



**SUPPLEMENTARY REPORT OF THE BOARD OF DIRECTORS ON
THE USE MADE OF THE DELEGATION OF AUTHORITY GRANTED
BY THE 23RD RESOLUTION OF THE MAY 18, 2022 GENERAL MEETING**

**ISSUANCE OF WARRANTS WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION
RIGHT**

January 26, 2023

The Board of Directors
Denis Kessler
President



This report has been established in accordance with the provisions of Articles L. 225-138, R. 225-115 and R. 225-116 of the French Commercial Code following the use made of the authorization granted by the general meeting of shareholders of SCOR SE (“**SCOR**” or the “**Company**”) on May 18, 2022, in its 23rd resolution, to the board of directors (the “**Board of Directors**”)

I. Delegation of authority granted by the general meeting to the Board of Directors to issue warrants with cancellation of the shareholders’ preferential subscription right in favour of categories of entities meeting specific characteristics for the purposes of implementing a contingent capital programme

The Company's general meeting, held on May 18, 2022, having voted upon satisfaction of the quorum and majority requirements applicable to extraordinary general meetings, in accordance with Articles L. 228-92, L. 225-129-2, L. 22-10-49 and L. 225-138 of the French Commercial Code:

1. *[delegated] authority to the Board of Directors, with the option to sub-delegate under the conditions set by law and regulations, in order to take decisions with respect to one or several issuances of Securities Granting Access to Capital of the Company having the characteristics of warrants (bons) (hereinafter called (“2022 Contingent Warrants”), which would (under terms and conditions to be contractually defined) in particular, making it mandatory (i) for their holders to exercise them and subscribe to new ordinary shares if the Company, in its capacity as an insurance or reinsurance company, were to need to cover the consequences of natural or non-natural catastrophe-type event that may have a significant impact on the profitability or the solvency of the Group, as described in the Board of Directors’ report (a “Triggering Event”) and (ii) for the Company to notify their holders of the occurrence of a Triggering Event with a view to drawing on this/these contingent issue line(s), allowing the Company to have additional capital at its disposal automatically;*
2. *[resolved] that the all issuance of ordinary shares that may result from the exercise of the 2022 Contingent Warrants may not exceed a total amount of three hundred million euros (EUR 300,000,000), including share premiums, and that the number of new ordinary shares to be issued pursuant to the exercise of 2022 Warrants may not exceed 10% of the number of shares comprising the share capital of the Company as of the date of issuance, it being specified that the total nominal value of the issuance of ordinary shares that may result from the exercise of the 2022 Contingent Warrants will be deducted, on the one hand, from the aggregate ceiling for share capital increase referred to in the twenty-ninth resolution herein, without ever exceeding such ceiling and, on the other hand, from the ceiling set out in the eighteenth resolution of this General Meeting, without being limited by such ceiling, in all cases excluding the number of ordinary shares to be issued, if any, in respect of the adjustments made, in accordance with the law and the applicable contractual provisions, in order to preserve the rights of holders of Securities Granting Access to Capital or of other rights giving access to the Company's capital;*
3. *[resolved] to cancel the shareholders’ preferential right to subscribe to the 2022 Contingent Warrants and to reserve such subscription to the following categories of entities meeting the following characteristics: (i) any person or ad hoc entity (special purpose vehicle, “SPV”) not owned by the Group and constituted specifically for the purposes of the operation described in the Board of Directors’ report, or (ii) any investment services providers (prestataires de services d’investissement) holding an authorization to provide investment services as described under paragraph 6-1 of Article L. 321-1 of the French Monetary and Financial Code (Code monétaire et financier); in accordance with part I of Article L. 225-138 of the French Commercial Code, the Board of Directors will set the list of beneficiaries within these categories, it being specified that, as the case may be, there may be one single beneficiary;*

4. *[resolved], in accordance with the provisions of Article L. 225-138-II of the French Commercial Code and taking into account the terms of the report of the Board of Directors and the statutory auditors' special report, that the subscription price per unit for the 2022 Contingent Warrants will be zero point zero zero one euro (EUR 0.001) and that the subscription price per unit for the new ordinary shares issued upon the exercise of the 2022 Contingent Warrants will be determined by the Board of Directors on the basis of the volume-weighted average prices of ordinary shares observed on Euronext Paris over the three (3) trading days immediately preceding the exercise of the 2022 Contingent Warrants, after application of a discount that may not exceed 10% and without the subscription price per unit of the new ordinary shares issued in the event of exercise of the 2022 Contingent Warrants being lower than their par value;*
5. *[acknowledged] that, pursuant to the provisions of Article L. 225-132 of the French Commercial Code, the issuance of the 2022 Contingent Warrants will automatically entail the renunciation by the shareholders, in favour of the holder(s) of said 2022 Contingent Warrants, of their preferential right to subscribe for the ordinary shares to which such 2022 Contingent Warrants may grant access, it being specified that the 2022 Contingent Warrants will have a maximum term of four (4) years with effect from their issuance;*
6. *[resolved] that (i) the Board of Directors will be able to use this delegation in the event of the exercise, cancellation or expiration of all or part of the 2019 Warrants (as that term is defined in the eighteenth resolution above), and (ii) if the Board of Directors uses this delegation prior to the exercise, cancellation or expiration of all of the 2019 Warrants, the maximum number of new ordinary shares to be issued in conjunction with the exercise of the unexercised, cancelled or expired 2019 Warrants and the 2022 Contingent Warrants may not exceed 10% of the number of shares comprising the share capital of the Company; notwithstanding the foregoing, the Board of Directors may make use of this delegation by issuing, at any time, 2022 Contingent Warrants provided that their coverage period begins no earlier than January 1, 2023, it being noted that the coverage period of the 2019 Warrants expires on December 31, 2022;*
7. *[resolved] that if the Board of Directors uses the delegation granted within the framework of the twenty-fourth resolution submitted to your General Meeting, this delegation will be lapsed;*
8. *[resolved] that the Board of Directors will, within the above-mentioned limits and conditions, be able to use this delegation at any time. By way of exception, the Board of Directors will not, unless previously authorized by the General Meeting, use the present authorization during any tender offer (offre publique) initiated by a third party on Company's shares until the end of the offer period (période d'offre);*
9. *[granted] all powers to the Board of Directors, with the option to sub-delegate under the conditions set by law, to implement or determine not to implement this delegation of authority, in particular by the execution of one or more agreements with the beneficiary (beneficiaries) designated within the aforementioned category or categories.*

Consequently, the General Meeting decided that it would belong to “the Board of Directors or, under conditions set by law, to its agent, to determine the characteristics of the 2022 Contingent Warrants and those of the ordinary shares that will be issued by exercise of the said 2022 Contingent Warrants, to complete, on one or more occasions, in the proportions and at the times of its choosing, the abovementioned issuances (as well as to decide on the deferral thereof, as the case may be), to acknowledge their completion and to modify the articles of association accordingly, as well as to complete all formalities and declarations and to apply for all authorizations that may be necessary for the completion of such issuances and for the admission to trading of the ordinary shares issued by exercise of the said 2022 Contingent Warrants”.

This delegation was granted for a period of eighteen (18) months with effect from the day of the General Meeting, i.e. until November 17, 2023.

In addition, the General Meeting of May 18, 2022 also fixed, in its 29th resolution, the aggregate ceiling of the capital increases from which shall be deducted the issuances carried out pursuant to the 23rd resolution.

The Board of Directors meeting on November 8, 2022, acting on the recommendation of the Audit Committee, has:

1. approved the principle of issuing the warrants, under the conditions set out in the twenty-third resolution of the General Meeting of May 18, 2022;
2. decided that the coverage period of the warrants will extend (i) from July 1, 2022 to December 31, 2025 in order to cover the consequences of major non-natural catastrophe type events during this period and (ii) from January 1, 2023 to December 31, 2025, in order to cover the consequences of major natural catastrophe type events during this period;
3. set at EUR 10 for a period of 3 consecutive trading days the volume-weighted average price below which there will be an automatic exercise of the warrants for a maximum amount of EUR 150,000,000;
4. designated J.P. Morgan SE as the sole beneficiary of the warrants (the “**Beneficiary**”);
5. set at EUR 17 the rate above which the contingent capital programme may be renewed (this condition being assessed on the day and time of SCOR’s signature of the contract for issuing the warrants);
6. delegated to the Managing Director the authority and all the powers necessary or useful to decide and carry out in one or more times the issue of the warrants if the stock market price is greater than or equal to EUR 17 on the day of signature of the warrant agreement, and in particular:
 - (i) set, within the limits of the present decision, the final characteristics of the warrants and in particular the definition of the triggering events, the number of warrants to be issued and the number of ordinary shares to which each warrant will be entitled and the maximum discount applicable for the calculation of the subscription price of the new ordinary shares resulting from the exercise of the warrants, their date of issuance, their periods of exercise and validity, and, as the case may be, their conditions of transferability;
 - (ii) if necessary, proceed to take any actions with the competent authorities and prepare and file any information document or other documents necessary for the issuance or exercise of the warrants;
 - (iii) conclude the warrant agreement with the beneficiary and issue the warrants;
 - (iv) do whatever needs to be done in order to preserve the rights of the security holders giving access to SCOR’s capital and/or options to subscribe for or purchase SCOR’s shares and take all measures to ensure the protection of beneficiaries in the event of financial transactions concerning SCOR; and
 - (v) more generally, negotiate, sign, and/or hand over in the name and on behalf of SCOR any useful document with the beneficiaries, produce and broadcast any certification or declaration, press release, record the capital increase that may result, if necessary, from the exercise of the warrants and amend the articles of association accordingly, proceed, where applicable, to the Company’s repurchase of all or part of the warrants depending on the circumstances, sign any related deed and take any necessary steps or formalities to carry out and successfully complete the operations referred to herein and their consequences.

On December 15, 2022, the Managing Director of the Company, having noted that (i) the overall ceiling of capital increases that may result from all the authorized issuances by the General Meeting of May 18, 2022 in its 29th resolution was intact to date and sufficient to permit the issuance of the 2022 Contingent Warrants and (ii) the Company’s share price at the time of the decision was more than EUR 20, i.e. above the Company’s minimum share price set at EUR 17 by the Board of Directors(the “**Minimum Price Requirement**”), has decided to issue 8,983,564 2022 Contingent Warrants and to implement a new contingent capital programme with the characteristics described below.

On the same date, the Beneficiary paid the Company an amount of EUR 8,953.56, corresponding to the total subscription price of the 2022 Contingent Warrants. The 2022 Contingent Warrants were registered in the name of the Beneficiary in the register held by BNP Paribas on December 20, 2022.

II. Final characteristics of the operation

The final characteristics of the 2022 Contingent Warrants are:

1. the number of 2022 Contingent Warrants issued amounts to 8,983,564, their unit subscription price to EUR 0.001, i.e. a total subscription amount of EUR 8,983.56 (rounded down to the nearest hundredth);
2. each 2022 Contingent Warrant will entitle the holder to two (2) ordinary shares (subject to the adjustments provided for in the Warrant Agreement) it being specified that (i) the maximum number of new ordinary shares that may be issued upon exercise of the 2022 Contingent Warrants shall not exceed 10% of the number of shares comprising the share capital of the Company on the exercise date (possibly increased by the number of ordinary shares to be issued in respect of the adjustments made, in accordance with the law and applicable contractual stipulations, to preserve the rights of the holders of any securities or other rights giving access to the capital of the Company), in accordance with the 23rd resolution of the General Meeting of May 18, 2022, (ii) the maximum amount of all issuances of new ordinary shares resulting from the exercise of the 2022 Contingent Warrants may not exceed three hundred million euros (EUR 300,000,000), including the share premium (possibly increased by the nominal value of ordinary shares to be issued in respect of the adjustments made, in accordance with the law and applicable contractual provisions, to preserve the rights of the holders of any securities or other rights granted access to the Company's capital), in accordance with the 23rd resolution of the General Meeting of May 18, 2022 and (iii) the total nominal value of all issuances of new ordinary shares resulting from the exercise of the 2022 Contingent Warrants may not exceed the overall ceiling of capital increases defined by the 29th resolution of the General Meeting of May 18, 2022;
3. the unit subscription price of the new ordinary shares to be issued upon exercise of the 2022 Contingent Warrants will correspond to the volume-weighted average price of the ordinary shares recorded on Euronext Paris during the period of three (3) trading days immediately preceding the exercise of the 2022 Contingent Warrants, to which will be applied, taking into account the automatic drawdowns resulting from this contingent share issue line and the guarantee that such automaticity provides for the Company to dispose of the product generated by the corresponding issuance in case of need for coverage, a discount of 7.5% and without the unit subscription price of the new ordinary shares issued in the event of exercise of the 2022 Contingent Warrants being less than their nominal value;
4. the 2022 Contingent Warrants were issued on December 15, 2022 and will be exercisable, under the conditions set by the Managing Director and in the warrant agreement, from their issuance until the thirty-first calendar day following March 31, 2026 (except in the case of extension provided for in the warrant agreement) and in any event no later than December 3, 2026; if they have not been exercised within this period in accordance with the terms and conditions of the warrant agreement and subject to the provisions of the latter, the 2022 Contingent Warrants will automatically lapse automatically and without compensation for the benefit of the Beneficiary;
5. the exercise of the 2022 Contingent Warrants will take the form of one or more automatic drawings, within the limit of unit amounts not exceeding one hundred and fifty million euros (EUR 150,000,000), including the share premium;
6. the 2022 Contingent Warrants will not be listed but will be registered securities and will thus be registered in the name of the Beneficiary in the registered securities accounts issued by the Company held by BNP Paribas;
7. the new common shares likely to result from the exercise of the 2022 Contingent Warrants will be:
 - a. subject to all provisions of the articles of association applicable to the Company's ordinary shares and will bear dividend rights on their creation date and will be entitled to any dividend distributed after that date;
 - b. fully paid up when they are subscribed by cash payment.

8. the Beneficiary may sell the 2022 Contingent Warrants, only in their entirety, to an affiliate meeting the conditions set by the 23rd resolution of the General Meeting of May 18, 2022, or to the initiator of a tender offer on Company's shares as soon as such offer is successful and is reopened pursuant to the AMF General Regulation (*Réglement Général de l'AMF*) (which affiliate or initiator will then act as Beneficiary in the title of the warrant agreement). Apart from these cases, the 2022 Contingent Warrants will not be transferable;
9. under the terms of the *Warrant Agreement*, drawings under the programme will only be available subject to the occurrence of natural or non-natural catastrophe type events that could have a significant impact on the profitability or solvency of the SCOR Group (as reviewed by SCOR's auditors), which could be borne by SCOR as insurance or reinsurance company between January 1, 2023 and December 31, 2025.

The 2022 Contingent Warrants can be triggered when the financial consequences of one or more natural or non-natural catastrophe-type event reach pre-defined contractually thresholds (a "**Mandatory Trigger**"). These pre-defined thresholds may be adjusted annually by SCOR to adapt the levels of coverage to changes insurance and reinsurance market conditions, within pre-defined limits, in order to ensure the stability of the program's risk profile over the entire period.

Thus, drawdowns of the facility will only be available when:

- 1) the amount of estimated ultimate net losses¹ incurred by the SCOR group as an insurer or reinsurer (as reviewed by SCOR's statutory auditors), reaches pre-defined thresholds in a given calendar year from January 1, 2023 and December 31, 2025, as a direct result of the occurrence within that year of one or more natural catastrophe-type events, including but not limited to:

- earthquake, seaquake, shock, seismic and/or volcanic disturbance and/or eruption,
- hurricanes, rainstorm, storm, tempest, tornado, cyclone, typhoon,
- tidal wave, tsunami, flood,
- hail, winter weather/freeze, ice storm, weight of snow, avalanche,
- meteor/asteroid impact,
- landslide, mudslide, bush fire, forest fire and lightning.

Or

- 2) the amount of net claims² of the SCOR group's life reinsurance segment over two (2) consecutive semesters during the period from July 1, 2022 to January 1, 2023 (as verified by SCOR's statutory auditors) reaches certain pre-defined thresholds following the occurrence, in particular, of one or more of the following life business related events:

- epidemics, pandemics or similar events of abnormal magnitude, or widespread spread of one or more medical conditions deriving from any disease(s),
- acts of war, acts of terrorism,
- accidents due to non-natural cause,
- significant deviation from forecast biometric trends (mortality, morbidity, disability or longevity) recorded by the life segment for any reason whatsoever.

In addition, subject to no drawdown having already been conducted under the facility, as envisaged in the Board of Directors report to the General Meeting of May 18, 2022, in the event that the volume-weighted average price of the SCOR shares on Euronext Paris would be less than EUR 10 (i.e. a price level close to the par value of the SCOR shares) during three (3) consecutive trading

¹ The estimated ultimate net loss is the aggregate of the individual estimated ultimate net losses of all natural catastrophe events in a given calendar year. The individual estimated ultimate net loss is the estimated pre-tax impact of any qualifying natural catastrophe event, net of all recoveries (reinsurance and derivatives) and additional expenses as recorded in the SCOR group books.

² The ultimate net claims amount is the aggregate of all claims relating to non-natural catastrophe events affecting the SCOR group's life segment over a two (2) semester time period (i.e. amount of gross benefits and claims – amount of ceded benefits and claims over the time period considered).

days, an individual tranche of EUR 150 million (issuance premium included) will be drawn down in order to ensure the availability of this financial cover (the warrants being non-exercisable below par value) if a natural or non-natural catastrophe-type event occurs during the remainder of the risk coverage period (a "**Price Trigger**").

The 2022 Contingent Warrants will remain exercisable until three (3) months after the expiry of the risk coverage period (subject to periods of suspension and/or extension, in particular for regulatory reasons).

In accordance with the authorization granted by the General Meeting of May 18, 2022, the maximum number of new shares issued in the event of exercise of the warrants may not exceed 10% of SCOR's share capital.

All subscriptions for new shares by J.P. Morgan will be made at a price equal to the volume-weighted average price of SCOR shares on Euronext Paris during the three (3) consecutive trading days preceding the exercise of the warrants, to which a discount of 7.5% will be applied. J.P. Morgan is committed to subscribe to the new shares, but does not intend to become a long-term shareholder of SCOR, and will resell the shares through private placements and/or sales on the open market.

It is stated that from the notification of the occurrence of a triggering event (*Mandatory Trigger* or *Price Trigger*) by SCOR to J.P. Morgan and until the exercise of the warrants, J.P. Morgan will be prohibited from engaging in hedging transactions on SCOR shares, with the exception of ordinary course of business transactions undertaken independently by J.P. Morgan and its subsidiaries banking and brokerage businesses.

III. Impact of the issuance on the situation of shareholders and the market value of the shares

In the market conditions on the date of issue of the 2022 Contingent Warrants (i.e. for an issuance price of EUR 19.2 based on a 7.5% discount on a three-day volume-weighted average price of EUR 20.7³ per ordinary share), drawdown of the total cover would account for a maximum of 8.7% of SCOR's share capital⁴. For a volume-weighted average price of EUR 10 per new ordinary share (i.e. an issuance price of EUR 9.3 per new Ordinaire Share after a 7.5% discount), the potential aggregate of the drawdown would account for 9.0% of SCOR's share capital⁵.

Except in the case of the exercise of the 2022 Contingents Warrants, the implementation of this program will have no impact on SCOR's accounts for the financial year ending December 31, 2022, except for the non-material amounts corresponding to the subscription price received by SCOR from J.P. Morgan at the time of the issuance of the 2022 Contingent Warrants (EUR 0.001 per Warrant).

This innovative financial coverage is an event-driven contingent capital equity line which may only be triggered by the occurrence of the triggering events described above. Its potential dilutive impact therefore depends on the probability of occurrence of such triggering events.

³ From December 12, 2022 to December 14, 2022.

⁴ Based on SCOR's share capital composed of 179 671 295 shares on November 30, 2022 as released by the SCOR Group on December 5, 2022.

⁵ Idem note 4.

A. Impact of the Issuance on the Shareholder's Interest in the Company's Share Capital

The following table presents the potential dilutive impact of the transaction for a shareholder holding 1% of the share capital prior to the transaction (calculated on the basis of the number of shares making up the share capital as of November 30, 2022).

Share issue price	Scenario	Number of new shares	Shareholder participation	
			Non-diluted basis ⁽¹⁾	Diluted basis ⁽²⁾
At the 3-day volume-weighted average price of EUR 20.7 (issuance price = EUR 19.2)	No trigger	0	1.000%	0.976%
	2 tranches drawdown	15,639,479	0.920%	0.899%

(1) Based on share capital dilution as at November 30, 2022.

(2) Based on the dilution of share capital as at November 30, 2022 that would result from the exercise of all existing stock options (options granted but not vested and options acquired but not exercised).

This table reads as follows: a shareholder holding to date 1% of SCOR's share capital (on a non-diluted basis) would hold, in the event of a triggering event, 0.920% of the share capital at the end of the exercise of the warrants on the basis of an issue price of EUR 19.2 per share (discount included).

B. Impact of the issuance on the share of equity

(i) *Impact of the Issuance on the Company's share equity*

The impact of the issuance on the share of Company's equity as at June 30, 2022 for the holder of a share of the Company prior to the issuance is as follows (calculation made on the basis of the number of shares making up the share capital as at November 30, 2022):

	Share of the Company's equity in EUR	
	Non-diluted basis ⁽¹⁾	Diluted basis ⁽²⁾
No trigger	19.33	18.86
After 2 tranches drawdown (15,639,479 new shares issued)	17.79	17.38

(1) Based on share capital dilution as at November 30, 2022.

(2) Based on the dilution of share capital as at November 30, 2022 that would result from the exercise of all existing stock options (options granted but not vested and options acquired but not exercised).

(ii) *Impact of the issue on the shareholders' equity – group share*

The impact of the issue on the shareholders' equity Group share as at June 30, 2022 for the holder of one share of the Company prior to the issue is as follows (calculation made on the basis of the number of shares making up the share capital as at November 30, 2022):

	Share of the Group's consolidated equity in EUR	
	Non diluted basis ⁽¹⁾	Diluted basis ⁽²⁾
No trigger	30.98	30.22
After 2 tranches drawdown (15,639,479 new shares issued)	28.50	27.86

(1) Based on share capital dilution as at November 30, 2022.

(2) Based on the dilution of share capital as at November 30, 2022 that would result from the exercise of all existing stock options (options granted but not vested and options acquired but not exercised).

C. Theoretical impact of the issue on the market value of the share

The theoretical impact of the issue on the current market value of the SCOR share as it results from the average of the twenty closing prices preceding the Chief Executive Officer's decision of 15 December 2022 to issue the warrants is as follows (calculation made on the basis of the number of shares making up the share capital on 30 November 2022 and an issue price of EUR 19.2 per share (discount included)):

	Theoretical impact of the issue on the current market value of the share	
	In EUR per share	Calculation details
Before the shares are issued	18.98	Average of the 20 closing prices preceding the Chief Executive Officer's decision of December 15, 2022
After the shares are issued	19.00	(179,671,295 existing shares X €18.98 (market value before issuance) + (15,639,479 new shares x €19.2 (issue price (discount included)))
		(179,671,295 existing shares + 15,639,479 new shares)

It is specified that this theoretical approach is purely indicative and does not prejudice the future evolution of the SCOR share price.