4.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated 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 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 December 31, 2023

To the Annual General Shareholder's Meeting of COFACE S.A.

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of COFACE SA. for the year ended December 31, 2023.

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 December 31, 2023 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 accounts 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 January 1, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of matter

Without qualifying the opinion expressed above, we draw your attention to the changes in accounting principles resulting from the first-time application, of the IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" standards from January 1, 2023, as described in the notes 2 and 3 to the consolidated financial statements, as well as in other notes presenting the impacts of these changes.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Key Audit matter 1:

Evaluation of the Impact of the first-time application of IFRS 17 "Insurance Contracts" on the Consolidated Balance Sheet and the Group's Equity at the Transition Date and on the Comparative Information as of December 31, 2022

Refer to notes 2.2 "Impacts as of January 1, 2022", 4.4 "Insurance and Reinsurance Technical Provisions" and 4.18 "Significant Judgments and Estimates" to the Group's consolidated financial statements.

IDENTIFIED RISK

The application of the IFRS 17 "Insurance Contracts" standard from January 1, 2023, has led to significant changes in the rules for the valuation of insurance liabilities and the presentation of the group's consolidated accounts. The transition date set by the standard is January 1, 2022.

The group presents in its financial statements the impact of this new accounting standard on the comparative information shown in the consolidated balance sheet and income statement, the statement of changes in consolidated equity, and the consolidated cash flow statement, in accordance with IAS 8. It also presents the effect of the first-time application of the standard on its equity as of January 1, 2022 in note 2.2 "Impacts as of January 1, 2022" and the main accounting method choices retained for the implementation of IFRS 17 in notes 4.4 "Insurance and Reinsurance Technical Provisions" and 4.18 "Significant Judgments and Estimates".

The application of IFRS 17 led to a positive overall impact of €91 million on the group's equity at the transition date, which is January 1, 2022. As of the same date, and after applying the new standard, the liabilities related to issued insurance contracts amount to €1,250 million.

This required new accounting and actuarial estimates, involving significant judgment from management, including:

- The methodologies and assumptions used to identify contracts falling within the scope of IFRS 17 and determine their level of aggregation.
- The procedures applied to identify onerous contracts at the transition date.
- The analyses that led to conclusions on the eligibility of issued insurance contracts for the simplified model based on the premium allocation approach ("PAA").
- The judgments exercised to define certain key parameters and valuation assumptions, particularly:
  - For liabilities for incurred claims ("LIC"), the valuation of the best estimate of provisions, costs attributable to claim management, discount rates, and the adjustment for non-financial risk.
  - For liabilities for remaining coverage ("LRC"), the base of retained premiums, deferred acquisition costs, and coverage duration.
- The methods used to present the standard's impact on the consolidated balance sheet and the group's equity at the transition date, and on the comparative information as of December 31, 2022.

We considered the evaluation of the impact of the first-time application of IFRS 17 "Insurance Contracts" on the consolidated balance sheet and the group's equity at the transition date and on the comparative information as of December 31, 2022 to be a key audit matter due to the significance of the changes required by the new standard in terms of assessing and accounting for insurance liabilities, the choice of accounting methods, and management's judgments used to determine certain key valuation assumptions.

AUDIT RESPONSE

With the support of our actuarial experts, we implemented the following audit procedures:

- We obtained an understanding of the process put in place by the group to implement IFRS 17 and examined the procedures used by the group to determine the impact of its adoption on the consolidated balance sheet and equity at the transition date and on the comparative information as of December 31, 2022;
- We assessed the appropriateness of the accounting method choices and judgments made by the group in light of the provisions of IFRS 17;
- We assessed the assumptions adopted by the group to conclude on the eligibility of issued insurance contracts for the simplified "PAA" or "Premium Allocation Approach" model;
- We examined, with the help of our actuarial experts, the key methodologies and judgments used to determine the actuarial evaluation models, including:
  - For liabilities for incurred claims ("LIC"), the valuation of the best estimate of provisions, costs attributable to claim management, and discount rates;
  - For liabilities for remaining coverage ("LRC"), the base of retained premiums, deferred acquisition costs, and coverage duration.
- Regarding the adjustment for non-financial risk:
  - We reviewed the methodology applied and its compliance with the standard and market practices.
  - We examined the segmentation by contract portfolio and reviewed the main assumptions used in the calculation of the risk adjustment, especially the change coefficients and the confidence levels selected by segment and attachment year.
  - We verified calculations on a sample basis.
- We implemented tests, on a sample basis, on key modeling data, assumptions and parameters and on the adjustments made in determining the impact of the first-time application of the standard on the consolidated balance sheet and the group's equity at the transition date, and the calculation of the balances carried forward in the comparative information as of December 31, 2022;
- We examined the disclosures in the notes to the group's consolidated financial statements.

Key Audit Matter No. 2

Valuation of Insurance Liabilities as of December 31, 2023

Refer to notes 4.4 "Technical Insurance and Reinsurance Provisions", 4.18 "Significant Judgments and Estimates", 15 "Technical Liabilities Relating to Insurance and Reinsurance Contracts", and 38 "Risk Management" to the group's consolidated financial statements.

IDENTIFIED RISK	*AUDIT RESPONSE*

As of December 31, 2023, insurance liabilities were evaluated in accordance with IFRS 17 "Insurance Contracts". They amounted to €1,468 million, compared to €1,433 million as of December 31, 2022.
 	
The accounting methods and the assumptions used for their estimation are described in notes 4.4 "Technical Insurance and Reinsurance Provisions" and 4.18 "Significant Judgments and Estimates". These notes specifically mention that the group has chosen to evaluate all its insurance contract portfolios using the simplified model based on the "PAA" or "Premium Allocation Approach" model.
 	
With the application of the "PAA" model, the book value of insurance contracts at the closing date corresponds to the sum of:
• Liabilities for incurred claims ("LIC"), estimated based on the best estimate valuation of provisions for claims that will be settled after the risk expires and any recovery action, costs attributable to the management of these claims, and a non-financial risk adjustment ("Risk Adjustment") that takes into account the level of confidence chosen by the group
• Liabilities for remaining coverage ("LRC"), estimated based on the amount of premiums reduced by contract acquisition costs.
If contracts are identified as onerous at any time during the coverage period, a loss is immediately recognized in P&L against the liabilities for the remaining coverage ("LRC").
 	
We considered the evaluation of insurance liabilities as of December 31, 2023 to be a key audit matter because it involves a significant degree of judgment, particularly when applying accounting methods and procedures to determine the eligibility of insurance contracts for the "PAA" model, identifying onerous contracts and determining certain key model assumptions and parameters.
	We implemented the following audit procedures:
	• We obtained an understanding and assessed the control system, including IT, related to the estimation of insurance liabilities as of December 31, 2023.
	• We verified the correct application of accounting method choices made by the group in connection with the first-time application of IFRS 17
	• We assessed, at the closing date, the conditions for maintaining the eligibility of issued insurance contracts for the simplified "PAA" or "Premium Allocation Approach" model.
	• We assessed the methods and assumptions implemented by the group to evaluate the profitability of contracts and identify those that are onerous.
	• With the support of our actuarial experts, we analyzed and assessed the reasonableness of certain key parameters used to value insurance liabilities at the closing date, including:
	  ◦ The "Best Estimate" valuation of provisions for claims, the costs attributable to the management of claims, discount rates, and the non-financial risk adjustment for liabilities for incurred claims ("LIC").
	  ◦ The base of premiums retained, the deferred acquisition costs, and the coverage period for the liabilities with respect to the remaining coverage ("LRC").
	• Regarding the determination of the non-financial risk adjustment:
	  ◦ We examined the methodology applied and verified its compliance with the standard and market practices,
	  ◦ We examined the segmentation by contract portfolio and reviewed the main assumptions used in the calculation of the non-financial risk adjustment, especially the change coefficients and the confidence levels chosen by segment and attachment year,
	  ◦ We implemented, with our actuarial experts, our own evaluation of the change coefficients and the overall confidence level, and reconciled them with those chosen by management,
	  ◦ We independently recalculated, with our actuarial experts, the non-financial risk adjustment.
	• We tested, on a sample basis, the reliability of the data used as a basis for calculating the insurance liabilities;
	• We independently recalculated, with the support of our actuarial experts, the insurance liabilities for a sample of contracts.
	• We implemented analytical procedures on the model output results and reconciled them with the accounting.
	• We reviewed the disclosures in the notes to the group's consolidated financial statements.

Key Audit Matter No. 3

Impact of the First-Time Application of IFRS 9 "Financial Instruments" and Valuation of Financial Investments of Insurance Activities

Refer to notes 3. "First-Time Application of IFRS 9 'Financial Instruments'", 4.5. "Financial Assets according to IFRS 9, applicable from January 1, 2023, for the insurance portfolio", 4.18. "Significant Judgments and Estimates, §. iii Financial Assets" and 3 "Investments of Insurance Activities" to the group's consolidated financial statements.

IDENTIFIED RISK	*AUDIT RESPONSE*
The investments of insurance activities represent one of the most significant items on the consolidated balance sheet. As of December 31, 2023, their net book value was €3,341 million. As indicated in note 3. "First-Time Application of IFRS 9 'Financial Instruments'", the Coface group has applied for the first time since January 1, 2023 IFRS 9. This introduces new principles for the classification and valuation of financial instruments reflecting their management model and the contractual cash flow characteristics, and a new methodology for the impairment of financial assets taking into account expected future losses. In the group's consolidated accounts, the application of this new standard led to a modification in the classification of financial assets on the balance sheet and notably the recognition at fair value through profit or loss of those securities which were previously recognized at fair value through other comprehensive income. The impact of the first-time application of IFRS 9 on opening equity is not significant (€159K as of January 1, 2023). In accordance with IFRS 9, the group also recorded impairment for expected credit losses ("ECL"). This impairment amounted to €422K as of January 1, 2023 and €391K as of December 31, 2023. Moreover, the valuation at the closing date of financial assets held by the group involves a significant part of judgment, particularly regarding unlisted equities, non-consolidated equity investments, and investment properties that are valued using models relying on unobservable market data. We considered the impact of the first-time application of IFRS 9 and the valuation of insurance investments as of December 31, 2023 to be a key audit matter due to: • The relative importance of applying IFRS 9 in terms of classification, valuation, and impairment of financial assets. • The significant judgment exercised by management in valuing the investment portfolio as of December 31, 2023. • The material balance of this financial statement item at the end of the fiscal year.	Regarding the first-time application of IFRS 9 "Financial Instruments", we implemented the following audit procedures: • We reviewed the compliance of the rules applied by the group to analyze its financial assets and determine their accounting classification according to the criteria defined by the standard. • For debt instruments, we verified the appropriateness of the accounting classification in relation to the underlying economic model and contractual characteristics ("SPPI" tests). • We tested a sample of securities to corroborate the group's conclusions on accounting classification. • We verified that fair value changes have been appropriately recorded in profit or loss or in equity, according to the security classification. • We obtained an understanding of the procedures used to determine the "ECL" provision (especially segmentation into homogeneous risk groups, default probabilities, losses in case of default), and reviewed their compliance with IFRS 9. • We recalculated the "ECL" provision based on the main assumptions mentioned above, and examined the results' consistency. • We reviewed the disclosures in the notes to the group's consolidated financial statements. Regarding the valuation of insurance activities' investments at the closing date, we verified that the values retained by management are based on an appropriate justification of the valuation method and the numerical inputs used, according to the relevant securities. For valuations based on market inputs: • We verified the market prices used; For valuations based on non-observable market inputs: • We obtained and analyzed the business plans established by management, and assessed the relevance and justification of the assumptions and parameters adopted; • We verified the consistency of the main assumptions used with the economic environment; • We reviewed the consistency of the forecasts used for previous periods with the corresponding actual data for a sample of securities; • We assessed the adequacy and appropriateness of the disclosures 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 information pertaining to the Group presented in the management report.

We precise that it is not our role to report the matters related to the sincerity and the concordance with the consolidated financial statements of Solvency II information extracted from the report required under the article L.356-23 of the insurance code (*code des assurances*).

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance, required under Article L.225-102-1 of the French Commercial Code (code de commerce), is included in the Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration and this information must be reported by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended 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 format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of COFACE SA by the Annual General Meeting, on May 14, 2020 for Mazars and on May 3, 2007 for Deloitte & Associés. The previous auditors were Deloitte & Associés or another entity of the Deloitte network, whose original appointment details could not be determined.

As at December 31, 2023, Mazars was in the 4th year of total uninterrupted engagement and Deloitte & Associés was in the 17th year and 10th year 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 expected to liquidate the Company or to cease operations.

The Audit and accounts committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

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.821-55 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 his 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 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 his 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 inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements 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 these consolidated financial statements.

Report to the Audit and accounts committee

We submit a report to the Audit and accounts committee which includes in particular a description of the scope of the audit and the audit program 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 accounts 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 accounts 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 in particular by Articles L.821-27 à L.821-34 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 accounts committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on April 4th, 2024

The Statutory Auditors

French original signed by

Mazars	Deloitte & Associés
Jean-Claude PAULY	Damien LEURENT
Partner	*Partner*