PRESS RELEASE

Coface confirms its good start to the year and continues its strategic investments. Annualised return on tangible equity at 12.6%

Paris, 31 July 2025 – 5.35 p.m.

- **Turnover: €937m, up +2.3% at constant FX and perimeter**
  - Trade Credit Insurance revenue up +1.7%; client activity up +1.8%
  - Client retention back up at near-record (94.0% vs. 92.8% in H1-24); pricing remained negative (-1.6%), in line with historical trends
  - Business Information growing again double-digit (+14.7% at constant FX); Debt Collection up +35.0%; Factoring down slightly by -1.5% due to lower interest rates
- **Net loss ratio at 40.1%, up 5.1 ppts; net combined ratio at 71.3%, up 7.9 ppts**
  - Gross loss ratio at 37.8%, up 5.3 ppts year-on-year but improving slightly in Q2-25 relative to the previous quarter, showing good risk control
  - Net cost ratio up 2.8 ppts at 31.2%, reflecting past inflation as well as continued investments
- **Coface continues to strengthen its credit insurance business and is rolling out its data strategy:**
  - Strengthening governance with the appointment of Joerg Diewald as Director of Information Services and Partnerships and Thibault Surer as head of a new technology division focused on data, connectivity and product innovation
  - Creation of a new Lloyd's syndicate allowing Coface to offer AA solutions to its clients
  - Acquisition of Cedar Rose and Novertur International
- **Net income (Group share) at €124.2m, down 12.7% compared with the record set in H1-24. Annualised RoATE[1] at 12.6%**
- **Estimated solvency ratio of 195%[2], above the target range (155% - 175%)**

Unless otherwise indicated, changes are expressed by comparison with the results as at 30 June 2024.

Commenting, Xavier Durand, CEO of Coface, said:

"Coface generated net income of €62m in Q2-25, down from a record Q2-24. The number of bankruptcies worldwide has continued to rise steadily and is now well above pre-COVID levels. Through constant vigilance and flawless execution, we have contained the increase in the loss experience, with the uncertainties created by the increase in tariffs in the United States having probably yet to fully materialise.
However, our revenues are growing, both in credit insurance and services. This growth is being driven by our investments, which have brought new business to a record level in insurance and services.
These deliberate investments strengthen our distribution capabilities, the range of products and services available to our clients, and our risk analysis tools. Since the beginning of the year, we have made two acquisitions in information services, Cedar Rose and Novertur. We have also announced the launch of a Lloyd's syndicate to offer AA solutions to some of our clients.
Lastly, our solvency ratio remains high, at 195%."

[1] *RoATE = Return on average tangible equity.*
[2] *This estimated solvency ratio is a preliminary calculation made according to Coface's interpretation of Solvency II regulations and using the Partial Internal Model. The final calculation may differ from this preliminary calculation. The estimated solvency ratio is not audited.*

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Key figures at 30 June 2025

The Board of Directors of COFACE SA examined the consolidated financial statements at 30 June 2025 at its meeting of 31 July 2025. These statements were also previously reviewed by the Audit Committee at its meeting of 30 July 2025. These interim consolidated financial statements have been subject to limited review by the Statutory Auditors. The limited review report is being issued.

Income statement items in €m	H1-24	H1-25	Variation	% ex FX*
Insurance revenue	754.3	760.0	+0.8%	+1.7%
Other revenues	168.5	176.6	+4.9%	+4.8%
REVENUE	**922.7**	**936.6**	**+1.5%**	**+2.3%**
UNDERWRITING INCOME (LOSS) NET OF REINSURANCE	195.0	153.6	(21.2)%	(20.3)%
Investment income, net of management expenses,excluding finance costs	40.8	26.3	(35.4)%	(36.0)%
Insurance finance expenses	(18.1)	6.7	(137.1)%	(130.8)%
CURRENT OPERATING INCOME	**217.7**	**186.6**	**(14.3)%**	**(14.1)%**
Other operating income and expenses	(0.5)	(0.6)	+21.8%	+12.2%
OPERATING INCOME	**217.2**	**186.0**	**(14.4)%**	**(14.2)%**
NET INCOME (GROUP SHARE)	**142.3**	**124.2**	**(12.7)%**	**(12.7)%**

Key ratios	H1-24	H1-25	Variation
Loss ratio after reinsurance	35.0%	40.1%	5.1 ppts
Cost ratio after reinsurance	28.4%	31.2%	2.8 ppts
COMBINED RATIO AFTER REINSURANCE	**63.4%**	**71.3%**	**7.9 ppts**

Balance sheet items in €m	2024	H1-25	Variation
Total equity (Group share)	2,193.6	2,098,0	(4.4)%
	H1-24	**H1-25**	
Solvency ratio	195%[1]	195%[1]	0 ppt

** Excluding scope effect.*
[1] This estimated solvency ratio is a preliminary calculation made according to Coface's interpretation of Solvency II regulations and using the Partial Internal Model. The final calculation may differ from this preliminary calculation. The estimated solvency ratio is not audited.

1. Revenue

Coface posted consolidated turnover of €937m in the first half of 2025, up +2.3% at constant FX and perimeter compared with H1-24. On a reported basis (at current FX and perimeter), turnover was up +1.5%.

Revenues from insurance activities (including Bonding and Single Risk) increased +1.7% at constant FX and perimeter, benefiting from a slight increase in client activity and the return to a record retention level at 94.0%. New business reached €76m, the highest since H1-20, driven by an increase in demand and benefiting from growth investments made by Coface.

Growth in client activity had a positive impact of +1.8% in H1-25 against a backdrop of extreme political uncertainty, particularly in terms of tariffs, and modest economic growth. The price effect remained negative at -1.6% in H1-25, in line with long-term trends. This decrease is largely explained by a very low past loss experience, offset by today's return to normal.

Turnover from non-insurance activities was up +8.2% compared with H1-24. Factoring turnover fell -1.5% in H1-25 and -2.2% in Q2 25 on lower interest rates and weak client activity in Germany and Poland. Information services turnover continued to post double-digit growth, at +14.7%. Debt Collection commissions increased, from a still modest base, by +35% due to the increase in claims to be collected. Fee and commission were up +2.3%.

Total revenue in €m (by invoicing region)	H1-24	H1-25	Variation	% ex FX[1]
Northern Europe	185.0	185.2	+0.1%	+0.1%
Western Europe	187.6	191.6	+2.1%	+1.0%
Central and Eastern Europe	87.0	83.9	(3.5)%	(3.8)%
Mediterranean & Africa	276.0	280.2	+1.5%	+3.0%
North America	88.7	87.7	(1.2)%	+2.0%
Latin America	38.2	41.5	+8.6%	+17.5%
Asia-Pacific	60.2	66.5	+10.5%	+9.5%
Total Group	**922.7**	**936.6**	**+1.5%**	**+2.3%**

In the Northern Europe region, turnover was up +0.1% at constant and current FX. The credit insurance business benefited from robust new business and a high retention rate. Factoring turnover was down -1.6%.

In Western Europe, turnover rose +1.0% at constant FX (2.1% at current FX) on solid sales performances in services (+27%) and credit insurance, offsetting the loss of a contract with a financial institution.

In Central and Eastern Europe, turnover was down -3.8% at constant FX (-3.5% at current FX) but improved significantly compared with the previous quarter (-6.9%). Credit insurance was negatively impacted by a non-recurring effect recorded in 2024, as well as the transfer of a major contract to the Asia-Pacific region.

In the Mediterranean & Africa region, which is driven by Italy and Spain, turnover increased +3.0% at constant FX and +1.5% at current FX, the result of a high retention rate and a more dynamic economy overall.

In North America, turnover rose +2.0% at constant FX (-1.2% on a reported basis). The region is benefiting from an improvement in new business. Reported figures have been adversely affected by the sharp fall in the US dollar since the beginning of the year.

In Latin America, turnover was up +17.5% at constant FX and +8.6% at current FX. The region is benefiting from the persistently high level of local inflation, which is benefiting client activity.

Turnover in the Asia-Pacific region was up +9.5% at constant FX and +10.5% at current FX, driven by a high retention rate, a rebound in client activity, and the transfer of a client from another region.

[1] *Excluding scope effect.*

2. Result

– Combined ratio

The combined ratio after reinsurance stood at 71.3% in H1-25 (up 7.9 ppts year on year) and 74.0% in Q2-25, reaching a level close to the cycle average.

(i) Loss ratio

The gross loss ratio stood at 37.8%, up 5.3 ppts year-on-year. This increase reflects the return to normal of the loss experience, offset by the reserve releases, which remain at a high level. The number of mid-sized claims increased but remains below long-term trends.

The Group's reserving policy remained unchanged. The amount of provisions related to the underwriting year, although discounted, remained in line with the historical average. The rigorous management of past claims enabled the Group to record 41.0 ppts of recoveries.

The net loss ratio increased to 40.1%, up 5.1 ppts compared with H1-24, but close to the level reached in H1-23 (40.3%), in today's more difficult economic environment.

(ii) Cost ratio

Coface is pursuing its strict cost management policy while maintaining its investments, in accordance with the Power the Core strategic plan. Costs were up +7.0% in H1-25 at constant FX and perimeter and +6.3% at current FX.

The cost ratio before reinsurance stood at 34.6% in H1-25, up 2.0 ppts year on year. This increase mainly resulted from cost inflation (0.6 ppt) as well as continued investments (2.3 ppts). Conversely, the improved product mix (information services, debt collection and fee and commission income) had a positive effect of -0.9 ppt. The trend in reinsurance commissions explains the remainder of the variation.

- Financial income

Income from financial investments was +€26.3m in the first half of the year. The total includes an FX effect of -€17.0m on financial assets, owing to the sharp fall in the dollar against the euro, as well as a negative impact of the application of IAS 29 (hyperinflation) in Turkey of -€6.7m.

The portfolio's current income (i.e. excluding capital gains, depreciation and FX) was €52.1m. The accounting yield[1], excluding capital gains and fair value effect, was 1.6% in H1-25. The yield on new investments was 3.7%.

Insurance finance expenses (IFE) were positive at €6.7m in H1-25. They include a significant FX gain (+€23.1m) on technical liabilities, which reflects the expense recorded on assets and partially on net loss.

- Operating income and net income

Operating income totalled €186.0m in H1-25, down 14.4%, approaching the level reached in H1-23.

The effective tax rate in H1-25 was 25% (vs. 27% in H1-24).

Overall, net income (Group share) was €124.2m, down 12.7% compared with H1-24, slightly below the result in H1-23 (€128.8m) in a more difficult economic environment.

3. Shareholders' equity

At 30 June 2025, Group shareholders' equity was €2,098.0m, down €95.6m or -4.4% (€2,193.6m at 31 December 2024).

The change is mainly due to positive net income of €124.2m, the dividend payment of -€209m, and the increase in unrealised capital gains (€21.9m).

The annualised return on average tangible equity (RoATE) was 12.6% at 30 June 2025, down compared with the previous year, in line with the decline in net income.

The solvency ratio stood at 195%[2], stable compared with H1-24. It remains well above the Group's target range (155%-175%).

[1] Book yield calculated on the average of the investment portfolio excluding non-consolidated investments.
[2] This estimated solvency ratio is a preliminary calculation made according to Coface's interpretation of Solvency II regulations and using the Partial Internal Model. The final calculation may differ from this preliminary calculation. The estimated solvency ratio is not audited.

4. Outlook

The second quarter of 2025 was marked by the continued increase in tariffs announced by the United States. The US administration's announcements of sharp increases alternated with deferments of varying duration and the signing of a few bilateral agreements. As things stand today, tariffs on imports from Europe should reach 15%.

Some tariffs (automotive, metals) have already come into force and have had direct negative consequences on the trade flows of the goods concerned. Conversely, announcements of deferred tariffs triggered advance purchases, bolstering economic activity. Lastly, extreme uncertainty as to the final outcome of the tariff issue have led to a postponement of investments as well as the redirection of Chinese exports, particularly towards markets deemed more stable.

This highly uncertain environment is impacting global trade and the health of companies in markedly different ways. During the second quarter, Coface downgraded the ratings of 23 sectors and 4 countries. Persistent inflationary pressures are preventing central banks from cutting rates for now. Demand is being supported solely by the maintenance of high public deficits and the continuation of an extremely strong investment cycle to foster the development of AI technology.

Business failures have increased in 80% of advanced economies and are now at a decade high, 20% to 25% higher than in 2019.

Coface's expertise in risk management and services (information services, debt collection) is more relevant than ever in this context of rapid change. The company is resolutely pursuing its investments, even as they weigh on the cost ratio in the short term. Since the beginning of the year, Coface has announced two acquisitions (Cedar Rose and Novertur) as well as the creation of a Lloyd's syndicate and a technology division.

Conference call for financial analysts

Coface's H1-2025 results will be discussed with financial analysts during the conference call that will take place on Thursday 31 July at 6.00 p.m. (Paris time). It will be accessible:

- By webcast: Coface H1-2025 results - Webcast
- By conference call (for sell-side analysts): Coface H1-2025 results - conference call

The presentation will be available (in English only) at the following address:
http://www.coface.com/fr/Investisseurs/Résultats-et-rapports-financiers

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Appendices

Quarterly results

Income statement items in €m Quarterly figures	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	%	% ex. FX*
Insurance revenue	378.6	375.6	375.9	382.7	382.9	377.1	+0.4%	+2.3%
Other revenues	85.0	83.4	78.0	85.5	90.3	86.3	+3.5%	+4.2%
REVENUE	**463.7**	**459.1**	**453.8**	**468.3**	**473.2**	**463.4**	**+0.9%**	**+2.6%**
UNDERWRITING INCOME (LOSS) AFTER REINSURANCE	**100.3**	**94.7**	**88.8**	**84.9**	**85.4**	**68.2**	**(27.9)%**	**(25.5)%**
Investment income, net of management expenses, excluding finance costs	17.9	22.8	19.0	31.9	10.4	15.9	(30.3)%	(29.5)%
Insurance finance expenses	(11.4)	(6.7)	(7.3)	(17.1)	(4.1)	10.8	(262.8)%	(249.1)%
CURRENT OPERATING INCOME	**106.8**	**110.9**	**100.5**	**99.7**	**91.6**	**95.0**	**(14.3)%**	**(12.9)%**
Other operating income and expenses	(0.1)	(0.5)	(2.6)	(5.5)	(0.4)	(0.3)	(43.9)%	(48.0)%
OPERATING INCOME	**106.8**	**110.4**	**97.9**	**94.2**	**91.2**	**94.7**	**(14.2)%**	**(12.7)%**
NET INCOME (GROUP SHARE)	**68.4**	**73.8**	**65.4**	**53.4**	**62.1**	**62.1**	**(15.9)%**	**(14.7)%**
Income tax rate	*27.2%*	*26.8%*	*25.5%*	*36.2%*	*23.0%*	*26.3%*	*(0,5) ppt*	

Cumulated results

Income statement items in €m Cumulated figures	Q1-24	H1-24	9M-24	FY-24	Q1-25	H1-25	%	% ex. FX*
Insurance revenue	378.6	754.3	1,130.2	1,512.9	382.9	760.0	+0.8%	+1.7%
Other revenues	85.0	168.5	246.4	331.9	90.3	176.6	+4.9%	+4.8%
TURNOVER	**463.7**	**922.7**	**1,376.6**	**1,844.8**	**473.2**	**936.6**	**+1.5%**	**+2.3%**
UNDERWRITING INCOME (LOSS) AFTER REINSURANCE	**100.3**	**195.0**	**283.8**	**368.7**	**85.4**	**153.6**	**(21.2)%**	**(20.3)%**
Investment income, net of management expenses, excluding finance costs	17.9	40.8	59.8	91.7	10.4	26.3	(35.4)%	(36.0)%
Insurance finance expenses	(11.4)	(18.1)	(25.4)	(42.5)	(4.1)	6.7	(137.1)%	(130.8)%
CURRENT OPERATING INCOME	**106.8**	**217.7**	**318.2**	**417.9**	**91.6**	**186.6**	**(14.3)%**	**(14.1)%**
Other operating income and expenses	(0.1)	(0.5)	(3.1)	(8.6)	(0.4)	(0.6)	+21.8%	+12.2%
OPERATING INCOME	**106.8**	**217.2**	**315.1**	**409.2**	**91.2**	**186.0**	**(14.4)%**	**(14.2)%**
NET INCOME (GROUP SHARE)	**68.4**	**142.3**	**207.7**	**261.1**	**62.1**	**124.2**	**(12.7)%**	**(12.7)%**
Income tax rate	*27.2%*	*27.0%*	*26.5%*	*28.7%*	*23.0%*	*24.7%*	*(2,3) ppt*	

** Excluding scope effect.*

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FINANCIAL CALENDAR 2025
(subject to change)
9M-2025 results: 3 November 2025, after market close

FINANCIAL INFORMATION
This press release, as well as all of COFACE SA's regulated information, can be found on the Group's website: https://www.coface.com/investors

For regulated information on Alternative Performance Indicators (APMs), please refer to our Interim Financial Report for H1-2025 and our 2024 Universal Registration Document (see 3.7 "Key financial performance indicators").

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COFACE: FOR TRADE
As a global leading player in trade credit risk management for almost 80 years, Coface helps companies grow and navigate in an uncertain and volatile environment.
Whatever their size, location or sector, Coface provides 100,000 clients across some 200 markets. with a full range of solutions: Trade Credit Insurance, Business Information, Debt Collection, Single Risk insurance, Surety Bonds, Factoring.
Every day, Coface leverages its unique expertise and cutting-edge technology to make trade happen, in both domestic and export markets.
In 2024, Coface employed +5,200 people and recorded a turnover of ~€1.845 billion.
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