

Paris, April 1st 2021

Clarification:

In response to rumours that have circulated, SUEZ confirms that:

- Following an approach made by Cleanaway in H1 2020, the two companies are in advanced discussions concerning a purchase by Cleanaway of the whole of SUEZ' Recycling and Recovery activities in Australia.
- The transaction, if completed would create a strong player in the Australian market.
- This transaction would fall squarely within SUEZ' SUEZ 2030 strategic plan, announced in October 2019 and confirmed as part of our financial trajectory on 22nd September 2020. One of the key pillars of this plan is the disposal of selected assets to reduce SUEZ's total capital employed in activities which are not properly valued and reinvest it to enhance the Group's growth and performance.
- The two companies have reached preliminary agreement on valuation, with an implied transaction multiple of c.~12x FY20 EBITDA, leading to an enterprise value of around AUD 2.520m - well above the implicit valuation of this business within SUEZ in past trading, and well above the multiple reflected by Veolia's current offer of €18/share (cum dividend). In FY20, SUEZ' Australian R&R activities generated a revenue of AUD 1.412m.

A key part of the agreements between SUEZ and Cleanaway will be to structure the transaction to ensure that it is compatible with the proposal to enter into negotiations made by SUEZ to Veolia on the 21st March 2021: the sale agreement would be terminated if, by end April / beginning of May, (i) SUEZ reaches an agreement for a transaction including a tender offer on SUEZ, or (ii) in case a public announcement is made for a tender offer at a €22.5/share (cum dividend) price for 100% of SUEZ¹.

The draft sale agreement would also provide that during a three-week period, any third party bidder, including Veolia, would have the right to present a superior offer on the R&R activities in Australia².

At this point, although negotiations are at an advanced stage, there can be no guarantee that definitive agreements will be signed and a transaction will be implemented.

It should be noted that Veolia has initiated legal actions against SUEZ, and Cleanaway in France and Australia. These actions, which SUEZ believes are wholly without merit and indeed malicious, appear designed to prevent SUEZ from demonstrating the intrinsic value of its business.

SUEZ :

Since the end of the 19th century, SUEZ has built expertise aimed at helping people to constantly improve their quality of life by protecting their health and supporting economic growth. With an active presence on five continents, SUEZ and its 90,000 employees strive to preserve our environment's natural capital: water, soil, and air. SUEZ provides innovative and resilient solutions in water management, waste recovery, site remediation and air treatment, optimizing municipalities' and industries' resource management through "smart" cities and improving their environmental and economic performance. The Group delivers sanitation services to 64 million people and produces 7.1 billion m³ of drinking water. SUEZ is also a contributor to economic growth, with more than 200,000 jobs created directly and indirectly on an annual basis, and a provider of new resources, with 4.2 million tons of secondary raw materials produced. By 2030, the Group is targeting 100% sustainable solutions, with a positive impact on our environment, health, and climate. SUEZ generated total revenue of €17,2 billion in 2020.

¹ The draft sale agreement provides that, notably in those situations, SUEZ would sell to Cleanaway two landfills and five transfer stations in Australia, which Veolia would have, in any case, difficulty retaining due to anti-trust.

² This draft also provides for a matching right for Cleanaway.

SUEZ

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