order to assess the achievement of past objectives and factor in the impacts of the Covid-19 pandemic;
- The consistency of the estimated future cash flows used to calculate the values in use of each CGU with those included in the 5-year business plan presented by management;
- The reasonableness of the applicable discount rate and perpetual growth rate assumptions as assessed by our financial appraisal specialists;
- Management's analysis of the sensitivity of value in use to changes in the main underlying assumptions.

We also assessed the appropriateness of the financial information provided in Note 7 to the consolidated financial statements.

Recognition of revenue and profit based on percentage of completion for real estate development operations under VEFA off-plan agreements and CPI development contracts

(Note 4 to the consolidated financial statements)

Risk identified

As indicated in Note 4 to the consolidated financial statements, Nexity's revenue from residential and commercial real estate development operations involving VEFA off-plan agreements and CPI property development contracts amounts to €3,291 million, accounting for 73% of consolidated revenue.

Revenue and profit for such real estate development operations are recognised using the percentage of completion method.

Percentage of completion is determined on the basis of the commercial stage of development and on the percentage of development expenditure already incurred at year-end in comparison with the latest budget estimate updated at year-end.

In the context of the current health crisis that has impacted real estate development operations, and as determining the operating budgets used for the percentage of completion method requires management to exercise judgement and make estimates, we consider the recognition of revenue and profit based on the percentage of completion of real estate development operations involving VEFA off-plan agreements and CPI property development contracts to be a key audit matter.

Audit procedures in response to the risk identified

Our approach was adapted to the degree of maturity of the system of internal control applicable to each business or subsidiary:

The first such approach was notably based on the following work:

- Assessment of the relevant controls implemented by Group management for the preparation and updating of operating budgets contributing to their reliability;
- Assessment of the relevant controls implemented by Group management for the management of purchases and sales contributing to the reliability of the calculation of percentage of technical and commercial completion of real estate development operations;

- Carrying out substantive procedures (changes in revenue and profit from one period to the next, review of sales with conditions subsequent, review of risks of discontinuing operations, etc.).

The second such approach was notably based on the following work:

- Assessment of the consistency of the latest updated operating budgets for the period and comparison with supporting documentation and information obtained from the applicable financial controllers and/or programme managers;
- Comparison of accounting data with the operating data for each programme and cross-checking of percentage of completion data with operating data on contract progress or architects' certificates or sale agreements.

We also assessed the appropriateness of the financial information provided in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

We attest that the consolidated non-financial information required by Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, it being specified that, in accordance with article L.823-10 of the Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Verifications or Report on Other Legal and Regulatory Requirements

Presentation of the consolidated financial statements included in the annual financial report

In accordance with the professional standard applicable in France relating to procedures performed by statutory auditors on annual and consolidated financial statements presented in the European single electronic reporting format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic reporting format defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the markup of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that your company actually includes in the annual financial report filed with the AMF match those on which we have worked.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Nexity by the annual general meeting held on 30 April 2008 for Mazars and on 16 October 2003 for KPMG.

As at 31 December 2021, Mazars and KPMG were in the 14th year and 19th year of the total uninterrupted engagement, which are the 14th and 18th years, respectively, since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is intended to liquidate the Company or to cease operations.

The Audit and Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether they represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on the consolidated financial statements.

Report to the Audit and Financial Statements Committee

We submit a report to the Audit and Financial Statements Committee which includes a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Financial Statements Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Financial Statements Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Financial Statements Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 29 March 2022

The Statutory Auditors

KPMG Audit IS
François Plat
Partner

MAZARS
Claire Gueydan-O'Quin
Partner

5.2 PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2021

5.2.1	Condensed financial statements	299	Note 15	Financial income	314
5.2.2	Notes to the parent company financial statements	303	Note 16	Financial expenses	314
Note 1	Information on the Company and significant developments	303	Note 17	Analysis of the net finance income (expense)	315
			Note 18	Analysis of the non-recurring profit/(loss)	315
			Note 19	Employee profit-sharing	315
			Note 20	Income taxes	315
			Note 21	Net profit	315
	GENERAL INFORMATION	304		ADDITIONAL INFORMATION	316
Note 2	Accounting principles	304	Note 22	Analysis by nature of the regulated provisions, depreciation, amortisation and provisions	316
Note 3	Change of method	304	Note 23	Schedules of receivables and payables	316
Note 4	Estimates and assumptions	304	Note 24	Adjustment accounts	317
Note 5	Accounting policies	305	Note 25	Analysis of the statement of cash flows and change in net debt	317
	STATEMENT OF FINANCIAL POSITION – ASSETS	306	Note 26	Off-statement of financial position commitments	318
Note 6	Non-current asset	306	Note 27	Workforce	319
Note 7	Current assets	309	Note 28	Free share plans	319
	STATEMENT OF FINANCIAL POSITION – LIABILITIES	310	Note 29	Information on related parties	319
Note 8	Equity	310	Note 30	Events after the reporting period	320
Note 9	Provisions	311	Note 31	List of significant subsidiaries and holdings	320
Note 10	Payables	311			
	INCOME STATEMENT	313	5.2.3	Statutory Auditors' report on the financial statements	322
Note 11	Operating income	313			
Note 12	Operating expenses	313			
Note 13	Analysis of the operating results	313			
Note 14	Impact of share buyback on the operating results	314			

5.2.1 Condensed financial statements

Statement of financial position

ASSETS				31/12/2021	31/12/2020
			Amortisation, depreciation and impairments		
(in thousands of euros)	Notes	Gross amount		Net amount	Net amount
Intangible assets					
Concessions, patents and similar rights	6.1	150,053	(55,629)	94,424	79,956
Goodwill	6.1	-	-	-	-
Other intangible assets	6.1	52,925	-	52,925	47,801
Property, plant and equipment					
Property, plant and equipment	6.2	42,345	(34,125)	8,220	11,931
Assets in progress		2,199	-	2,199	128
Financial investments					
Equity investments	6.3	2,362,669	(243,657)	2,119,012	2,244,550
Receivables from equity investments	6.4	90,033	(4,317)	85,716	22,534
Other equity securities	6.5	27,429	(6,569)	20,860	24,860
Loans	6.6	319,481	(1,987)	317,494	308,420
Other financial investments	6.7	180,481	-	180,481	146,195
Non-current asset	6.8	3,227,615	(346,284)	2,881,331	2,886,375
Inventories and work-in-progress					
Advances and deposits paid on orders		244	-	244	22
Receivables					
Trade and other receivables	7.1	22,830	(1,940)	20,890	32,394
Other receivables	7.2	747,569	(38,610)	708,959	662,052
Other					
Marketable securities		-	-	-	-
Treasury shares held	7.3	30,707	-	30,707	24,819
Cash and cash equivalents	7.4	516,202	-	516,202	741,809
Adjustment accounts					
Prepaid expenses	7.5	4,120	-	4,120	6,891
Current assets		1,321,672	(40,550)	1,281,122	1,467,987
Deferred expenses	7.6	4,030	-	4,030	4,481
Translation differences assets		3,077	-	3,077	2,391
TOTAL ASSETS		4,556,394	(386,834)	4,169,560	4,361,234

LIABILITIES AND EQUITY			
<i>(in thousands of euros)</i>			
	Notes	31/12/2021	31/12/2020
Equity			
Share capital	8.1	280,649	280,649
Share issue, merger, contribution premiums		1,130,173	1,130,173
Legal reserve		28,065	28,065
Other reserves (o/w purchase of original works)		-	-
Retained earnings		400,279	328,957
Profit (loss) for the period		60,297	181,961
Regulated provisions		6,834	5,856
TOTAL EQUITY	8	1,906,297	1,955,661
Provisions		31,536	40,926
TOTAL PROVISIONS	9	31,536	40,926
Financial debt			
Convertible bonds	10.1	440,599	470,170
Euro PP bonds	10.1	393,132	542,527
Loans and borrowings from financial institutions	10.2	30,170	100,031
Borrowings and financial liabilities	10.3	1,287,985	1,183,988
Operating liabilities			
Trade payables		46,797	35,659
Tax payable and social security contributions		26,029	22,140
Other liabilities			
Liabilities on non-current assets and related accounts		3,524	7,577
Other liabilities		2,713	1,927
Adjustment account			
Deferred income		-	56
TOTAL PAYABLES		2,230,949	2,364,075
Translation differences liabilities		778	572
TOTAL LIABILITIES AND EQUITY		4,169,560	4,361,234

Income statement

<i>(in thousands of euros)</i>	Notes	31/12/2021	31/12/2020
Production of services sold		132,779	136,125
Revenue		132,779	136,125
Capitalised production		19,520	15,993
Operating subsidies		143	-
Reversals on depreciation, provisions, transfers of charges		18,599	21,933
Other income		8	96
Operating income	11	171,049	174,147
Purchase of raw materials and other supplies		(7)	(5)
Other purchases and external expenses		(115,707)	(82,701)
Taxes, duties and other levies		(3,207)	(3,958)
Wages		(57,999)	(63,589)
Social security contributions		(22,495)	(18,493)
Operating additions			
On non-current assets: depreciation, amortisation and impairment		(16,116)	(14,955)
On non-current assets: provisions		-	(568)
On current assets: provisions		(1,940)	-
For risks and charges: provisions		(2,757)	(15,764)
Other expenses		(16,004)	(10,852)
Operating expenses	12	(236,232)	(210,885)
OPERATING RESULTS	13	(65,183)	(36,738)
Financial income from investments		214,370	225,987
Income from other securities and receivables from non-current assets		7,456	6,464
Other interest and equivalent		16,140	9,011
Reversals on provisions and transfers of charges		37,412	44,852
Positive exchange rate differences		26	24
Net income on disposals of marketable securities		-	-
Financial income	15	275,404	286,338
Financial additions to depreciation, amortisation and provisions		(108,413)	(76,025)
Interest and equivalent expenses		(70,872)	(21,186)
Negative exchange rate differences		(92)	(11)
Net expenses on sales of marketable securities		(16)	-
Financial expenses	16	(179,393)	(97,222)
NET FINANCE INCOME (EXPENSE)	17	96,011	189,116
CURRENT PROFIT (LOSS) BEFORE TAX		30,828	152,378
Non-recurring income from management operations		-	-
Non-recurring income from equity operations		2,660	3,172
Reversals on provisions and transfers of charges		2,198	1,083
Non-recurring income		4,858	4,255
Non-recurring expenses from management operations		(49)	(247)
Non-recurring expenses from equity operations		(15,048)	(3,329)
Non-recurring additions to depreciation, amortisation and provisions		(979)	(963)
Non-recurring expenses		(16,076)	(4,539)
NON-RECURRING PROFIT/(LOSS)	18	(11,218)	(284)
Employee profit-sharing	19	(393)	(224)
Income tax	20	41,080	30,091
Total income		451,311	464,740
Total expenses		(391,014)	(282,779)
PROFIT (OR LOSS)	21	60,297	181,961

Statement of cash flows

<i>(in thousands of euros)</i>	Notes	31/12/2021	31/12/2020
Net accounting profit/(loss)		60,297	181,961
Elimination of non-cash income and expenses and gains and losses:			
Elimination of depreciation, amortisation and provisions		75,301	47,093
Elimination of gains and losses on asset disposals		3,353	(492)
Elimination of losses net of gains arising on mergers of assets		7,736	
Other non-cash income and expenses		15,704	17,161
Cash flow		162,391	245,723
Change in Working Capital Requirement		48,256	(3,913)
Net cash from/(used in) operating activities		210,647	241,810
Purchase of intangible assets		(31,835)	(30,060)
Purchase of property, plant and equipment		(4,418)	(1,803)
Acquisition/increase in equity investments		(46,205)	(117,309)
Increase in receivables attached to investments and other financial investments		(212,307)	(413,696)
Acquisition of treasury shares		(20,000)	(20,074)
Proceeds from sale of property, plant, equipment and intangible assets		1,034	74
Proceeds from disposals of equity investments		-	1,416
Decrease in receivables attached to investments and other financial investments		137,261	120,537
Net cash from/(used in) investing activities		(176,470)	(460,915)
Dividends paid		(110,639)	(109,827)
Increase in convertible bond debt		240,000	
Increase in bank debt		30,000	100,000
Buyback/Redemption/Conversion of convertible bonds		(270,000)	-
Repayment of Euro PP bonds		(146,000)	(25,494)
Repayment of bank debts		(100,000)	
Change in negotiable debt securities (NEU CP and NEU MTN)		221,600	106,400
Net change in financial current accounts		(122,657)	384,163
Increase in deferred expenses		(1,541)	(203)
Net cash flow from/(used in) financing activities		(259,237)	455,039
Impact of changes in foreign currency exchange rates on cash and cash equivalents		(686)	(1,904)
CHANGE IN CASH AND CASH EQUIVALENTS	25	(225,745)	234,030
Cash and cash equivalents at beginning of period		741,777	507,748
Cash and cash equivalents at end of period		516,032	741,777

5.2.2 Notes to the parent company financial statements

Note 1 Information on the Company and significant developments

1.1 Information on the Company

Notes to the statement of financial position, before appropriation of earnings, for the financial year ended 31 December 2021, showing a total of €4,169,560,219.37, and to the income statement showing a profit of €60,297,102.19.

The Company's financial year runs from 1 January to 31 December 2021 (12 months).

The notes and tables presented below are an integral part of the parent company financial statements.

The Company's press releases and annual reports –

including historical financial information about the Company and parent company financial statements – are available on the Company's website: www.nexity.fr/en/group. Copies may also be obtained from Nexity's registered office at 19, rue de Vienne – TSA 50029 – 75801 Paris Cedex 08 (France).

The Company is the central holding company of Nexity group and controls the Group's main subsidiaries (see list of the main subsidiaries in Note 30).

Nexity's shares are listed on Euronext Paris.

1.2 Significant developments during the financial year

2021 was marked by the following significant developments:

Change in governance

As part of the Group's new governance separating the functions of Chairman of the Board of Directors and Chief Executive Officer, Ms Véronique Bédague was made Chief Executive Officer of Nexity at the Shareholders' Meeting on 19 May 2021. Mr Jean-Claude Bassien, Deputy CEO in charge of Services, has been appointed second company officer. Mr Alain Dinin, Chairman, continues to support the Executive Management team in the major strategic choices and allocations of resources.

Legal restructuring

The Company absorbed Ywood Gestion, Nexity Blue Office

and Nexity Résidences Gérées through a universal transfer of assets during the financial year.

Financing

Issue on 19 April 2021 of a €240 million OCEANE (a bond that may be converted into new shares and/or exchanged for existing shares, maturing in seven years, under the following conditions):

- 35% conversion premium, or a conversion price of €59.81;
- Interest rate 0.875% per year.

This issue was coupled with the buyback of 100% of the OCEANE at maturity, 1 January 2023, issued for €270 million.

1.3 Subsidiaries and investments

Equity investments and the associated technical merger losses went from €2,384 million at 31 December 2020 to €2,292 million net at 31 December 2021, i.e. a net decrease of €92 million which corresponds to:

- €80 million in securities as part of the universal transfer of assets: -€193 million in eliminated shares of companies absorbed through universal transfers of assets less Térénéo, Ægide-Domitys and Nexity Studéa shares contributed as part of these mergers for €113 million;

- €57 million in financial provisions net of impairment on equity investments.

Less:

- €3 million mainly due to capital increases for subsidiaries;
- €42 million related to net acquisitions of shares in companies, in particular Édouard Denis Développement (10%, increasing the investment from 68% to 78%).

The table below summarises movements relating to universal transfers of assets:

<i>(in thousands of euros)</i>	31/12/2021
Statement of financial position	
Shares eliminated	(193,607)
Shares contributed	80,141
Net securities (statement of financial position)	(113,466)
Gains allocated to assets contributed	33,301
Current accounts (statement of financial position) and other	72,429
Statement of financial position subtotal	(7,736)
Income	
Losses arising on mergers of assets	(23,605)
Gains arising on mergers of assets	15,869
Universal transfer of assets income subtotal	(7,736)
Provisions reversed	23,438
NET IMPACT ON NET FINANCE INCOME	15,702

GENERAL INFORMATION

Note 2 Accounting principles

The parent company financial statements were approved in accordance with the provisions of the French Commercial Code, Ruling No.2014-03 of the French Accounting Standards Authority (Autorité des Normes Comptables – ANC) relating to the French General Accounting Plan and the applicable regulations.

The general accounting conventions were applied in compliance with the principle of prudence, in accordance

with the basic assumptions: going concern, consistency of accounting policies from one financial year to another, independence of financial years, in accordance with the general rules for preparing and presenting parent company financial statements.

The basic method selected to assess the items entered into the accounts is the historical cost method.

Note 3 Change of method

The presentation of the parent company financial statements and the assessment methods selected have not changed compared to the previous financial year.

Note 4 Estimates and assumptions

In the process of preparing the parent company financial statements, the measurement of certain statement of financial position and income statement items calls for the use of assumptions or assessments based, in particular, on budgets for real estate projects. These notably concern the valuation of equity investments.

These assumptions, estimates or assessments are established and reviewed regularly on the basis of information available and the actual position of the Company on the date the financial statements are prepared, taking into consideration past experience and

other relevant factors. Actual results may differ significantly from estimates due to changes in the underlying conditions and assumptions.

The assumptions, estimates and assessments used in the presentation of the financial statements for 31 December 2021 were made in a context of continued high uncertainty (health crisis, risk of inflation, interest rate risk, Presidential and legislative elections in the second quarter of 2022, etc.) but which should have limited impacts on the Group's activities.

Note 5 Accounting policies

5.1 Property, plant and equipment and intangible assets

Property, plant, equipment and intangible assets are stated at acquisition (purchase price and associated expenses) or contribution cost. Moreover, in accordance with the obligations placed by the BOI instruction 4 I-1-93 (paragraph 32), the cost of entry of the goods subject to a universal transmission of assets is broken down into gross value and depreciation.

Depreciation is calculated on a straight-line or degressive basis according to the estimated life of the goods:

- Software: 1 to 7 years straight-line basis;

- Fixtures and fittings: 7 to 9 years straight-line basis;
- Office equipment: 1 to 5 years straight-line basis;
- IT equipment: 1 to 5 years straight-line basis;
- Office furniture: 8 to 10 years straight-line basis.

Technical losses are allocated in the accounts according to Article 745-5 *et seq.* and Article 12 of the ANC Ruling No. 2015-06 of 23 November 2015. The technical losses presented in Nexity's financial statements are all allocated to the equity investments contributed by the absorbed company, and to the related depreciations (Note 6.6).

5.2 Financial investments

5.2.a Equity investments

Equity investments are stated according to the valuation rules for the cost of entry of assets. Assets acquired subject to payment are recognised at their acquisition cost, comprising the purchase price plus the directly attributable costs. Assets acquired by contribution are recognised at the value indicated on the contribution document.

Impairment is recognised when the current value of an equity investment becomes lower than its cost. The goodwill recognised is subject to impairment. Subsequently, if needed, the receivables held in the subsidiary may be impaired and a provision for risks may be recognised.

The current value of the investment is determined according to the share of the net position and the profitability forecasts.

The profitability outlook of operating subsidiaries is generally determined by the discounted future cash flow projection method, calculated based on the five-year business plan adopted by Executive Management in December 2021. The business plan includes differentiated growth assumptions depending on the business activity. These assumptions take into account current market conditions, their foreseeable changes, a moderate impact of the health crisis on the slowdown in activity, as well as the Company's assumptions on changes in the regulatory environment and competitive intensity.

Beyond the five-year plan, the perpetual growth rate used to calculate the terminal value is 1.5% (the same rate as at 31 December 2020). This rate is lower than the average growth rate for the business activities over the period of the business plan.

By way of derogation to the General Accounting Plan principle, reversals on amortisation and provisions relating to equity investments are recognised in non-recurring income if the investments are sold, so that all impacts of the disposal are recognised in non-recurring profit/(loss).

5.2.b Loans

Loans are stated at their nominal value. They are assessed on a case-by-case basis. Impairment is recognised when there is a strong risk of non-recovery.

5.2.c Other financial investments

Nexity shares held as part of a liquidity contract are recognised at their acquisition price less expenses. If at the end of the financial year, the average price of the last month of the financial year is lower than the purchase price, impairment is recognised. Gains and losses on asset disposals are recognised in non-recurring profit/(loss) according to the FIFO (First In – First Out) method.

By way of derogation to the General Accounting Plan principle, reversals on amortisation and provisions relating to treasury shares are recognised in non-recurring income if the investments are sold, so that all impacts of the disposal are recognised in non-recurring profit/(loss).

The technical losses allocated to the equity investments contributed by the absorbed company are impaired when the current value of the investments becomes lower than the cumulative value of the investments and the losses allocated to them.

5.3 Receivables

5.3.a Trade and other receivables

Trade receivables are stated at their nominal value. They are assessed on a case-by-case basis. Impairment is recognised when there is a strong risk of non-recovery.

5.3.b Other receivables

Other receivables are recognised at their nominal value. They are assessed individually and impaired if required.

Receivables acquired or contributed for a discounted value are stated at their purchase or contribution price.

The difference between the nominal value and the purchase or contribution price is only recognised in profit after cashing a surplus compared to the amount entered in the statement of financial position. The risk of non-recovery gives rise to the recognition of impairment only if the loss compared to the nominal value of the receivable exceeds the discount amount.

Receivables on indirect subsidiaries are not subject to impairment when the risks relating to these subsidiaries are entered into the financial statements of their direct parent companies.

5.4 Marketable securities

They are recognised at the acquisition cost. If at the end of the financial year, the asset value is lower than the purchase price, the difference is subject to financial

impairment. Gains and losses on disposals are recognised in net finance income (expense) according to the FIFO (First In – First Out) method.

5.5 Treasury shares

Treasury shares acquired for the purpose of their free allocation to Group employees (free share plans) are recognised in a “Treasury shares” item according to their destination, pursuant to the share allocation decision.

These shares are not stated at their market value due to the commitment to allocate them to employees, which is subject to a provision for charges.

5.6 Deferred expenses

Bank commissions and miscellaneous costs paid as part of the setting up of loans are spread out as financial expenses over the duration of the loan. When a loan is repaid early,

these commissions and costs are cleared into the net finance income (expense) of the repayment year.

5.7 Regulated provisions

The costs directly attributable to the acquisition of shares, incorporated into their entry costs, are amortised for tax purposes on a straight-line basis over a period of five years.

5.8 Provisions

The provisions are stated for the amount corresponding to the best estimate of the outflow of resources required to extinguish the obligation, pursuant to ANC Ruling No. 2014-03. At the reporting date, this estimate is made on the basis of the information known at the date of preparation of the financial statements. The provision for charges representing the obligation

to deliver the securities to the beneficiaries of free shares was stated according to the cost of the purchased shares, the number of shares to be delivered and the services rendered. As each free share plan provides for a vesting period, the provision is calculated for each plan on a *pro rata temporis* basis for the vesting periods elapsed at the closing date.

STATEMENT OF FINANCIAL POSITION – ASSETS

Note 6 Non-current asset

6.1 Intangible assets

This item comprises:

- Concessions, patents and similar rights for €94,424 thousand net of depreciation, amortisation and impairment comprising the Nexity brand (€56,463 thousand) and various software used in the

Group for €37,961 thousand net of depreciation, amortisation and impairment; and

- Other intangible assets comprising expenses related to IT projects in progress for €52,925 thousand.

6.2 Property, plant and equipment

Property, plant and equipment is mainly composed of fixtures and fittings, and office furniture at the Group's registered office and IT equipment. These non-current assets are used by the central services and other Group subsidiaries.

6.3 Equity investments

This item includes the shares of the Group's main operating subsidiaries. The main investments are indicated in Note 31.

6.4 Receivables from to equity investments

This item mainly consists of contributions granted to Group subsidiaries.

6.5 Other equity securities

This item mainly comprises the investments made by the Group in a certain number of investment funds in innovative activities. The share of the commitments not

paid at the end of the financial year are indicated in "Liabilities on non-current assets and related accounts" for €2,942 thousand.

6.6 Loans

This item mainly comprises loans granted to subsidiaries and holdings.

It notably includes the loan of €240,000 thousand granted to Nexity Logement, of which €84,000 thousand maturing on 30 November 2026 and €156,000 thousand maturing on 30 November 2027.

This loan granted to Nexity Logement mirrors the Euro PP Green issued in December 2019, the purpose of which is to finance the Group's residential real estate projects, in compliance with the CSR commitments described in the prospectus.

6.7 Other financial investments

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Guarantees paid	182	186
Amounts allocated to the liquidity contract:		
Cash account	4,390	2,554
Treasury shares	3,359	4,207
Technical losses allocated to equity investments	172,550	139,248
TOTAL OTHER FINANCIAL INVESTMENTS	180,481	146,195

Treasury shares held

In accordance with the authorisations granted by the Shareholders' Meeting and implemented by the Board of Directors, the Group may hold treasury shares up to a maximum of 10% of the share capital, i.e. 5,612,972 shares at 31 December 2021.

At the closing date, this holding was carried out for two reasons:

- Via the liquidity contract entered into with an investment services provider, recorded under "Other financial investments";
- In connection with treasury share buyback programmes implemented to cover free share plans, recorded under "Treasury shares".

NEXITY SHARES HELD

<i>(in number of shares)</i>	Authorisations	O/w liquidity contract	O/w to cover free share plans	Total holding (at transaction date)
Position at 31 December 2020	5,612,972	125,642	732,434	858,076
Purchase, sale and transfer of shares				
• via the liquidity contract		(40,058)		(40,058)
• held to be used for free share awards			505,861	505,861
• transfers during the financial year to cover free shares vested			(380,292)	(380,292)
Implementation of the programme authorised by the Shareholders' Meeting of 19 May 2021	10% of the adjusted capital according to its change			
POSITION AT 31 DECEMBER 2021	5,612,972	85,584	858,003	943,587

In respect of the liquidity contract, the Group owned 85,584 treasury shares at 31 December 2021. Their net value stood at €3,359 thousand. The cash account stood at €4,390 thousand. These elements are recorded in financial investments.

6.8 Gross non-current assets: changes

<i>(in thousands of euros)</i>	31/12/2020	Increase, acquisition, creation	Reclassification restructuring	Disposal, scrapping, reimbursement	31/12/2021
Concessions, patents and similar rights	125,667	212	25,554	(1,380)	150,053
Other intangible assets	49,999	31,623	(25,554)	(3,143)	52,925
Intangible assets	175,666	31,835	-	(4,523)	202,978
General installations, fixtures and fittings	13,689	57			13,746
Transport equipment	141				141
Office, IT equipment, furniture	26,246	2,290		(78)	28,458
Property, plant and equipment in progress	128	2,071			2,199
Property, plant and equipment	40,204	4,418	-	(78)	44,544
Equity investments	2,430,944	126,346	(1,010)	(193,611)	2,362,669
Receivables from equity investments	26,851	63,610		(428)	90,033
Other equity securities	25,042	2,627	1,010	(1,250)	27,429
Loans	310,407	15,194		(6,120)	319,481
Other financial investments	146,195	164,177		(129,891)	180,481
Financial investments	2,939,438	371,954	-	(331,300)	2,980,092
TOTAL NON-CURRENT ASSETS	3,155,309	408,207	-	(335,901)	3,227,615

Equity investments: the main changes are as follows:

- Increase of €126,346 thousand: purchase of securities (€43,041 thousand), contributions of shares in the context of universal transfers of assets during the financial year (€80,141 thousand), capital increases to reconstitute the equity of loss-making subsidiaries (€1,611 thousand) and subscription to the capital of companies (€1,553 thousand);
- Down by €193,611 thousand: mainly the elimination of shares in companies absorbed through universal transfers of assets during the financial year.

6.9 Amortisation, depreciation

Movements during the period

<i>(in thousands of euros)</i>	31/12/2020	Additions	Reversals	31/12/2021
Concessions, patents and similar rights (amortisation)	45,711	10,099	(181)	55,629
Concessions, patents and similar rights (depreciation)	-			-
Intangible assets	45,711	10,099	(181)	55,629
General installations, fixtures and fittings	9,902	1,800		11,702
Transport equipment	71	35		106
Office, IT equipment, furniture	18,172	4,182	(37)	22,317
Property, plant and equipment	28,145	6,017	(37)	34,125
TOTAL AMORTISATION	73,856	16,116	(218)	89,754

Amortisation for the period mainly comprises straight-line amortisation.

Note 7 Current assets

7.1 Trade and other receivables

This item mainly comprises intra-Group receivables due to invoicing of operating income.

7.2 Other receivables

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Trade payables	24	675
Workforce and social organisations	44	39
State – Corporate income tax and VAT	21,535	14,034
Group: financial current accounts and share of profits	712,620	663,019
Impairment on Group current accounts	(38,610)	(36,397)
Group: tax consolidation current accounts	12,732	20,287
Group: miscellaneous payables	417	393
Miscellaneous payables	197	2
TOTAL OTHER RECEIVABLES	708,959	662,052

7.3 Treasury shares

At 31 December 2021, Nexity held a total of 943,587 treasury shares (1,68% of the share capital) for a total of €34,066 thousand:

- 85,584 shares for a total of €3,359 thousand in respect of the liquidity contract recognised in financial investments (see Note 6.8);
- 858,003 shares for a total of €30,707 thousand which are destined to be given to Group employees after the vesting period as part of free share plans, if the vesting conditions are met.

7.4 Cash and cash equivalents

Cash and cash equivalents of €516,202 thousand mainly include interest-bearing bank accounts and the balance of

current bank accounts. At 31 December 2020, cash and cash equivalents amounted to €741,809 thousand.

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Interest-bearing bank accounts and term deposits	290,688	379,484
Bank current accounts	225,514	362,325
TOTAL CASH AND CASH EQUIVALENTS	516,202	741,809

7.5 Prepaid expenses

The prepaid expenses comprise expenses relating to the following financial year for €4,120 thousand, compared to €6,891 thousand at 31 December 2020.

7.6 Deferred charges

These correspond to the commissions paid when credit facilities are set up, and are spread over the duration of the contract.

<i>(in thousands of euros)</i>	31/12/2020	Increases	Amortisation, depreciation	31/12/2021
Deferred bond issue expenses	4,481	1,541	(1,992)	4,030

STATEMENT OF FINANCIAL POSITION – LIABILITIES

Note 8 Equity

8.1 Share capital

At 31 December 2021, the share capital of the Company comprised 56,129,724 shares with a nominal value of €5 per share, unchanged since 31 December 2020.

8.2 Diluted share capital

The maximum potential dilution resulting from the conversion of all the OCEANE and ORNANE bonds and the free shares allocated not yet covered by a share buyback plan would be 12.8% (as a% of share capital ownership) based on the number of shares at the end of the period.

8.3 Change in equity

<i>(in thousands of euros)</i>	Share capital	Share issue, merger and contribution premiums	Legal reserve	Retained earnings	Profit (loss) for the period	Regulated provisions	Equity
AT 1 JANUARY 2021	280,649	1,130,173	28,065	328,957	181,961	5,856	1,955,661
Allocation of earnings				181,961	(181,961)		-
Distribution				(110,639)			(110,639)
Additions to regulated provisions						978	978
Profit (loss) for the period					60,297		60,297
AT 31 DECEMBER 2021	280,649	1,130,173	28,065	400,279	60,297	6,834	1,906,297

Note 9 Provisions

(in thousands of euros)	31/12/2020	Increases	Decreases		31/12/2021
		Additions for the financial year	Provisions used	Provisions not used	
Provisions for litigation	250	35		(250)	35
Provisions for exchange rate losses	1,818	810	(330)		2,298
Provisions for commitment to transfer free shares	19,889	2,722	(15,073)		7,538
Other provisions	18,969	9,047	(6,351)		21,665
TOTAL PROVISIONS	40,926	12,614	(21,753)	(250)	31,536

The provisions for free shares cover the expense corresponding to the commitment to allocate free shares to Group employees.

The other provisions mainly cover the risks due to the net financial positions of certain subsidiaries, notably real estate development companies.

Note 10 Payables

10.1 Bond issues

(in thousands of euros)	Issue date	Opening amount	Closing amount	Maturity	Fixed annual rate
Convertible bond issue (OCEANE)	13 May 2016	270,000	0	19 April 2021	
Convertible bond issue (ORNANE)	2 March 2018	200,000	200,000	2 March 2025	0.250%
Convertible bond issue (OCEANE)	13 April 2021	0	240,000	19 April 2028	0.875%
Accrued interest		170	599		
Convertible bond issue subtotal		470,170	440,599		
Euro PP bonds	5 May 2014	146,000	0	5 May 2021	3.522%
Euro PP bonds	29 June 2017	30,000	30,000	10 November 2023	2.053%
Euro PP bonds	29 June 2017	121,000	121,000	29 June 2025	2.600%
Euro PP Green bond issue	20 December 2019	84,000	84,000	20 December 2026	2.257%
Euro PP Green bond issue	20 December 2019	156,000	156,000	20 December 2027	2.464%
Accrued interest		5,527	2,132		
Bond issues subtotal		542,527	393,132		
TOTAL		1,012,697	833,731		

2016 OCEANE bond issue (bonds that may be converted or exchanged for new or existing shares)

In 2016, the Group issued €270 million of 6.5-year bonds that may be converted or exchanged for new or existing shares (OCEANE bonds), redeemable at maturity in January 2023 and paying an annual coupon rate of 0.125%.

This OCEANE was bought back for a total of €280 million during the first half of 2021.

2018 ORNANE bond issue (bonds that may be converted into cash and/or new shares and/or existing shares)

In 2018, the Group issued €200 million of seven-year bonds that may be converted into cash and/or new shares and/or existing shares (ORNANE bonds), redeemable at maturity in March 2025 and paying an annual coupon rate of 0.25%.

The nominal unit value per 2018 ORNANE convertible bond was set at €68.91. In accordance with the dividend protection clause included in the terms and conditions of the bond, the conversion rate was adjusted after the dividend distribution in June 2021 and amounts to 1.243 shares for one bond (compared to one share for one bond at the date of issue).

If all convertible bonds were converted, the dilution would be 6% (as a percentage of share capital ownership).

2021 OCEANE bond issue (bonds that may be converted or exchanged for new or existing shares)

In 2021, the Group issued €240 million of seven-year bonds that may be converted into cash and/or new shares and/or existing shares (OCEANE) for a nominal value of €59.81, redeemable at maturity in April 2028 and paying an annual coupon rate of 0.875%.

The nominal unit value per 2021 OCEANE convertible bond was set at €59.81. In accordance with the dividend protection clause included in the terms and conditions of the bond, the conversion rate was adjusted after the dividend distribution in June 2021 and amounts to 1,046 shares, with a nominal value of €5, for one bond (compared to one share for one bond at the date of issue).

If all convertible bonds were converted, the dilution would be 7.0% (as a percentage of share capital ownership).

Other bonds – EURO PP

On 5 May 2020, Nexity SA redeemed the Euro PP bond issued on 5 May 2014 for a nominal amount of €146 million.

Under the terms of the other bond issues, the Group must maintain certain financial ratios (net debt/equity, net debt/EBITDA, EBITDA/cost of borrowing), calculated based on the Group's consolidated financial statements excluding the impact of IFRS 16 *Lease contracts*.

At 31 December 2021, the Group was in compliance with all its financial covenants.

10.2 Loans and borrowings from financial institutions

This item mainly comprises the outstanding capital on credit drawdowns, accrued interest and bank overdrafts.

The Company has syndicated corporate credit facilities of €500 million, maturing on 31 July 2023, unused at 31 December 2021.

The Company also has various credit facilities totalling €130 million, of which €30 million had been used as at 31 December 2021.

€105 million of these loans matures in 2023 and €25 million in 2024.

Under the terms of the corporate credit lines, the Group must maintain certain financial ratios (net debt/equity, net debt/EBITDA, EBITDA/cost of borrowing), calculated based on the Group's consolidated financial statements excluding the impact of IFRS 16 *Lease contracts*.

At 31 December 2021, the Group was in compliance with all its financial covenants.

10.3 Borrowings and financial liabilities

This item essentially comprises:

- Negotiable debt securities in the form of a NEU CP (Negotiable European Commercial Paper) and NEU MTN (Negotiable European Medium Term Notes) for €448.0 million:

<i>(in thousands of euros)</i>	Authorisations	Outstanding
Negotiable European Commercial Paper < 1 year	300,000	217,000
Negotiable European Medium Term Notes > 1 year	300,000	231,000
TOTAL AT 31 DECEMBER 2021	600,000	448,000

- Financial current account advances granted by the direct and indirect subsidiaries as part of the Group's cash centralisation, and shares of losses to be paid, totalling €839.0 million.

INCOME STATEMENT

Note 11 Operating income

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Brand fees	32,856	30,502
Professional assistance fees	31,861	29,019
IT services	40,358	37,225
Rent from sub-lettings and services related to premises	15,155	15,526
Provision of workforce	6,956	6,473
Rebilling of expenses related to free shares	169	11,540
Rebilling of other operating expenses	5,424	5,840
Revenue subtotal	132,779	136,125
Reversals on operating provisions and other income	250	174
Reversals on provisions for free share expense	15,073	15,019
Transfers of charges	3,275	6,568
Capitalised production	19,520	15,993
Other income	152	268
TOTAL OPERATING INCOME	171,049	174,147

Note 12 Operating expenses

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Salaries and social security contributions	(64,789)	(58,555)
Free shares	(15,704)	(23,527)
Rent and related expenses	(19,568)	(18,783)
IT hosting	(13,265)	(10,477)
Fees	(18,627)	(10,913)
Additions to amortisation and depreciation	(16,116)	(14,955)
Additions to impairment of assets	(1,940)	(588)
Additions to provisions: free shares	(2,722)	(15,764)
Additions to provisions: other	(35)	-
Expenses related to the strategic review	(15,500)	-
Other overheads	(67,966)	(57,323)
TOTAL OPERATING EXPENSES	(236,232)	(210,885)

IT hosting was recorded in "Other overheads" for €10,477 thousand in 2020.

Note 13 Analysis of the operating results

The Company generated revenue of €132,779 thousand in 2021 compared to revenue of €136,125 thousand in 2020. The revenue mainly corresponds to invoicing to other Group companies.

99.7% of the revenue is generated in France.

The operating expenses, net of reversals of provisions, which amounted to €236,232 thousand in 2021, compared to €210,885 thousand in 2020, correspond to the costs of the Group's central services and to the holding's overheads.

The operating loss was €65,183 thousand compared to a loss of €36,738 thousand in 2020.

Note 14 Impact of share buyback on the operating results

The net expense for buyback of treasury shares due to be transferred to cover free share awards stood at -€1,592 thousand, compared with an expense of -€6,365 thousand in 2020, and is broken down as follows under different income statement items:

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Rebilling of expenses related to free shares (subsidiary employees)	169	11,540
Revenue subtotal	169	11,540
Reversals on provisions for free share expense (awarded during the financial year)	15,073	15,020
Transfers of charges	1,592	6,365
Total operating income	16,834	32,925
Salaries and social security contributions: securities awarded during the financial year and transferred expenses	(15,704)	(23,526)
Provisions for expenses: delivery commitment	(2,722)	(15,764)
Total operating expenses	(18,426)	(39,290)
NET EXPENSE ON FREE SHARES	(1,592)	(6,365)

Note 15 Financial income

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Dividends and share of profits	206,513	225,987
Reversals of depreciation, amortisation and provisions	37,412	44,852
Gains arising on mergers of assets	15,868	-
Interest on financial current accounts and loans to subsidiaries	15,585	15,475
Other financial income	26	24
TOTAL FINANCIAL INCOME	275,404	286,338

Note 16 Financial expenses

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Additions to depreciation, amortisation and provisions	(106,420)	(74,446)
Additions to amortisation of deferred expenses (loans)	(1,993)	(1,579)
Share of losses	(28,291)	(101)
Losses arising on mergers of assets	(23,605)	-
Interest and commissions on bond issues	(13,326)	(15,802)
Interest and commissions on bank loans	(5,650)	(5,283)
Exchange rate losses	(108)	(11)
TOTAL FINANCIAL EXPENSES	(179,393)	(97,222)

The additions to depreciation, amortisation and provisions are related to the amortisation of equity investments or subsidiary current accounts and other equity securities.

Note 17 Analysis of the net finance income (expense)

The net finance income (expense) totalled €96,011 thousand in 2021, compared to €189,116 thousand in 2020.

The net finance income (expense) is broken down as follows:

- €178,221 thousand in respect of dividends net of losses arising on mergers of assets and liabilities, and shares of income paid to Group subsidiaries and holdings (compared to €225,886 thousand in 2020);
- €7,737 thousand in merger losses (Ywood Gestion and Nexity Blue Office), net of merger gains (Nexity Résidences Gérées);
- -€68,560 thousand in respect of the different movements of additions and reversals on current accounts and equity investments induced by subsidiary profit/(loss) forecasts (compared to -€28,711 thousand in 2020); and
- -€5,370 thousand in respect of finance cash costs (compared to -€7,188 thousand in 2020), resulting from €20,938 thousand in financial expenses for deferred interest and expenses on bank financing and current accounts of subsidiaries lending to Nexity, less €15,568 thousand of net income on disposals of marketable securities and interest on current accounts granted to subsidiaries.

Note 18 Analysis of the non-recurring profit/(loss)

The non-recurring income, which amounted to - €11,218 thousand, mainly takes into account the expense on the buyback of the 2023 OCEANE of €10,040 thousand,

the income from the disposal of non-current assets, the income from the share liquidity contract and derogatory amortisation and depreciation.

Note 19 Employee profit-sharing

The Company is part of an Economic and Social Unit (UES). As such, employee profit-sharing is calculated at the UES level by each company generating profit-sharing. Profit-sharing relating to the employees of the UES is allocated to the expenses of each company employing beneficiary employees.

The profit-sharing relating to employees of the Company estimated for the 2021 financial year (to be paid in 2022) amounted to €393 thousand.

Note 20 Income taxes

As a parent company, the Company has opted for the tax consolidation regime, stipulated in the provisions of Article 223A of the French General Tax Code. Consequently, the Company is the only entity that pays corporate income tax for the entire consolidated tax Group.

The Group's principle is that the Group's consolidation option should be financially neutral for all of the member subsidiaries during the consolidation period.

The income on the line "Income taxes" of €41,080 thousand (compared to €30,091 thousand in 2020) mainly comprises the amount of income tax, the social contribution of 3.3% from each of the subsidiaries consolidated under the income tax deduction (including additional contributions) calculated for the whole Group.

Note 21 Net profit

The Company's net profit amounted to €60,297 thousand (compared to €181,961 thousand in 2020).

ADDITIONAL INFORMATION

Note 22 Analysis by nature of the regulated provisions, depreciation, amortisation and provisions

<i>(in thousands of euros)</i>	31/12/2020	Additions	Reversals	31/12/2021
Derogatory amortisation and depreciation	4,907	610		5,517
Non-recurring amortisation and depreciation	948	368		1,317
Regulated provisions	5,855	978	-	6,833
Provisions for litigation	250	35	(250)	35
Provisions for exchange rate losses	1,818	810	(330)	2,298
Provisions for free shares	19,889	2,722	(15,073)	7,538
Other provisions	18,969	9,047	(6,351)	21,665
Provisions	40,926	12,614	(22,004)	31,536
Amortisation and impairment on concessions, patents and similar rights	2,198		(2,198)	-
Amortisation and impairment on equity investments	186,394	78,110	(20,847)	243,657
Amortisation and impairment on receivables attached to investments	4,317			4,317
Impairment of other equity securities	182	6,387		6,569
Amortisation and impairment on loans	1,987			1,987
Amortisation and impairment on customer accounts	-	1,940		1,940
Other amortisation and impairment	36,397	12,067	(9,853)	38,610
Depreciation and impairment	231,475	98,504	(32,898)	297,080
TOTAL	278,256	112,096	(54,902)	335,450
Operating additions and reversals		4,697	(15,323)	
Financial additions and reversals		106,421	(37,381)	
Non-current additions and reversals		978	(2,198)	
Additions and reversals for income taxes				

Note 23 Schedules of receivables and payables

23.1 Receivables

	Gross amount	Schedule	
<i>(in thousands of euros)</i>	31/12/2021	1 year at most	Over 1 year
Receivables from equity investments	90,033		90,033
Loans	319,481	10,481	309,000
Other financial investments	180,481		180,481
Trade and other receivables	22,830	22,831	
Other receivables	747,569	747,569	
Prepaid expenses	4,120	4,120	
TOTAL RECEIVABLES	1,364,514	785,001	579,514
Amount of loans granted during the financial year	15,194		
Amount of repayments obtained during the financial year	6,120		

23.2 Payables

	Gross amount	Schedule		
	31/12/2021	1 year at most	Over 1 year, less than 5 years	Over 5 years
<i>(in thousands of euros)</i>				
Convertible bonds	440,599	599	200,000	240,000
Bond issues	393,132	2,132	235,000	156,000
Loans and borrowings from financial institutions	30,170	170	30,000	
Negotiable debt securities	448,000	249,400	198,600	
Trade payables	46,797	34,297	12,500	
Tax payable and social security contributions	26,029	26,029		
Liabilities on non-current assets and related accounts	3,524	1,582	1,942	
Group and partners	839,985	839,985		
Other liabilities	2,713	2,713		
Deferred income	-	-		
TOTAL DEBT	2,230,949	1,156,907	678,042	396,000
Loans subscribed during the financial year	270,000			
Loans repaid during the financial year	516,000			

Note 24 Adjustment accounts**24.1 Statement of accrued income**

<i>(in thousands of euros)</i>	31/12/2021
Other financial investments	3,721
Trade and other receivables	8,229
Other receivables	7,036
Cash management	46
TOTAL ACCRUED INCOME	19,032

24.2 Statement of accrued expenses

<i>(in thousands of euros)</i>	31/12/2021
Accrued interest on bond issues	2,806
Borrowings and financial liabilities	29,488
Trade payables	42,962
Tax payable and social security contributions	20,228
Other liabilities	571
Loans and borrowings from financial institutions	169
TOTAL ACCRUED EXPENSES	96,224

Note 25 Analysis of the statement of cash flows and change in net debt

Cash and cash equivalents amounted to €516,032 thousand (excluding treasury shares) at 31 December 2021 (compared to €741,777 thousand at 31 December 2020), down €225,745 thousand mainly due to:

- Cash flows from/(used in) operating activities of €210,647 thousand notably including the cash flow position (€162,391 thousand) plus the decrease in the working capital requirement (€48,256 thousand);
- Net cash from/used in investing activities of - €176,470 thousand, mainly corresponding to - €36,253 thousand in acquisitions of non-current assets, the acquisition of treasury shares for -€20,000 thousand and - €140,217 thousand in changes in financial investments; and
- Net cash flow from/(used in) financing activities of - €259,237 thousand, including in particular, the payment of the dividend of -€110,639 thousand and the net balance of bond and bank financing (-€148,498 thousand).

The Company's net debt amounted to €611,877 thousand (compared to €619,569 thousand in 2020). It corresponds to the amount of bond issues (€863,730 thousand) plus debts (€264,179 thousand) and less gross cash (-€516,032 thousand).

Note 26 Off-statement of financial position commitments

26.1 Commitments given

Related to the current operations of Group subsidiaries

As parent company of Nexity group, the Company guarantees or counter-guarantees some commitments made by its subsidiaries within the normal framework of their activities.

In accordance with the contractual provisions of the syndicated corporate credit facility of July 2018, the Company is jointly and severally liable to lenders for all sums owed to the latter under signed commitments (completion bonds, guarantees, etc.) as part of the €1.6 billion package awarded on behalf of its development subsidiaries.

The following table summarises the other off statement of financial position commitments made in the context of the subsidiaries' activities:

<i>(in thousands of euros)</i>	31/12/2021	31/12/2020
Completion bonds	179,955	201,165
Reservation fees	-	396
Other guarantees on real estate projects	75,565	71,506
Loan guarantees	35,750	-
Liability guarantees	37,090	1,390
Other commitments	20,152	21,077
TOTAL	348,512	295,534

Other commitments given

As part of the tax consolidation agreements, the amount of tax deficits likely to be used by the consolidated subsidiaries would represent an income tax expense of €115.3 million for the Company.

As part of various external growth operations, the Company granted several put options to minority shareholders for

their investments. These options mainly concern Bureaux à Partager, Aegide, Édouard Denis, Accessite and pantera securities. Based on the price or price formulas defined in the contracts and the probable date of execution of the contractual commitments, the discounted amount of these commitments may be estimated at €332.7 million.

26.2 Commitments received

The Company is the beneficiary of liability guarantees totalling €8.9 million in respect of the acquisitions of Némoea, Bureaux à Partager and Accessite.

26.3 Workforce commitments

Pensions

Pension commitments amounted to €2.5 million and are stated according to the updated IAS 19 method.

The main assumptions for calculating employee benefits are based on a retirement departure age of 62 years for

non-managers and 64 years for managers, on the employee's initiative, an average turnover rate of 13.5% and a social security contribution rate of 42%. The mortality table used is that of INSEE 2013/2015, the discount rate at year-end is 0.59% and the salary increase rate at year-end is 2%.

26.4 Deferred and unrealised tax position

Deferred tax position: the temporarily non-deductible provisions and charges generate corporate income tax savings for a total of €18,434 thousand during reversal financial years.

Unrealised tax position: the unrealised tax gains would lead to an increase in corporate income tax expense of €18,798 thousand in the event of the disposal of the concerned assets.

Note 27 Workforce

In 2021, the Company's average headcount was 579, compared with 484 in 2020. The headcount in 2021 includes 29 employees seconded to subsidiaries.

Note 28 Free share plans

A total of 380,152 free shares were vested during the financial year, with all awards satisfied using existing shares, and the shares were transferred to their recipients. At the end of the financial year, the number of free shares in vesting periods amounted to 1,293,240 shares, for all plans.

Vesting of free shares is subject to conditions of presence at the end of the plans and, if applicable, to performance conditions (achievement of a level of operating profit or cumulative EBITDA over the plan's duration, and/or minimum backlog at plan maturity, and/or minimum level of operating income or EBITDA at plan maturity, and/or maximum net debt at plan maturity).

The following table summarises the plans which expired in 2021, and which were ongoing at year-end:

NEXITY PLANS					
<i>(in number of shares)</i>	Awarded	Cancelled	Vested*	Awarded, not cancelled and not vested	Vesting period ends
May 2018 plan for managers	284,950	53,208	231,742	-	Q2 2021
May 2018 plan for all employees	209,070	73,140	135,930	-	Q2 2021
October 2018 plan	24,000	11,100	12,900	-	Q4 2021
May 2019 plan	222,700	34,550	-	188,150	Q2 2022
October 2019 plan	235,500	21,500	-	214,000	Q4 2022
April 2020 plan	48,000	8,000	-	40,000	Q2 2023
May 2020 plan	48,000	24,000	-	24,000	Q2 2023
May 2020 plan	60,000	60,000	-	-	Q2 2023
May 2020 plan for all employees	222,670	44,905	175	177,590	Q2 2023
July 2020 plan	122,400	8,900	-	113,500	Q3 2023
March and April 2021 plan	147,700	-	-	147,700	Q3 2024
May 2021 plan	373,400	7,100	-	366,300	Q3 2024
October 2021 plan	22,000	-	-	22,000	Q4 2024
TOTAL NEXITY PLANS	1,502,370	346,403	380,747	1,293,240	

* Of which 455 from previous years.

The Shareholders' Meeting has granted the Board of Directors the right until 18 July 2022 to allocate 1% of the share capital for free share awards (subject to certain conditions and with a minimum three-year vesting period). A total of 395,400 free shares have been awarded under this authorisation.

The maximum potential dilution (taking into account treasury shares acquired and held to be granted to recipients of free share awards) would be 0.8% (as a percentage of share capital ownership) if all free shares

already awarded were to vest, and 1.1% if the calculation includes all possible free shares not yet awarded.

In 2021, 380,292 free shares were vested, and with all awards satisfied using treasury shares, the shares were transferred to their recipients.

At 31 December 2020, the Company held a total of 858,003 treasury shares, set aside to cover the delivery commitment to employees and to limit the impact of any dilution.

Note 29 Information on related parties

The remuneration of Nexity's directors and executive officers (company officers) amounted to €3,800 thousand in 2021, including €730 thousand of termination benefits.

The remuneration for directors who are neither employees nor company officers amounted to €309 thousand for the 2021 financial year.

Note 30 Events after the reporting period

No significant events occurred between 31 December 2021 and the Board of Directors' meeting of 23 February 2022 convened to approve the financial statements for the period ended 31 December 2021.

Note 31 List of significant subsidiaries and holdings

Name	Share capital	Share held	Gross value Shares	Loans, advances	Revenue
Registered office	Equity other than share capital	Dividends received	Net value Shares	Guarantees	Income
<i>(in thousands of euros)</i>					
1 - Subsidiaries					
1.1 - French subsidiaries (more than 50%)					
NEXITY LOGEMENT	6,562	100.00%	969,558	240,499	2,024
19, rue de Vienne – TSA 60030 – 75801 PARIS CEDEX 08	430,281	79,990	969,558	0	79,678
ISELECTION	2,578	100.00%	154,688	0	85,676
400, promenade des Anglais – 06600 NICE	28,197	20,000	154,688	0	19,265
PERL	3,568	100.00%	143,218	31,945	44,708
115, Rue Réaumur – 75002 PARIS	83,100		143,218	0	690
ÉDOUARD DENIS DÉVELOPPEMENT	32,625	78.00%	119,308	67,139	18,593
2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	13,764	2,219	119,308	-	10,607
NEXITY IMMOBILIER D'ENTREPRISE	150	99.68%	55,909	-	32,913
19, rue de Vienne – TSA 50029 75801 – PARIS CEDEX 08	(12,408)	-	-	-	1,887
NEXITY LAMY	219,388	100.00%	258,632	101,653	210,260
19, rue de Vienne – TSA 10034 – 75801 PARIS CEDEX 08	7,749	-	258,632	-	9,746
ORALIA PARTENAIRES	33,098	100.00%	87,597	-	9,606
94, quai Charles-de-Gaulle – 69006 LYON	4,148	-	87,597	-	(227)
NEXITY PROPERTY MANAGEMENT	11,519	100.00%	30,712	3,642	54,848
2, rue Olympe de Gouges – 92600 ASNIÈRES-SUR-SEINE	26,504		30,712	-	2,143
BUREAUX À PARTAGER	21	57.70%	32,348	4,326	3,697
21, Place de la République – 75003 PARIS	8,455	0	32,348	23,737	218
COMPAGNIE IMMOBILIÈRE ET DIGITALE	29,037	100.00%	29,037	194	-
19, rue de Vienne – TSA 50029 – 75801 PARIS CEDEX 08	15	-	29,037	-	(18)
ACCESSITE	80	90.40%	13,626	0	13,047
35, quai du Lazaret – 13006 MARSEILLE 06	6,368	0	13,626	1	1,313
1.2 - Foreign subsidiaries (more than 50%)					
NEXITY HOLDING ITALIA	17,771	100.00%	50,010	20,426	-
Corso Galileo Ferraris n° 110 – 10129 TURIN – Italy	8,547	0	24,695	4,185	545
NEXITY DEUTSCHLAND	47,150	100.00%	47,153	56,215	-
Carmertstrasse 2, 10623 Berlin – Germany	56,029	-	15,379	-	(148)

Name	Share capital	Share held	Gross value Shares	Loans, advances	Revenue
Registered office	Equity other than share capital	Dividends received	Net value Shares	Guarantees	Income
<i>(in thousands of euros)</i>					
2 – Holdings (10% to 50%)					
3 – Subsidiaries not covered in paragraph 1					
French			180,156	95,020	
		86,893	69,161	167,305	
Foreign			61,832	49,422	
		6,915	46,358	14,272	
4 – Investments not covered in paragraph 2					
French			36,839	10,142	
		8,860	35,133	1,390	
Foreign			32	320	
		-	28	7,000	
5 – Other holdings (less than 10%)			9,550	25	
			9,550		
6 – Overall information					
French subsidiaries			2,157,251	544,797	
		189,102	1,987,867	191,043	
Foreign subsidiaries			158,995	126,063	
		6,915	86,432	18,631	
Equity investments in French companies			46,388	12,214	
		8,860	44,683	1,390	
Equity investments in foreign companies			32	323	
		-	28	7,000	
			2,362,669	683,397	
TOTAL		204,877	2,119,012	218,064	

5.2.3 Statutory Auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Nexity for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of Nexity as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Financial Statements Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014 or in the French code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken for the public health emergency have had many consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we hereby inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments

(Note 5.2 to the financial statements)

Risk identified

Equity investments reported in the company's statement of financial position as at 31 December 2021 at a carrying amount of €2,119 million, represented 51% of the company's total assets. They are recognized at acquisition cost less any applicable impairment observable at year end, as determined by management based on the company's share of the investee's net assets and the investee's profitability outlook.

The profitability outlook of operating subsidiaries is generally determined using the discounted cash flow method, calculated based on the 5-year business plan adopted by management. The business plan includes differentiated growth assumptions depending on the business activity. These assumptions take into account current market conditions, foreseeable changes

thereof, a moderate impact of the Covid-19 pandemic on the slowdown of business, as well as the Company's assumptions regarding changes in the regulatory environment and competitive intensity.

Estimation of the present value of investments requires judgement by management in choosing the elements to be taken into consideration which, for each investment, may be based on historical (net assets) or forward-looking (profitability outlook, in particular in the current context of the Covid-19 pandemic) information.

For these reasons, we considered the measurement of equity investments to be a key audit matter.

Audit procedures in response to the risk identified

To assess the reasonableness of the estimated present values of the equity investments, based on the information provided, our work mainly consisted in verifying that management's estimates were based on appropriate justification of the valuation method applied and financial data used and, depending on the investments, in:

For valuations based on historical data (net assets): verifying that the net asset values used were consistent with the financial statements of the applicable entities subject to an audit or analytical review and that any equity adjustments were backed up by adequate supporting documentation.

For valuations based on forward-looking data (profitability outlook): assessing the approach used to determine the present value of the investments, in particular with regard to:

- The reasonableness of the approach used to determine the 5-year business plan, comparing the prior year's impairment test projections with the current year's results adjusted to factor in the impacts of the Covid-19 pandemic;
- The consistency of the estimated future cash flows used to calculate the present value of the investments with those included in the 5-year business plan presented by management;
- The reasonableness of the applicable discount rate and perpetual growth rate assumptions as assessed by our financial appraisal specialists.

In addition to the assessment of the value in use of the investments, our work also consisted in:

- Assessing the collectability of any associated receivables;
- Verifying the due recognition of a provision for risk in the event of the company being required to absorb the losses of an equity investment with negative equity.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in other documents with respect to the company's financial position and to the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in other documents with respect to the company's financial position and to the financial statements provided to Shareholders.

In accordance with French law, we hereby report that the information relating to payment times referred to in Article D.441-6 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare the financial statements and, where applicable, with the information obtained by your company from controlled companies included in the consolidation scope. Based on these procedures, we attest to the accuracy and fair presentation of the information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we checked this information with the source documents communicated to us. Based on these procedures, we have no observations to make on the information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights have been properly disclosed in the management report.

Other Verifications or Report on Other Legal and Regulatory Requirements

Presentation of the financial statements included in the annual financial report

In accordance with the professional standard applicable in France relating to procedures performed by statutory auditors on annual and consolidated financial statements presented in the European single electronic reporting format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic reporting format defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

Based on our work, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to verify that the annual financial statements that your company actually includes in the annual financial report filed with the AMF match those on which we have worked.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Nexity by the annual general meeting held on 30 April 2008 for Mazars and on 16 October 2003 for KPMG.

As at 31 December 2020, Mazars and KPMG were in the 14th year and 19th year of the total uninterrupted engagement, which are the 14th and 18th years, respectively, since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is intended to liquidate the Company or to cease operations.

The Audit and Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether they represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Financial Statements Committee

We submit a report to the Audit and Financial Statements Committee, which includes a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Financial Statements Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Financial Statements Committee with the statement provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Financial Statements Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 29 March 2022

The Statutory Auditors

KPMG Audit IS

François Plat

Partner

MAZARS

Claire Gueydan-O'Quin

Partner

5.3 ADDITIONAL ITEMS

5.3.1 Information on invoice payment terms

Pursuant to Article L.441-6-1 of the French Commercial Code and its Implementing Decree No. 2015-1553 of 27 November 2015, the table below shows the invoices received and issued that were payable at the statement of financial position date. Invoices that become payable on the reporting date are not included in this table.

179 supplier invoices are payable, representing €0.36 million excluding VAT and 0.3% of purchases.

429 (primarily Group) client invoices are payable, representing €5.9 million and 4.5% of revenue.

	Article D.441 I.-1°: invoices received that were payable at the reporting date but had not been paid					Article D.441 I.-2°: invoices issued that were payable at the reporting date but had not been paid				
(in thousands of euros)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Invoices by number of days past due										
Total number of invoices					179					429
Total amount of these invoices (excl. VAT)	124	5	15	226	360	43	5,008	13	883	5,947
Percentage of the total amount of purchases for the financial year (excl. VAT)	0.1%	0.0%	0.0%	0.2%	0.3%					
Percentage of annual revenue for the financial year (excl. VAT)						0.0%	3.8%	0.0%	0.7%	4.5%
(B) Invoices not included in Section (A) relating to payables or receivables that are disputed or have not been recognised										
Number of invoices excluded	-	-	-	-		-	-	-	-	-
Total amount of the invoices excluded	-	-	-	-		-	-	-	-	-
(C) Reference payment terms used (contractual or statutory pursuant to Article L.441-6 or L.443-1 of the French Commercial Code)										
Information on invoice payment terms used to calculate payment delays	Contractual payment terms: 30 days end of month					Contractual payment terms: 30 days				

NB: Payables and receivables that fall due on the reporting date are not included in the total payables and receivables that are payable.

5.3.2 Non-deductible expenses

In 2021, the Company had expenses of €176,552 as set out by Article 39.4 of the French General Tax Code.

5.3.3 Dividend policy

At its meeting of 23 February 2022, the Board of Directors decided to propose to the Shareholders' Meeting on 19 May 2022 a dividend for the 2021 financial year in the amount of €2.50, i.e. up 25% on the dividend paid out in 2021.

The amount of the dividend in respect of each financial year is assessed in line with the Company's earnings, financial position and any other factors deemed relevant by the Board of Directors.

DIVIDENDS PAID OVER THE PAST FIVE FINANCIAL YEARS

	2020 paid in 2021	2019 paid in 2020	2018 paid in 2019	2017 paid in 2018	2016 paid in 2017
Number of shares ⁽⁴⁾	55,319,399	54,913,288	55,292,734	56,129,724	55,305,044
Dividend per share (in euros)	2.00 ⁽¹⁾	2.00 ⁽¹⁾	2.50 ⁽¹⁾	2.50 ⁽³⁾	2.40 ⁽²⁾
Total amount paid out (in euros)	110,638,798	109,826,576	138,231,835	140,324,310	132,732,106

(1) This amount should be treated in its entirety as a dividend for tax purposes.

(2) This amount is a return of capital (*remboursement d'apport*) in its entirety for tax purposes.

(3) This amount is a return of capital for €1.98 and dividend for €0.52 for tax purposes.

(4) The number of shares means the total number of shares in the share capital less the number of treasury shares held on the ex-dividend date.

5.3.4 Proposal for the allocation and distribution of 2021 earnings

As regards the earnings for the financial year ended 31 December 2021, the Shareholders' Meeting, having satisfied the quorum and majority requirements for Ordinary Shareholders' Meetings, having heard the report of the Board of Directors and having recorded, before assigning the profit for the financial year, that the retained earnings amount is €400,278,678.41 and that the legal reserve of €28,064,862.00 is fully funded:

- Notes that the profit for the 2021 financial year together with the previous year's retained earnings brings the distributable profit for the financial year to €460,575,780.60;
- Decides to pay shareholders €2.50 per share, totalling €140,324,310.00, to be deducted in full from the distributable profit; and
- Decides to allocate the balance of the distributable profit for the financial year, i.e. €320,251,470.60, to the retained earnings.

The total dividend distribution amount set out above is calculated based on the total number of shares making up the Company's share capital as at 31 December 2021, i.e. 56,129,724 shares, which may vary if the number of shares with a dividend entitlement changes between 1 January 2022 and the ex-dividend date, primarily based on the number of treasury shares held and any final free share awards.

If, when these amounts are paid out, the Company should hold any of its own shares in treasury, the amount of any payments not paid out in respect of those shares would be allocated to "Retained earnings".

The sum paid to shareholders (which amounts to €140,324,310.00, or €2.50 per share) comes from the distributable profit, and has the fiscal nature of a dividend.

For individuals domiciled in France for tax purposes, the dividend is subject to income tax at the flat rate of 30% (12.80% corresponding to a flat tax on income and 17.20% for social security contributions) or, at the shareholder's option, the progressive tax scale.

If taxation according to the progressive scale is chosen, the dividend is eligible for the 40% allowance resulting from the provisions of Article 158-3-2° of the French General Tax Code.

The amounts to be paid out would be paid on or after 25 May 2022.

Shareholders' equity after the proposed appropriation and dividend would total €1,765,972,887.95.

The Shareholders' Meeting take note, as necessary, that in accordance with applicable laws and regulations and, where appropriate, the applicable contractual provisions, the Board of Directors will protect the rights of holders of securities giving access to the share capital, taking into account the impact of the distribution of premiums that has just been decided, and will give an account of this to the shareholders in the report that it will present at the next Annual Ordinary Shareholders' Meeting.

In addition, the Shareholders' Meeting acknowledges that the following dividends were distributed in respect of the past three financial years, fully eligible for the allowance referred to in Article 158-3-2° of the French General Tax Code:

Financial year	Number of shares ⁽¹⁾	Dividend per share	Total amount paid out ⁽²⁾
2018	56,129,724	€2.50	140,324,310
2019	56,129,724	€2.00	112,259,448
2020	56,129,724	€2.00	112,259,448

(1) Number of shares outstanding on the date of the Shareholders' Meeting having approved each payment (without deducting the number of any treasury shares not paying a dividend).

(2) Based on the number of shares described in (1) above.

5.3.5 Statutory limitation period

Any dividends not claimed within five years of their payment date are forfeited to the French state.

5.3.6 Table of Nexity's results over the past five financial years

Financial year-end date	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Duration of the financial year (months) (in euros)	12	12	12	12	12
CAPITAL AT THE REPORTING DATE					
Share capital	280,648,620	280,648,620	280,648,620	280,648,620	280,183,620
Number of ordinary shares	56,129,724	56,129,724	56,129,724	56,129,724	56,036,724
Maximum number of new shares issuable					
in respect of conversion rights	8,240,131	8,813,641	8,317,592	7,895,833	4,597,977
in respect of subscription rights	1,293,240	1,315,835	1,321,660	1,379,220	1,012,200
OPERATIONS AND RESULTS					
Pre-tax revenue	132,779,257	136,121,891	126,804,032	116,596,885	98,259,593
Profit (loss) before tax, profit-sharing, depreciation, amortisation and provisions	94,912,467	199,240,383	112,839,720	235,790,799	2,818,328
Corporate income tax	41,080,112	29,985,257	25,882,530	30,242,762	22,570,783
Employee profit-sharing	(393,387)	(224,487)	(376,705)	(160,352)	(260,681)
Net additions/reversals of depreciation, amortisation and provisions	(75,302,090)	(47,040,421)	39,741,822	133,101,078	5,491,281
Net profit	60,297,102	181,960,733	178,087,368	398,974,287	30,619,711
Distributed profit ⁽¹⁾	140,324,310 ⁽²⁾	110,638,798	109,826,576	138,231,835	140,324,310
EARNINGS PER SHARE					
Profit after tax, profit-sharing, and before additions to depreciation, amortisation and provisions	2.42	4.08	2.47	4.74	0.45
Profit after tax, profit-sharing, additions to depreciation, amortisation and provisions	1.07	3.24	3.17	7.11	0.55
Dividend paid	2.50 ⁽²⁾	2.00	2.00	2.50	2.50
WORKFORCE					
Average headcount	579	484	411	359	309
Salaries and wages	42,295,567	40,063,632	36,649,803	31,669,650	28,588,324
Amount paid in employee benefits (social security, social benefits, etc.)	21,660,779	18,340,665	17,164,949	15,550,269	13,856,190

(1) Based on the number of shares outstanding on the date of the Shareholders' Meeting (without deducting the number of any treasury shares not paying a dividend) and for 2021, on the date of publication of the 2021 URD.

(2) Subject to approval at the Shareholders' Meeting of 18 May 2022.

5.4 ITEMS UNDER OPERATIONAL REPORTING

The financial data and indicators in this section below correspond to Nexity's operational reporting, with joint ventures proportionately consolidated and their reconciliation with the IFRS standards. Nexity continues to

apply proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group's performance and risks, in terms of working capital requirement and debt.

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2021

<i>(in millions of euros)</i>	31/12/2021 IFRS	Restatement of joint-ventures	31/12/2021 Operational reporting	Restatement of disposed activities	Restatement of non-recurring items	31/12/2021 Operational reporting before non-recurring items on the new scope
Revenue	4,468.4	368.2	4,836.5	(211.3)		4,625.2
Operating expenses	(3,927.8)	(329.5)	(4,257.2)	169.9		(4,087.3)
Dividends received from equity-accounted investments	22.2	(22.2)	-	-		-
EBITDA	562.9	16.5	579.3	(41.4)		537.9
Lease payments	(182.6)	-	(182.6)	55.9		(126.7)
EBITDA after lease payments	380.2	16.5	396.7	14.5		411.2
Restatement of lease payments	182.6	-	182.6	(55.9)		126.7
Depreciation of right-of-use assets	(124.8)	-	(124.8)	0.0		(124.8)
Depreciation, amortisation and impairment of non-current assets	(32.8)	0.0	(32.8)	0.4		(32.4)
Net change in provisions	2.5	(0.1)	2.3	(0.7)		1.6
Share-based payments	(12.1)	-	(12.1)	0.3		(11.8)
Dividends received from equity-accounted investments	(22.2)	22.2	-	-		-
Current operating profit	373.4	38.6	412.0	(41.4)		370.6
Capital gains on disposal	115.6	-	115.6		(115.6)	-
Operating profit	489.0	38.6	527.6	(41.4)	(115.6)	370.6
Share of net profit from equity-accounted investments	31.1	(31.1)	-	-		-
Operating profit after share of net profit from equity-accounted investments	520.1	7.5	527.6	(41.4)		486.2
Cost of net financial debt	(42.6)	(3.0)	(45.6)	2.2		(43.4)
Other financial income/(expenses)	(16.4)	(0.8)	(17.3)	-		(17.3)
Interest expense on lease liabilities	(24.5)	-	(24.5)	10.4		(14.1)
Net financial income/(expense)	(83.5)	(3.9)	(87.4)	12.6		(74.8)
Pre-tax recurring profit	436.6	3.6	440.2	(28.8)	(115.6)	295.8
Income tax	(98.1)	(3.6)	(101.7)	7.2		(94.5)
Share of profit/(loss) from other equity-accounted investments	(2.0)	-	(2.0)	-		(2.0)
Consolidated net profit	336.5	(0.0)	336.5	(21.6)	(115.6)	199.3
Attributable to non-controlling interests	11.6	0.0	11.6	-		11.6
Attributable to equity holders of the parent company	324.9	(0.0)	324.9	(21.6)	(115.6)	187.7
<i>(in euros)</i>						
Net earnings per share	5.85		5.85			3.38

SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

ASSETS				
<i>(in millions of euros)</i>	31/12/2021 IFRS	Restatement of joint ventures	31/12/2021 Operational reporting	31/12/2020 Restated Operational reporting*
Goodwills	1,356.5	-	1,356.5	1,484.0
Other non-current assets	817.6	0.1	817.7	659.9
Equity-accounted investments	124.9	(62.4)	62.5	1.0
Total non-current assets	2,299.0	(62.3)	2,236.7	2,144.8
Net WCR	943.8	175.1	1,118.9	681.8
Net assets held for sale	-	-	-	73.3
TOTAL ASSETS	3,242.8	112.8	3,355.6	2,899.9
LIABILITIES AND EQUITY				
<i>(in millions of euros)</i>	31/12/2021 IFRS	Restatement of joint ventures	31/12/2021 Operational reporting	31/12/2020 Restated Operational reporting*
Share capital and reserves	1,603.6	0.0	1,603.6	1,611.8
Net profit for the period	324.9	(0.0)	324.9	113.0
Equity attributable to equity holders of the parent company	1,928.6	0.0	1,928.6	1,724.8
Non-controlling interests	19.6	0.0	19.6	9.2
Total equity	1,948.2	0.0	1,948.2	1,734.1
Net debt	1,122.1	101.7	1,223.8	1,015.4
Provisions	102.4	1.8	104.2	105.8
Net deferred tax	70.2	9.2	79.5	44.6
TOTAL LIABILITIES AND EQUITY	3,242.8	112.8	3,355.6	2,899.9

* 2020 figures have been restated following the IFRS IC decision of March 2021 on the costs of software used in SaaS mode

NET DEBT AT 31 DECEMBER 2021

<i>(in millions of euros)</i>	31/12/2021 IFRS	Restatement of joint ventures	31/12/2021 Operational reporting	31/12/2020 Operational reporting
Bond issues (incl. accrued interest and arrangement fees)	806.3	-	806.3	997.0
Loans and borrowings	865.7	89.6	955.3	917.2
Loans and borrowings	1,672.0	89.6	1,761.6	1,914.2
Other financial receivables and payables	(133.0)	137.7	4.7	(7.3)
Cash and cash equivalents	(1,061.6)	(142.5)	(1,204.2)	(1,427.5)
Bank overdraft facilities	19.2	16.9	36.2	71.0
Net cash and cash equivalents	(1,042.4)	(125.6)	(1,168.0)	(1,356.5)
NET FINANCIAL DEBT BEFORE LEASE LIABILITIES	496.6	101.7	598.3	550.4
Lease liabilities	625.5	-	625.5	465.0
TOTAL NET DEBT	1,122.1	101.7	1,223.8	1,015.4

SIMPLIFIED STATEMENT OF CASH FLOWS AT 31 DÉCEMBRE 2021

<i>(in millions of euros)</i>	31/12/2021 IFRS (12-month period)	Restatement of joint ventures	31/12/2021 Operational reporting	31/12/2020 Restated Operational reporting*
Consolidated net profit	336.5	(0.0)	336.5	119.2
Elimination of non-cash income and expenses	2.5	31.5	34.0	256.3
Cash flow from operating activities after interest and tax expenses	338.9	31.5	370.4	375.5
Elimination of net interest expense/(income)	67.1	3.0	70.1	81.2
Elimination of tax expense, including deferred tax	96.5	3.6	100.1	68.6
Cash flow from operating activities before interest and tax expenses	502.5	38.1	540.7	525.4
Repayment of lease liabilities	(182.6)	-	(182.6)	(206.8)
Cash flow from operating activities after lease payments but before interest and tax expenses	319.9	38.1	358.0	318.6
Change in operating working capital	(318.5)	(86.6)	(405.1)	393.7
Dividends received from equity-accounted investments	22.2	(22.2)	-	-
Interest paid	(33.0)	(3.0)	(36.0)	(35.6)
Tax paid	(75.8)	(6.4)	(82.2)	(51.7)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(85.1)	(80.1)	(165.3)	625.0
Net cash from/(used in) net operating investments	(53.4)	(0.0)	(53.4)	(66.6)
Free cash flow	(138.5)	(80.1)	(218.6)	558.4
Acquisitions of subsidiaries and other changes in scope	211.9	(0.2)	211.7	(39.9)
Reclassification IFRS 5	-	-	-	(62.5)
Other net financial investments	(20.9)	0.5	(20.3)	(7.1)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	191.1	0.3	191.4	(109.5)
Dividends paid to equity holders of the parent company	(110.6)	-	(110.6)	(109.8)
Other payments to/(from) minority shareholders	(48.1)	-	(48.1)	(43.5)
Net disposal/(acquisition) of treasury shares	(18.1)	-	(18.1)	(22.2)
Change in financial receivables and payables (net)	(86.9)	102.3	15.4	(24.5)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(263.8)	102.3	(161.4)	(200.0)
Impact of changes in foreign currency exchange rates	0.2	-	0.2	(1.0)
CHANGE IN CASH AND CASH EQUIVALENTS	(211.0)	22.5	(188.5)	247.9

* 2020 figures have been restated following the IFRS IC decision of March 2021 on the costs of software used in SaaS mode.

CAPITAL EMPLOYED

	2021					
	Total excl. right-of-use assets	Total incl. right-of-use assets	Non-current assets	Right-of-use assets	WCR	Goodwill
<i>(in millions of euros)</i>						
Development	1,086	1,135	33	49	1,053	
Services	179	678	104	499	75	
Other Activities and not attributable	1,430	1,463	82	33	(9)	1,356
GROUP CAPITAL EMPLOYED	2,694	3,276	219	582	1,119	1,356

	2020 restated					
	Total excl. right-of-use assets	Total incl. right-of-use assets	Non-current assets	Right-of-use assets	WCR	Goodwill
<i>(in millions of euros)</i>						
Development	752	795	33	43	718	
Services	150	521	101	371	49	
Other Activities and not attributable	1,448	1,465	49	17	(85)	1,484
GROUP CAPITAL EMPLOYED	2,350	2,781	184	431	682	1,484

5.5 TRENDS

5.5.1 Economic uncertainties

The Group's business activity and results will remain subject to the uncertainties related to the possible materialisation of the various risks relating to its economic, legislative, fiscal and competitive environment outlined in Chapter 2 - Risk management of this Universal registration document, and in particular:

- Changes in the economic environment and economic conditions (including the impact of the Covid-19 health crisis and the geopolitical situation in Ukraine);
- Deterioration of household creditworthiness and more difficult access to credit;
- The evolution of fiscal schemes for home ownership or tax incentives;
- Changes in regulatory constraints or tax provisions; and
- Changes in interest rates.

5.5.2 Recent developments

The war in Ukraine has changed the geopolitical context and has an impact on economic activity. Nexity, which operates in France, has no direct exposure in Russia or Ukraine. The Group is closely monitoring changes in the situation, the consequences of which could result in an

acceleration of the rise in inflation, particularly in the cost of raw materials, interest rates or disruptions in supply chains. At this stage, the Group does not have sufficient information to measure the potential negative impact on its business.

5.5.3 Development Pipeline at 31 December 2021

The development pipeline represents €20.7 billion in revenue at the end of 2021, corresponding to more than five years of business activity. This figure includes:

- The backlog, which remains at its highest historical levels at €6.5 billion; and
- The business potential for €14.2 billion, which illustrates the Group's ability to prepare for future growth.

5.5.4 Outlook

Dividend for the year 2021

Nexity's Board of Directors will propose to the Shareholders' Meeting to be held on 18 May 2022 the distribution of a dividend of €2.50 per share, paid in cash, for the 2021 financial year, up 25% compared to 2020. This dividend reflects the confidence of Nexity's Board of Directors in the Group's prospects and the strength of its financial position. If this distribution proposal is approved, the dividend will be detached from the share on 23 May 2022 and will be payable on 25 May 2022.

2022 guidance

- **Targeted market share above 14%** in a new home market expected to grow slightly (c.150,000 units); and
- Maintaining **operating margin at around 8%**, with a current operating profit of **at least €380 million**.

Information about the issuer



6.1	GENERAL INFORMATION	336	6.5	PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	341
6.2	HISTORY OF THE COMPANY	336	6.6	STATUTORY AUDITORS	341
6.3	ORGANISATION STRUCTURE	337	6.6.1	PRINCIPAL STATUTORY AUDITORS	341
6.4	SHAREHOLDER INFORMATION	340	6.6.2	FEES PAID TO THE STATUTORY AUDITORS	341
6.4.1	NEXITY SHARES	340	6.7	CROSS-REFERENCE TABLES	342
6.4.2	BREAKDOWN OF SHARE CAPITAL AT 31 DECEMBER 2021	340	6.7.1	CROSS-REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT IN ACCORDANCE WITH DIRECTIVE (EU) NO. 2017/1129 ("PROSPECTUS 3")	342
6.4.3	SHAREHOLDER AND INVESTOR RELATIONS	340	6.7.2	CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT (INCLUDING THE CORPORATE GOVERNANCE REPORT)	344
6.4.4	FINANCIAL CALENDAR	341	6.7.3	CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT	346
6.4.5	INVESTOR RELATIONS CONTACT	341			



6.1 GENERAL INFORMATION

Company name

The Company's corporate name is Nexity.

Place of registration of the issuer and its registration number

The Company is listed in the Paris Trade Register under number 444 346 795.

The registered office SIRET (business premises) number is 444 346 795 00057. The Company's APE (business activity) code is 7010 Z.

LEI France Register

The Company's LEI code is 969500JJ71T2DIPDVV84.

Date of incorporation and length of life of the issuer

The Company was incorporated on 21 November 2002 under the name "Maine Equity Capital 10" and was listed in its local trade register on 5 December 2002.

The length of the Company's life is ninety-nine years from the date of its registration, unless this term of existence is extended or the Company is liquidated at an earlier date.

Registered office, legal form and applicable legislation

The address of the Company's registered office is: 19, rue de Vienne TSA 50029 – 75801 Paris Cedex 08 (France). Phone: +33 (0)1 85 55 12 12.

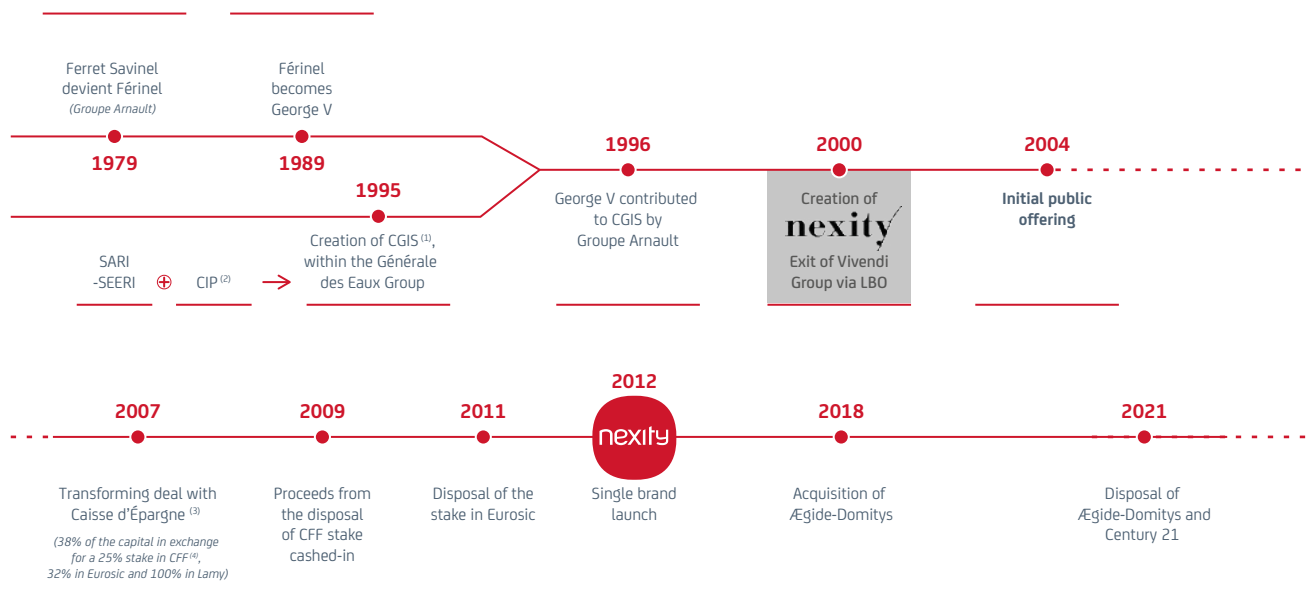
The Company is a French public limited company (*société anonyme*) with a Board of Directors, regulated in particular by the provisions of Book II of the French Commercial Code.

Available documents

The Company's press releases and annual reports – including historical financial information about the Company – are available on the Company's website: www.nexity.fr. Copies may also be obtained from Nexity's registered office at 19, rue de Vienne – TSA 50029 – 75801 Paris Cedex 08 (France).

The Company's Articles of Association as well as the minutes of Shareholders' Meetings, the Statutory Auditors' reports, a list of subsidiaries, the parent company financial statements and any other corporate documentation may be consulted at the Company's registered office.

6.2 HISTORY OF THE COMPANY



(1)Compagnie Générale d'Immobilier et de Services

(2)Compagnie Immobilière Phénix

(3)Holding of approximately 40% of Nexity's capital until 2015

(4)Crédit Foncier de France

Nexity, was created in 2000 following the sale by Vivendi that year of part of the activities of CGIS, combined with Nexity SA. The sale, undertaken by Vivendi for strategic reasons, was made in the form of a leveraged buyout (LBO) to certain executives of CGIS and three financial investors (CDC Entreprises FCPR, LBO France and Lehman Brothers). Nexity was listed on the Paris stock exchange on 21 October 2004.

In 2007, the Group completed a transformative transaction with the BPCE group (exchanging approximately 40% of its share capital in exchange for a stake in Lamy, Crédit Foncier de France (CFF)) and Eurosic, the latter two companies having been sold in 2009 and 2011 respectively. Between 2015 and the first quarter of 2016, BPCE group gradually sold its entire stake.

6.3 ORGANISATION STRUCTURE

Below is an organisation chart covering the Company's main subsidiaries (showing the percentage of capital held) at 1 March 2022. Voting rights correspond to the percentage of share capital held.

A list of the main consolidated companies is provided in Note 37 to the Group's consolidated financial statements, set out in Section 5.1 "Consolidated financial statements at 31 December 2021" of this Universal registration document. The full list is available on request from the Investor Relations Department (investorrelations@nexity.fr).

The parent company pools the cash from a majority of the Group's subsidiaries and manages the Group's central functions. It also holds the Nexity trademark. As part of its management assistance agreements, Nexity charges its subsidiaries management fees. It also charges them royalties for using the Nexity trademark, where applicable. Intra-Group agreements are signed under market conditions.

From 2012 onwards, Nexity has been moving towards becoming a service platform by expanding its territorial coverage and product range, notably through targeted acquisitions designed to complement its businesses, such as: Oralia in 2014 in property management for companies and PERL in social housing usufruct solutions, the ED group in 2016 or more recently majority stakes in Morning (in 2018, the leader in coworking in the Paris region), Accessite (in 2019, a specialist in retail space management) or pantera AG (in 2020, a German real estate developer).

Where a lease is taken up for an office building occupied by more than one subsidiary, the lease is generally signed by the Company that occupies the largest surface area. Annually renewable subleases are signed with the various subsidiaries occupying the premises, and rental payments and charges are re-invoiced in proportion to each company's actual usage.

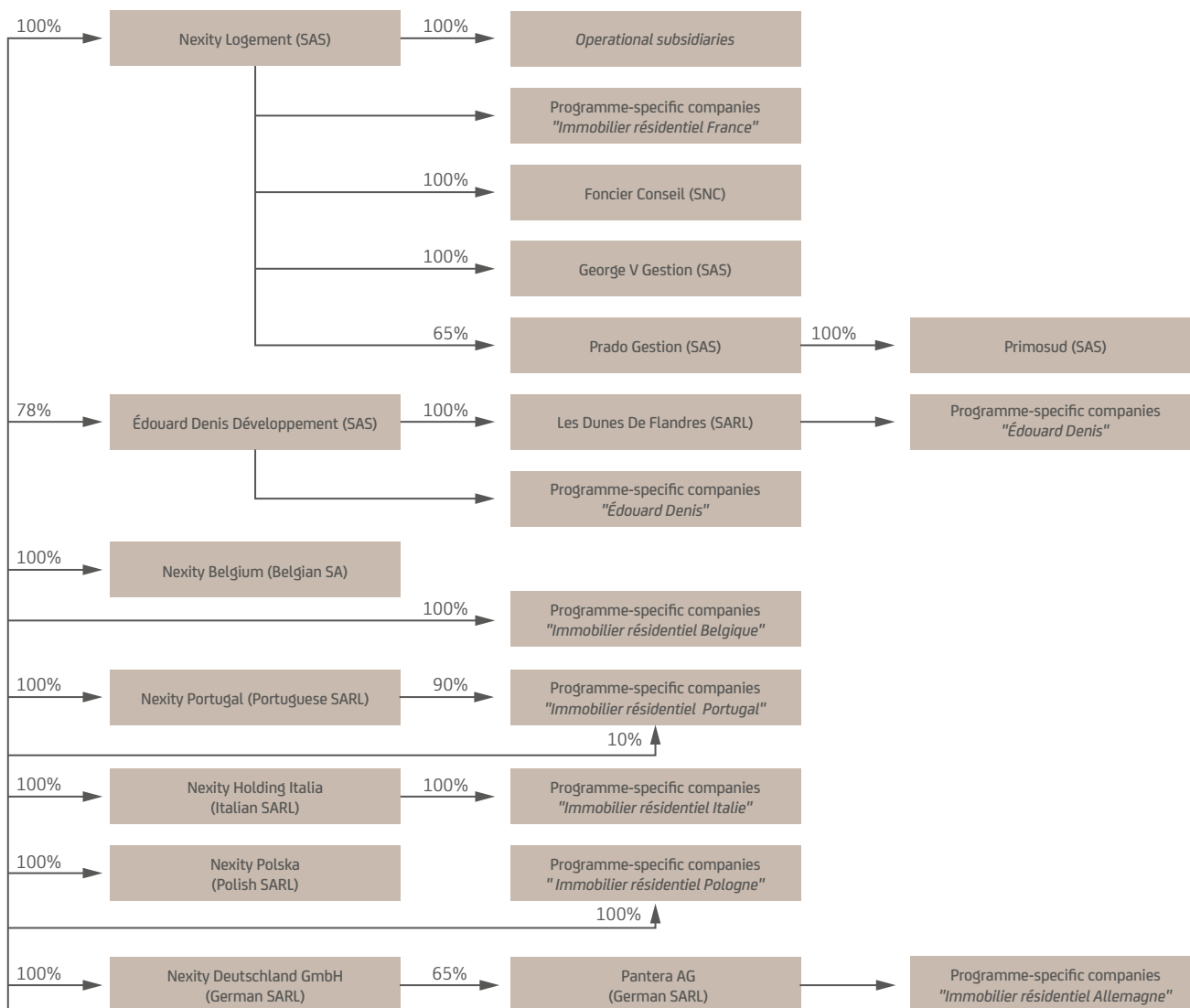
For more information on the related-party agreements between the Company and its significant subsidiaries, see Section 4.3 "Related-party transactions" of this Universal registration document.

Certain real estate development operations may be carried out in partnership. A prior financial analysis of the associates is made in accordance with the size of the project (see Section 1.11 "Material contracts" of this Universal registration document).

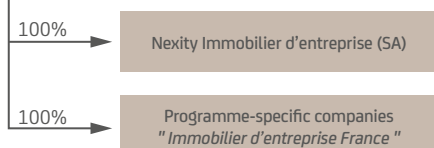
The Group does not hold any subsidiaries where the presence of non-controlling interests would represent a risk for its overall business or financial structure. See Section 4.10.8 "Conditional or unconditional options or agreements over the capital of any Group member" of this Universal registration document.

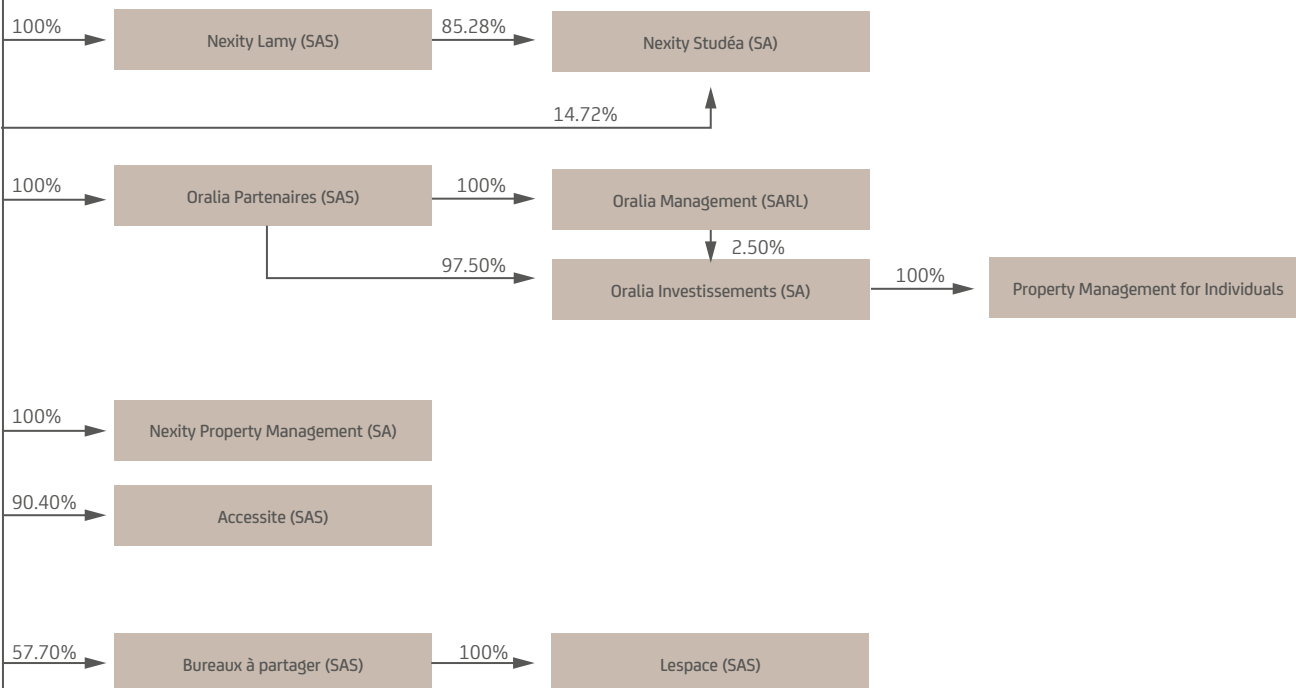
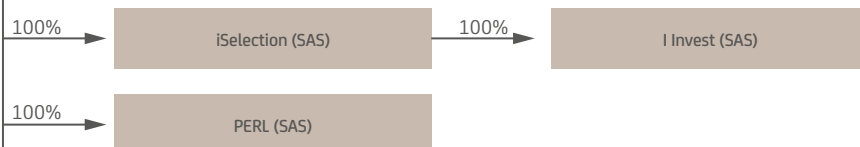
NEXITY (SA)

Residential Real Estate Development



Commercial Real Estate Development



NEXITY (SA)**Services***Distribution***Other Activities***Local Authority Clients**Innovation Ventures*

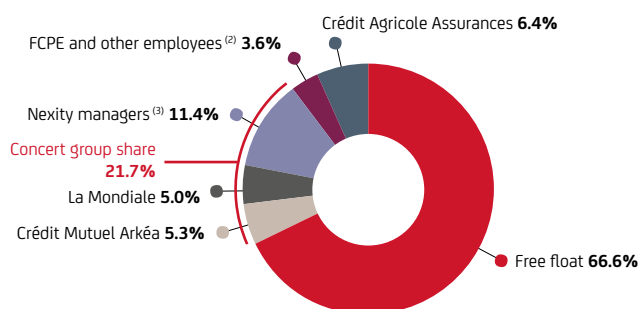
6.4 SHAREHOLDER INFORMATION

6.4.1 Nexity shares

Listing market	Euronext Paris, compartment A, eligible for the deferred settlement system (SRD)
Initial public offering	21 October 2004 at the price of €17.90 per share
Indices	SBF 80 SBF 120 CACMid60 CAC Mid & Small CAC All Tradable
Codes	Ticker symbol: NXI Reuters: NXI.PA Bloomberg: NXI:FP ISIN: FR 0010112524
Number of shares outstanding at 31 December 2021	56,129,724
Market capitalisation at 31 December 2021	€2,320 million

6.4.2 Breakdown of share capital at 31 December 2021

31 December 2021
56,129,724 shares ⁽¹⁾



⁽¹⁾ O/w Treasury shares: 917,554 shares (1.6%)

⁽²⁾ O/w FCPE Nexity Actions and Nexity Levier 2017: 3.0%

⁽³⁾ A. Dinin, New Port (5.1%) and other Nexity managers belonging to the concert group

6.4.3 Shareholder and investor relations

Nexity has agreed to issue regular communications about its business activities, strategy and outlook for its individual or institutional shareholders and, more generally, the financial community.

The Shareholders' Meeting approving the 2020 financial statements was held behind closed doors on 19 May, given the health measures in force, but the filmed transcript was available on the Company's website as of the end of the meeting.

During the 2021 financial year, Nexity's management and the Investor Relations Department had nearly 300 contacts with analysts and investors, notably during roadshows, conferences or meetings. These were mainly held in the form of conference calls or videoconferences, given the measures limiting travel due to the pandemic.

6.4.4 Financial calendar

27 April 2022: Q1 2022 business activity and revenue

18 May 2022: Shareholders' Meeting

27 July 2022: 2022 half-year results

26 October 2022: Q3 2022 business activity and revenue

6.4.5 Investor Relations contact

investorrelations@nexity.fr / Phone: +33 (0)1 85 55 15 80

Address: Nexity – 19, rue de Vienne – TSA 50029 – 75801 Paris Cedex 08 (France)

6.5 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person responsible for the information contained in this report

Ms Véronique Bédague, Chief Executive Officer

Statement by the person responsible for the information contained in this report

I declare, to the best of my knowledge and having taken all reasonable care to ensure that such is the case, that the information contained in this Universal registration document is in accordance with the facts and does not omit anything likely to affect the import of said information.

I confirm, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all consolidated entities. I also confirm that the management report whose sections are shown on pages 344 to 345 presents a true and fair view of the business developments, the results of operations and the financial position of the Company and of all consolidated entities, as well as a description of the main risks and uncertainties that they face.

Paris, 6 April 2022

Véronique Bédague

Chief Executive Officer

6.6 STATUTORY AUDITORS

6.6.1 Principal Statutory Auditors

KPMG Audit IS SAS

Tour Egho, 2, avenue Gambetta – CS 60055 – 92066 Paris La Défense Cedex (France)

Represented by Mr François Plat.

Appointed by the Combined Shareholders' Meeting of 19 May 2020 (first appointment was on 16 October 2003), for a term of office expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2025.

Mazars

61, rue Henri Regnault – Tour Exaltis – 92075 Paris La Défense Cedex (France)

Company represented by Ms Claire Gueydan-O'Quin.

Appointed by the Combined Shareholders' Meeting of 19 May 2020 (first appointment was on 30 April 2008), for a term of office expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2025.

6.6.2 Fees paid to the Statutory Auditors

The fees paid by the Group to the Statutory Auditors are broken down in Note 34 to the Group's consolidated financial statements, set out in Section 5.1 of this Universal registration document.

6.7 CROSS-REFERENCE TABLES

6.7.1 Cross-reference table of the Universal registration document in accordance with Directive (EU) No. 2017/1129 (“Prospectus 3”)

	Item of Annex 1 of Commission Delegated Regulation (EC) No. 2019/980	Section	Page number
1.	Persons responsible, third-party information, report from experts and approval of the competent authority		
1.1.	Persons responsible	§6.5	341
1.2.	Declaration by those responsible	§6.5	341
1.3.	Third-party information, statements by experts	N/A	N/A
1.4.	Other certification in the event of information from third parties	N/A	N/A
1.5.	Statement regarding the approval of the document	N/A	N/A
2.	Statutory Auditors	§6.6	341
2.1.	Contact details		
2.2.	Changes		
3.	Risk factors	Chapter 2	47-76
4.	Information about the issuer		
4.1.	Legal and commercial name of the issuer	§6.1	336
4.2.	Place of registration of the issuer, registration number and LEI	§6.1	336
4.3.	Date of incorporation and length of life of the issuer	§6.1	336
4.4.	Registered office and legal form of the issuer	§6.1	336
5.	Business overview		
5.1.	Principal activities	Life Together §1.5, §1.6 & §1.7	2-3 25-42
		§1.2, §1.5, §1.6 & §1.7	11-14, 25-42
5.2.	Principal markets	N/A	N/A
5.3.	Important events in the development of the issuer's business	Life Together	2-3
5.4.	Strategy and objectives	§1.1 & §1.3	7-11, 15-20
5.5.	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts, or new manufacturing processes	N/A	N/A
5.6.	Competitive position	Life Together §1.5, §1.6 & §1.7	2-3 25-42
5.7.	Investments	§1.9	43-45
6.	Organisation structure		
6.1.	Description of the Group	§6.3	337-339
6.2.	List of the major subsidiaries	§5.1.2 Note 37 §6.3	290-293 337-339
7.	Operating and financial review		
7.1.	Financial position	§1.4, §1.5, §1.6 & §1.7	20-42
7.2.	Operating results	§1.4, §1.5, §1.6 & §1.7	20-42
8.	Capital resources		
8.1.	Information concerning the issuer's capital resources	§1.4	24
8.2.	Cash flows	§1.4	23
8.3.	Financing requirement and structure	§1.4	24
8.4.	Restrictions on the use of capital resources	N/A	N/A
8.5.	Anticipated sources of funds	§1.4	24
9.	Regulatory environment	§1.10	45-46
10.	Trends	§5.5	332-333
11.	Profit forecasts or estimates	§5.5	332-333
12.	Board practices		
12.1.	Information about administrative and management bodies	§4.1	155-177
12.2.	Conflicts of interest involving administrative, management and supervisory bodies and senior management	§4.1.6	177
13.	Remuneration and benefits		
13.1.	Amount of remuneration paid and benefits in kind granted	§4.4	194-224
13.2.	Total amounts provisioned or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits	§4.4	194-224

	Item of Annex 1 of Commission Delegated Regulation (EC) No. 2019/980	Section	Page number
14.	Board practices		
14.1.	Terms of office of members of administrative, management and supervisory bodies	§4.1.2 to §4.1.4	159-176
14.2.	Information about service contracts of members of the administrative, management or supervisory bodies	§4.3	189-193
14.3.	Information about the issuer's Audit Committee and Remuneration Committee	§4.2.6	183-186
14.4.	Statement as to whether or not the issuer complies with the applicable corporate governance regime	§4.2.9	188
14.5.	Potential significant impacts on corporate governance	Chapter 4	153-240
15.	Employees		
15.1.	Number of employees	§3.4	115-116
15.2.	Shareholdings and stock options	§3.4.1	119-123
		§4.9	227-229
15.3.	Employee shareholding arrangements	§3.4.1	119-123
		§4.9	227-229
16.	Major shareholders		
16.1.	Names and ownership interests of major shareholders	§4.9	227-229
16.2.	Different voting rights	§4.10	230-235
16.3.	Control of the issuer	§4.9	227-229
16.4.	Agreements whose implementation may result in a change in control	§4.10	230-235
17.	Related-party transactions	§4.3	189-193
		§5.1.2 Note 35	289
		§5.1.2 Note 29	319
18.	Financial information concerning the issuer's assets and liabilities, financial position and the issuer's profit (loss)		
18.1.	Historical financial information		Incorporated by reference
18.2.	Interim and other financial information	N/A	N/A
18.3.	Audit of annual historical financial information	§5.1.3	294-297
18.4.	<i>Pro forma</i> financial information	§5.2.3	322-325
18.5.	Dividend policy	N/A	N/A
18.6.	Legal and arbitration proceedings	§5.3.3	326
18.7.	Significant change in the financial position	§2.5	75
		N/A	N/A
19.	Additional information		
19.1.	<i>Share capital</i>	§4.10.1	230
19.1.1.	<i>Amount of issued capital and number of shares</i>	§4.10.1	230
19.1.2.	<i>Shares not representing capital</i>	§4.10.2	230
19.1.3.	<i>Treasury shares</i>	§4.10.3	230-231
19.1.4.	<i>Convertible securities, exchangeable securities or securities with warrants</i>	§4.10.5	234
19.1.5.	<i>Terms of any acquisition rights and/or obligations over authorised but unissued capital or of an undertaking to increase the capital</i>	§4.10.6	234
19.1.6.	<i>Information on the capital of any Group member subject to an option or conditional or unconditional agreement to place it under option</i>	§4.10.8	235
19.1.7.	<i>Share capital history</i>	§4.9	227-228
19.2.	Memorandum and Articles of Association	§4.11	235-239
19.2.1.	<i>Corporate purpose</i>	§4.11.1	235
19.2.2.	<i>Rights and restrictions attached to shares</i>	§4.11.3	236
19.2.3.	<i>Requirements that may have an effect of delaying, deferring or preventing a change in control of the issuer</i>	N/A	N/A
20.	Material contracts	§1.11	46
24.	Available documents	§6.4	340-341

6.7.2 Cross-reference table for the management report (including the corporate governance report)

The cross-reference table below enables the main elements of the management report of the Company and the Group to be identified, as required by the French Commercial Code.

The management report to which the Corporate Governance Report is attached was approved by Nexity's Board of Directors on 29 March 2022.

Required items	Section	Page number
Position and business activity		
Position of the Company during the past financial year and analysis of the change of the business, the results and the financial position of the Company and the Group, in particular its debt, the volume and complexity of the business (L.225-100-1, I 1° and L.232-1 of the French Commercial Code)	\$1.4	20-24
Key financial performance indicators (L.225-100-1, I 2° of the French Commercial Code)	\$1.4	20-24
Key non-financial performance indicators relating to the Group's specific business activity, in particular information relating to environmental and workforce issues (L.225-100-1, L.225-102-1 and R.225-104 of the French Commercial Code)	Chapter 3	77-152
Significant events occurring between the reporting date of the financial year and the date on which the management report is prepared (L.232-1, II and L.233-26 of the French Commercial Code)	\$5.2.2 Note 30 \$5.5.2	330 332
Identity of the main shareholders and holders of voting rights at Shareholders' Meetings, and changes made during the financial year (L.233-13 of the French Commercial Code)	\$4.9 and \$4.10	227-235
Existing branches (L.232-1, II of the French Commercial Code)	\$5.1.2 Note 1.2 \$6.3	247 337-339
Significant equity stakes or acquisitions of control in companies with their registered office in France (L.233-6 para. 1 of the French Commercial Code)	\$5.1.2 Note 1.2 \$6.3	247 337-339
Disposals of cross-shareholdings	N/A	N/A
Foreseeable changes in the Company's and the Group's position and future outlook (L.232-1, II and L.233-26 of the French Commercial Code)	\$5.5 \$5.1.2	332-333 247-293
Research and development activities (L.232-1, II and L.233-26 of the French Commercial Code)	\$1.9	43-45
Table of Company results over the past five financial years (R.225-102 of the French Commercial Code)	\$5.3.6	328
Information on supplier payment terms (D.441-4 of the French Commercial Code)	\$5.3.1	326
Amount of inter-company loans granted and Statutory Auditor's statement	N/A	N/A
Internal control and risk management		
Main risks and uncertainties facing the Company (L.225-100-1, I 3° of the French Commercial Code)	Chapter 2	47-76
Financial risks related to the effects of climate change and measures taken by the Company (L.22-10-35, 1° of the French Commercial Code)	\$3.1.2	84-87
Main characteristics of the internal control and risk management procedures implemented by the Company and the Group for the preparation and processing of financial information (L.22-10-35, 2° of the French Commercial Code)	Chapter 2	47-76
Objectives and hedging policy and the Company's exposure to price, credit, liquidity and cash risks, including the use of financial instruments (L.225-100-1, I 4° of the French Commercial Code)	\$2.2.2.5 \$5.1.2 Note 24	71 276-277
Anti-corruption system	\$2.3	72-73
Duty of care plan and report on its effective implementation	\$3.1.2.3	88-90
Corporate governance	Chapter 4	153-240
Remuneration policy for company officers (L.22-10-8, I., paragraph 2 of the French Commercial Code)	\$4.4.2	216-224
Remuneration and benefits of any kind paid during the financial year or awarded in respect of the financial year to each company officer (L.22-10-9, I., 1° of the French Commercial Code)	\$4.4.1	194-215
Relative proportion of fixed and variable remuneration (L.22-10-9, I., 2° of the French Commercial Code)	\$4.4.1 \$4.4.2	194-215 216-224
Use of the option to request the return of variable remuneration (L.22-10-9, I., 3° of the French Commercial Code)	\$4.4.2	216-224
Commitments of any kind made by the Company for the benefit of its company officers, corresponding to components of remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties, or after they are performed (L.22-10-9, I., 4° of the French Commercial Code)	\$4.4.1 \$4.4.2	194-215 216-224
Remuneration paid or awarded by a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code (L.22-10-9, I., 5° of the French Commercial Code)	\$4.4.1	194-215
Ratios between the level of remuneration of each executive company officer and the average and median remuneration of the Company's employees (L.22-10-9, I., 6° of the French Commercial Code)	\$4.4.1	213-214
Annual change in remuneration, the Company's performance, the average remuneration of the Company's employees and the aforementioned ratios over the five most recent financial years (L.22-10-9, I., 7° of the French Commercial Code)	\$4.4.1	213-214

Required items	Section	Page number
Explanation of how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the Company and how the performance criteria were applied (L.22-10-9, I., 8° of the French Commercial Code)	§4.4.2	216-224
How the vote of the last Ordinary Shareholders' Meeting scheduled for the meeting was taken into account pursuant to I of Article L.22-10-34 of the French Commercial Code (L.22-10-9, I., 9° of the French Commercial Code)	§4.4.1	194-215
Deviation from the procedure for implementing the remuneration policy and any exceptions (L.22-10-9, I., 10° of the French Commercial Code)	N/A	N/A
Application of the provisions of the paragraph 2 of Article L.225-45 of the French Commercial Code (suspension of payment of directors' remuneration in the event of non-compliance with the gender balance of the Board of Directors) (L.22-10-9, I., 11° of the French Commercial Code)	N/A	N/A
Awarding and holding of options by company officers (L.225-185 and L.22-10-57 of the French Commercial Code)	N/A	N/A
Awarding free shares to, and holding by, executive company officers (L.225-197-1 and L.22-10-59 of the French Commercial Code)	§4.4.2	216-224
List of all offices and roles held in any company by each of the company officers during the financial year (L.225-37-4, 1° of the French Commercial Code)	§4.1.2 to §4.1.4	159-176
Agreements entered into between an executive or a significant shareholder and a subsidiary (L.225-37-4, 2° of the French Commercial Code)	N/A	N/A
Summary table of current delegations granted by the Shareholders' Meeting in respect of capital increases (L.225-37-4, 3° of the French Commercial Code)	§4.10.4	232-233
General management procedures (L.225-37-4, 4° of the French Commercial Code)	§4.2.2	180
Composition, preparation and organisation of the work of the Board (L.22-10-10, 1° of the French Commercial Code)	§4.1	155-177
Application of the principle of balanced representation of women and men on the Board (L.22-10-10, 2° of the French Commercial Code)	§4.2	178-188
Any limitations that the Board places on the powers of the Chief Executive Officer (L.22-10-10, 3° of the French Commercial Code)	§4.2.4	181-182
Reference to a corporate governance code and application of the principle "comply or explain" (L.22-10-10, 4° of the French Commercial Code)	§4.2.2	180
Specific ways of participating in the Shareholders' Meeting (L.22-10-10, 5° of the French Commercial Code)	Introduction	154
Procedure for assessing current agreements - Implementation (L.22-10-10, 6° of the French Commercial Code)	§4.2.9	188
Information likely to have an impact in the event of a takeover bid or exchange offer (L.22-10-11 of the French Commercial Code)	§4.11.5	236-237
Shareholding structure and capital	§4.3	189-193
Structure, change in the Company's share capital and threshold crossings (L.233-13 of the French Commercial Code)	§4.9, §4.10 and §4.11	227-239
Acquisition and sale by the Company of its own shares (L.225-211 of the French Commercial Code)	§4.9	227-229
Employee shareholdings as at the last day of the financial year (proportion of capital represented) (L.225-102, paragraph 1 of the French Commercial Code)	§4.10.5	234
Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions (R.228-90 and R.228-91 of the French Commercial Code)	§4.7.1	226
Information on transactions by executives and related persons in the Company's shares (L.621-18-2 of the French Monetary and Financial Code)	§5.3.4	327
Dividends paid in respect of the three previous financial years (Article 243 bis of the French General Tax Code)	§3.10	152
Statement of non-financial performance		
Other information		
Additional tax information (Articles 223 quater and 223 quinquies of the French General Tax Code)	§5.3.2	326
Injunctions or financial penalties for anti-competitive practices (L.464-2 of the French Commercial Code)	N/A	N/A

6.7.3 Cross-reference table for the Annual Financial Report

This Universal registration document includes the Annual Financial Report required under Article L.451-1-1 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation and reporting on the items listed below.

Items required under Article L.451-1-1 of the French Monetary and Financial Code	Section	Page number
Consolidated financial statements (IFRS)	\$5.1	242-293
Parent company financial statements (French GAAP)	\$5.2	298-321
Management report including the Statement of non-financial performance	Chapter 1	5-46
	Chapter 3	77-152
	Chapter 5	241-334
Statement by the person responsible for the document	\$6.5	341
Statutory Auditors' report on the consolidated financial statements	\$5.1.3	294-297
Statutory Auditors' report on the parent company financial statements	\$5.2.3	322-325
Statutory Auditors' fees	\$5.1.2 Note 34	288
	\$6.6	341
Corporate governance report	Chapter 4	153-240

The cross-reference table with the French Act on the Statement of non-financial performance is provided in Section 3.10 of this Universal registration document.



19, rue de Vienne – TSA 50029
75801 Paris Cedex 08
WWW.NEXITY.FR