<u>This document is an unofficial English-language translation of the response document (note en réponse) which received from the French Autorité des marchés financier visa no. 21-339 on July 20, 2021. In the event of any differences between this unofficial English-language translation and the official French response document, the official French response document shall prevail</u>

OFFER DOCUMENT

ESTABLISHED BY THE COMPANY

IN RESPONSE TO THE TENDER OFFER FOR THE SHARES OF SUEZ INITIATED BY THE COMPANY

Pursuant to the provisions of Article L. 621-8 of the French Monetary and Financial Code and Article 231-26 of the AMF's general regulations, the AMF has affixed visa no. 21-339 to this response document (the "**Response Document**"). The Response Document has been prepared by Suez and is the responsibility of its signatory.

The visa, in accordance with the provisions of article L. 621-8-1, I. of the Monetary and Financial Code, was granted after the AMF had verified "*whether the document is complete and comprehensible, and whether the information it contains is consistent*". It does not imply either approval of the appropriateness of the transaction or authentication of the accounting and financial information presented.

IMPORTANT NOTICE

In accordance with the provisions of articles 231-19 and 261-1 of the AMF general regulations, the report of Finexsi, acting as an independent expert, is included in this Response Document, it being specified that Finexsi has been appointed in accordance with article 261-1 III of the AMF general regulations.

Copies of this Response Document are available on the AMF's website (www.amf-france.org) and on Suez's website (www.suez.com) and may be obtained free of charge on request from Suez (Tour CB 21, 16 place de l'iris, 92040 Paris La Défense Cedex).

In accordance with article 231-28 of the AMF's general regulations, the other information relating to the characteristics of Suez, in particular its legal, financial and accounting characteristics, will be filed with the AMF and made available to the public no later than the day before the opening of the offer in the same manner.

A press release will be published, at the latest the day before the opening of the offer, to inform the public of the modalities for making these documents available.

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1. REMINDER OF THE MAIN TERMS AND CONDITIONS OF THE OFFER

1.1. Presentation of the Offer

Pursuant to Title III of Book II, and more specifically Articles 231-13 and 232-1 et seq. of the general regulations of the Autorité des marchés financiers (the "**AMF**"), Veolia Environnement, a French *société anonyme* with a board of directors, having its registered office at 21, rue La Boétie, 75008 Paris, registered under number 403 210 032 R.C.S Paris, the shares of which are admitted to trading on the regulated market of Euronext Paris ("**Euronext Paris**") under ISIN code FR0000124141 (mnemonic "**VIE**") ("**Veolia**" or the "**Offeror**"), makes an irrevocable offer to the shareholders of Suez, a French *société anonyme* with a board of directors, whose registered office is located at Tour CB21, 16, place de l'Iris, 92040 Paris La Défense Cedex, registered under number 433 466 570 R.C.S. Nanterre, whose shares are listed on Euronext Paris (compartment A) and Euronext Brussels ("**Euronext Brussels**") under ISIN code FR0010613471 (mnemonic "**SEV**" on Euronext Paris and "**SEVB**" on Euronext Brussels) ("**Suez**" or the "**Company**"), to acquire all of their Suez shares through a tender offer, the terms and conditions of which are set out in the offer document approved by the AMF on July 20, 2021 under number 21-338 (the "**Offer Document**") and which may be followed by a squeeze-out procedure in accordance with the provisions of articles 237-1 to 237-10 of the AMF's general regulations (the "**Offer**").

The Offer price is 19.85 euros per share (distribution rights attached). It is recalled that the draft Offer was filed at a price of 18 euros per share (dividend attached) on February 8, 2021[1], then increased to a price of 20.50 euros per share (dividend attached) on June 30, 2021[2]. Following the detachment of the dividend of 0.65 euro per share approved by the annual general meeting of Suez shareholders on June 30, 2021, the price of 20.50 euros per share (dividend attached) was automatically reduced by 0.65 euro, to 19.85 euros per share (distribution rights attached).

The Offer is for all Suez shares not held by the Offeror[3]:

- which are already issued, i.e., as of the date of this Response Document, a maximum number of 451 529 224 Suez shares[4], and
- which may be issued prior to the closing of the Offer or the Reopened Offer, as a result of the vesting of the shares allocated free of charge by Suez (the "**Free Shares**"), i.e., as of the date of this Response Document, a maximum of 550 919 new Suez shares,

i.e., as of the date of this Response Document, a maximum number of Suez shares subject to the Offer equal to 452 080 143.

The Offer Document specifies that American Depository Receipts under ISIN code US8646912092 ("**Suez ADR**") will not be accepted in the Offer or in the Reopened Offer and

[1] AMF notice n° 221C0312 of February 8, 2021 available on the AMF website (www.amf-france.org).

[2] AMF notice n° 221C1589 dated June 30, 2021 (supplement to AMF notice 221C0312 dated February 8, 2021) available on the AMF website (www.amf-france.org).

[3] As of the date of this Response Document, the Offeror holds 187 810 000 Suez Shares out of a total of 639 339 224 issued shares.

[4] I.e. 639 339 224 shares representing the same number of theoretical voting rights. This also includes treasury shares, i.e. 187 161 shares based on the same information. It is however specified that, in order to be able to deliver Free Shares to its employees and corporate officers, the Company has announced its intention not to tender its treasury shares to the Offer.

that holders of Suez ADRs who wish to tender their securities in the Offer or in the Reopened Offer will have to exchange them for Suez shares, as specified in section 2.5 of the Offer Document.

Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, Bank of America Europe DAC (Branch in France) and Morgan Stanley Europe SE are acting as presenting banks of the Offer in accordance with the provisions of article 231-13 of the AMF general regulations (hereinafter referred to together as the "**Presenting Banks**"). Only Crédit Agricole Corporate and Investment Bank and HSBC Continental Europe guarantee the content and the irrevocable nature of the undertakings made by the Offeror in connection with the Offer.

1.2. Reminder of the main terms of the Offer

It is recalled that the draft Offer was filed with the AMF on February 8, 2021 at a price of 18 euros per share (dividend attached). The filing of the draft Offer and the corresponding draft offer document were the subject of a filing notice by the AMF[5]. A press release containing the main elements of the above-mentioned draft offer document was issued by the Offeror on February 8, 2021 and remains available on its website (www.veolia.com). In accordance with the provisions of article 231-16 of the AMF's general regulations, this draft offer document was made available to the public free of charge at the registered offices of the Offeror and of each of the Presenting Banks, and was published on the websites of the AMF (www.amf-france.org) and Veolia (www.veolia.com).

On June 30, 2021, the Presenting Banks, acting on behalf of the Offeror, informed the AMF of the increase in the price of the proposed Offer from 18 euros per share (dividend attached) to 20.50 euros per share (dividend attached) and filed the corresponding draft amendment to the offer document with the AMF. An amending notice has been published by the AMF in this context[6].

In accordance with the provisions of article 231-26, I, 3° of the AMF's general regulations, the Company filed with the AMF on June 30, 2021 its draft response document to the Offer, including in particular the report of the independent expert and the reasoned opinion of the Board of directors pursuant to the provisions of article 231-19 of the AMF's general regulations. The AMF has published a notice of filing on its website (www.amf-france.org).

The draft amendment offer document and the draft response document have been published on the AMF website and have been made available free of charge to the public at the registered office of the Offeror (for the draft amending offer document) and at the registered office of the Company (for the draft response document). A press release containing the main elements of the draft response document was published by the Company and made public on its website (www.suez.com) on June 30, 2021.

The dividend of €0.65 per share approved by the Annual General Meeting of Suez shareholders on 30 June 2021 was detached on 6 July 2021. The price of 20.50 euros per share (dividend attached) was automatically reduced by 0.65 euros following this detachment, to 19.85 euros

5 AMF notice n° 220C4093 of October 6, 2020.

6 AMF notice n° 221C1589 dated June 30, 2021 (supplement to AMF notice 221C0312 dated February 8, 2021) available on the AMF website (www.amf-france.org).

per share (distribution rights attached).

The AMF published on its website (www.amf-france.org), on July 20, 2021, a reasoned clearance decision relating to the Offer after having verified the compliance of the Offer with the applicable legal and regulatory provisions. This clearance decision entails the approval of the offer document and the response document.

The Offer is voluntary and will be carried out in accordance with the normal procedure pursuant to the provisions of Articles 232-1 et seq. of the AMF's general regulations.

In accordance with the provisions of article 232-4 of the AMF's general regulations, if the Offer is successful, it will be automatically reopened within ten (10) trading days following the publication of the final result of the Offer, on the same terms as the Offer (the "**Reopened Offer**").

In accordance with Articles L.433-4 II of the French Monetary and Financial Code and 232-4 and 237-1 et seq. of the AMF's general regulations, in the event that the number of shares not tendered to the Offer by the Company's minority shareholders does not represent, at the end of the Offer or, as the case may be, the Reopened Offer, more than 10% of the Company's capital and voting rights, the Offeror has indicated that it intends to request from the AMF the implementation, within ten (10) trading days from the publication of the result of the Offer or, as the case may be, within three (3) months from the closing of the Reopened Offer, of a squeeze-out procedure in order to have the shares of the Company not tendered to the Offer transferred.

The Offer is subject to the validity threshold referred to in article 231-9, I of the AMF's general regulations, as described in section 2.6.1 of the Offer Document.

In addition, as of the date of this Response Document, the Offer is subject to the condition precedent (as described in section 2.6.2 of the Offer Document) of the approval of the merger transaction by the European Commission pursuant to article 6.1.b) of EC Regulation n° 139/2004 of January 20, 2004, it being specified that the Offeror reserves the right to waive this condition, after prior consultation (without right of veto) of Suez, in particular in order to accelerate the timetable of the Offer after taking into account the discussions with the European Commission.

Finally, in accordance with the provisions of article 232-11 of the AMF's general regulations, Veolia has indicated that it reserves the right to withdraw its Offer within a period of five (5) trading days following the publication of the timetable of a competing offer or improved offer, after having informed the AMF of its decision.

The Offeror has also reserved the right to withdraw its Offer if the Offer no longer serves its intended purpose, or if Suez, as a result of actions taken by it, changes its substance during the course of the Offer or in case of positive outcome of the Offer or if the actions taken by Suez result in the Offer becoming more expensive for the Offeror. The Offeror may only use this option with the prior authorization of the AMF, which shall rule in accordance with the principles set forth in Article 231-3 of its general regulations.

The indicative timetable of the Offer is presented in paragraph 2.11 of the Offer Document.

As the Suez shares are admitted to trading on Euronext Brussels, the Offer will, in accordance with Article 4.§4 of the Belgian law of April 1, 2007 relating to takeover offers, be opened in Belgium. To this effect, the Offer Document has been acknowledged by the Belgian Authority for Financial Services and Markets in accordance with Article 20 of the aforementioned law.

1.3. Background and reasons for the Offer

1.3.1 Context

Acquisition of a 29.9% block

Following Engie's announcement on July 31, 2020 of the launch of a strategic review including its stake in Suez, Veolia made a binding offer to Engie on August 30, 2020 for the immediate acquisition of a block of Suez shares held by Engie representing approximately 29.9% of the share capital and voting rights of Suez. This offer, initially made at a price of €15.50 per share (dividend attached), was increased by Veolia on 30 September 2020 to a price of €18 per share (dividend attached).

On 5 October 2020, the board of directors of Engie accepted Veolia's improved offer and, prior to the announcement of the draft Offer, Veolia and Engie entered into a share purchase agreement pursuant to which Veolia acquired from Engie 187 800 000 Suez shares, representing approximately 29.9% of the share capital and voting rights of Suez, at a price of €18 per share (dividend attached).

On February 8, 2021, the Presenting Banks, acting on behalf of Veolia, filed the draft Offer at a price of 18 euros per share (dividend attached), and the corresponding draft offer document with the AMF.

The Agreement in Principle

On 12 April 2021, Veolia and Suez announced that they had reached an agreement in principle (the "**Agreement in Principle**") setting out the general principles of a comprehensive and friendly solution for a combination between the two groups.

The Agreement in Principle sets out the main terms and conditions of the combination between Veolia and Suez, including

- the increase of the price of the draft Offer from €18 per share (dividend attached) to €20.50 per share (dividend attached);
- the reiteration of Veolia's social commitments for a period of four years from the closing of the Offer;
- the recommendation of the Offer by the board of directors of Suez, subject to obtaining a fairness opinion in accordance with regulations in force;
- the creation of a "new Suez" made up of assets that form a coherent and sustainable group in industrial and social terms, with real growth potential, with a nearly €7 billion revenue;
- the full cooperation of Suez, Veolia and the "new Suez" takeover consortium in obtaining the necessary clearances;
- the deactivation of the Dutch foundation by Suez, the termination of the asset sale agreements with Cleanaway in Australia, and the withdrawal of Suez and Veolia from ongoing litigation; and
- the conclusion of the final agreements reflecting this Agreement in Principle by May

14, 2021.

The Combination Agreement

In this context, Veolia and Suez entered into a combination agreement on May 14, 2021 (the "**Combination Agreement**").

The Combination Agreement entered into between Veolia and Suez sets out the terms and conditions for the implementation of the Offer and establishes the general principles for the creation of the "new Suez" through the sale by Suez, to the Consortium (as defined below), of its water and waste activities (excluding hazardous waste) in France and certain of its identified international assets (the "**Perimeter Divestment**"). The Combination Agreement contains in particular:

- the characteristics of the Offer, as set out in the Offer Document;
- the undertaking by Veolia to increase the Offer price from €18 per share (dividend attached) to €20.50 per share (dividend attached) and to file the corresponding amended draft offer document subject to, and concomitantly with, the notification of the delivery by the board of directors of Suez of a reasoned opinion in favor of the Offer in accordance with Article 231-19 of the AMF's general regulations;
- the undertaking by Suez to convene its board of directors to give a reasoned opinion on the Offer subject to its fiduciary duties, the opinion of the Suez Group Committee, and the positive conclusion of the independent expert on the fairness of the financial terms of the Offer;
- the reiteration of Veolia's social commitments for a period of four years from the first settlement-delivery date of the Offer;
- the undertaking by Veolia and Suez to cooperate fully in obtaining all necessary regulatory clearances in connection with the Offer and more generally with the combination, including obtaining merger control clearance from the European Commission, described in paragraph 2.6.2 of this news release;
- the guiding principles and the draft Memorandum of Understanding in accordance with which the Perimeter Divestment shall be prepared and implemented;
- the commitment of the Parties to cooperate fully in the preparation and completion of the Perimeter Divestment;
- the conditions for the deactivation of the Dutch foundation by Suez, and the waiver by Veolia and Suez of the ongoing litigation;
- a customary exclusivity undertaking by Suez in favour of Veolia; and
- a customary undertaking made by Suez concerning the management in the normal course of business.

The Combination Agreement shall terminate on the later of the date of settlement-delivery of the Offer and the date of completion of the Perimeter Divestment, unless it is terminated earlier by mutual agreement of the parties or unilaterally (i) by Veolia if (a) the board of directors of Suez recommends a superior offer, (b) Suez fails to perform any of its obligations under the

Combination Agreement or (c) the AMF announces the failure of the Offer, and (ii) by Suez if (a) Suez accepts a superior offer, (b) Veolia fails to perform any of its obligations under the Combination Agreement, (c) the Offer is declared non-compliant by the AMF or following a court decision, (d) Veolia withdraws from the Offer or (e) the AMF announces the failure of the Offer. The Combination Agreement will also automatically terminate if the first settlement-delivery of the Offer and the completion of the Divestment of the Perimeter have not occurred by June 30, 2022.

For the purposes of their cooperation under the terms of the Combination Agreement, Veolia and Suez have also organized a limited exchange of information between them in accordance with the applicable regulations.

The Memorandum of Understanding

On May 14, 2021, Suez and Veolia also concluded a Memorandum of Understanding (the "**Memorandum of Understanding**") with Meridiam, Caisse des Dépôts et Consignations, CNP Assurances and Global Infrastructure Partners (the "**Consortium"**).

The purpose of the Memorandum of Understanding entered into between Veolia, Suez and the Consortium is to provide a framework for the negotiation of the final agreements and to organize the procedures for informing and consulting the relevant employee representative bodies of the Suez group in connection with the Perimeter Divestment.

On May 14, 2021, prior to their conclusion, the Combination Agreement and the Memorandum of Understanding were approved by the board of directors of Veolia and the board of directors of Suez. The board of directors of Suez also approved the proposed combination between the two groups.

Firm offer and signature of the Put Option Agreement

In accordance with the provisions of the Memorandum of Understanding, the Consortium submitted to Suez and Veolia, on June 27, 2021, a firm and definitive offer under the terms of which the Perimeter Divestment would be carried out for the benefit of a newly created company owned by Meridiam and Global Infrastructure Partners, each holding 40% of the capital, by Caisse des dépôts et consignations holding 12%, and by CNP Assurances holding 8% (the "**Consortium Acquisition Vehicle**").

The Perimeter Divestment would include (i) Suez's Water and Waste activities (excluding hazardous waste) in France, (ii) Suez's "Smart & Environmental Solutions" global business unit (excluding "SES Spain", "SES Aguas Andinas" and part of "SES Colombia"), (iii) Suez's Municipal Water activities (excluding hazardous waste), (iv) Suez's "Smart & Environmental Solutions Environmental Solutions" business unit of Suez (with the exception of "SES Spain", "SES Aguas Andinas" and part of "SES Colombia"), (iii) the Municipal Water activities of Suez in Italy as well as the participation in ACEA, (iv) the Municipal Water activities of Suez in the Czech Republic, (v) the Municipal Water and Waste activities (with the exception of hazardous waste) of Suez in Africa as well as the participation in Lydec, (vi) the municipal water activities in India, Bangladesh and Sri Lanka, (vii) the municipal water, industrial water and design and construction infrastructure activities of Suez in China, as well as all the activities of the Suyu group and two industrial incinerators in Shanghai and Suzhou, (viii) the municipal water activities of Suez in Australia and (ix) the activities of Suez in Uzbekistan, Azerbaijan, Turkmenistan and Kazakhstan. The perimeter would represent a consolidated annual turnover of around 7 billion euros and employ around 37,000 people.

The Consortium's offer values the Perimeter at 10.4 billion euros in enterprise value (taking into account liabilities related to IFRS 16). This valuation includes a potential additional payment of 300 million euros to be made at the end of the 2021 fiscal year, based on the EBITDA level achieved by the divested business at the end of the 2021 fiscal year. This offer values the Perimeter at 9.1 billion euros in equity value.

The completion of the Perimeter Divestment would nevertheless remain conditional (i) on certain reorganizations relating to the divested perimeter, (ii) on the transfer to the Consortium of at least 90% of the revenues of the divested perimeter, and (iii) on the settlement-delivery of the Offer. As a result, the divestment transaction may not be completed if one of these conditions precedent is not met.

The Consortium's offer also provides for employee shareholding to be increased to 10% of the capital within seven years of the completion of the Perimeter Divestment. The practical terms of the employee shareholding have yet to be determined, but it could take the form of an employee shareholding offer within a new savings plan to be set up by the "new Suez".

Following the submission of the firm and final offer of the Consortium, the Consortium Acquisition Vehicle, Suez and Veolia have signed a Put Option Agreement (the "**Put Option Agreement**"), to which is annexed a draft share and asset sale agreement, under the terms of which the Consortium Acquisition Vehicle has granted a promise to a purchase option relating to the Perimeter Divestment, which may be exercised by Suez as soon as the information and consultation procedures with the relevant employee representative bodies of the Suez group have been completed.

Attached to the Put Option Agreement is a draft Share and Asset Purchase Agreement (the "**SAPA**") that would be entered into between Suez, Veolia and the Consortium Acquisition Vehicle in the event of the exercise of the put option and which sets forth the terms and conditions of the transfer of shares, assets and liabilities held by certain entities of the Suez group to the Consortium Acquisition Vehicle, with a view to the creation of the "new Suez".

It is specified that SAPA includes, but is not limited to:

- a detailed description of the activities included in the Perimeter Divestment;
- a detailed description of the reorganization steps to be implemented prior to the completion of the Perimeter Divestment;
- mechanisms for adjusting the acquisition price, upwards or downwards, usually determined on the basis of accounts drawn up at the date of completion or linked to possible changes in the scope of consolidation between now and the date of completion, subject to the compensation mechanisms described below;
- mechanisms for implementing economically and industrially equivalent solutions in the event that certain assets to be transferred to the Consortium Acquisition Vehicle cannot be transferred;
- the above-mentioned conditions precedent;
- the possibility of completing the Perimeter Divestment in several stages (staggered closing); and

- the social undertakings taken by the Consortium Acquisition Vehicle.

Acknowledging the opinion of the Suez Group Committee on the Offer dated June 21, 2021, which is included in section 8 of this Response Document, and the report of the independent expert, Finexsi, on the financial terms of the Offer dated June 29, 2021, which is attached to this Response Document, the board of directors of Suez held on June 29, 2021, considered that the Offer is in the interest of Suez, its shareholders and its employees and recommended to the shareholders to tender their Suez shares to the Offer in the context of its reasoned opinion prepared pursuant to article 231-19 of the AMF's general regulations. This opinion is reproduced in Section 2 of this Response Document.

In accordance with the terms of the Combination Agreement, Veolia then decided to increase as announced the price of the draft Offer from 18 euros per share (dividend attached) to 20.50 euros per share (dividend attached) and instructed the Presenting Banks, acting on behalf of the Offeror, to inform the AMF of this increased price and to file the corresponding amendment to the draft offer document.

The draft Offer and the amended draft offer document were filed with the AMF on June 30, 2021 by the Presenting Banks, acting on behalf of Veolia, in accordance with the provisions of article 231-13 of the AMF's general regulations. This filing was the subject of an amending filing notice from the AMF [7].

It is recalled that following the detachment of the dividend of 0.65 euro per share approved by the Annual General Meeting of Suez shareholders on June 30, 2021, the price of 20.50 euros per share (dividend attached) was automatically reduced by 0.65 euros, to 19.85 euros per share (distribution rights attached).

1.3.2 Reasons for the Offer

The Offer is part of the proposed combination of Veolia, which is detailed, as well as the reasons for it, in the Offer Document.

2. REASONED OPINION OF THE BOARD OF DIRECTORS

2.1. Composition of the Board of Directors

As of the date of this Response Document, the Company's board of directors is composed as follows:

- Mr. Philippe Varin, Chairman;
- Mr. Bertrand Camus, Chief Executive Officer;
- Mrs. Miriem Bensalah Chaqroun, independent director;
- Mr. Anthony R. Coscia, director;
- Ms. Martha Crawford, independent director;
- Mrs. Delphine Ernotte Cunci, independent director;

[7] AMF notice n° 221C1589 dated June 30, 2021 (supplement to AMF notice 221C0312 dated February 8, 2021) available on the AMF website (www.amf-france.org).

- Ms. Anne Lauvergeon, independent director;
- Mr. Bertrand Meunier, independent director;
- Mr Philippe Petitcolin, independent director;
- Mr. Jacques Richier, independent director;
- Mrs Brigitte Taittinger-Jouyet, independent director;
- Mr. Guillaume Thivolle, director representing employee shareholders;
- Mr. Enric Xavier Amiguet I Rovira, director elected by the employees; and
- Mrs. Agatta Constantini, director elected by the employees.

It is noted that the Ordinary General Meeting of June 30, 2021 approved the ratification of the co-option of the following directors:

- Mr. Bertrand Meunier;
- Mr. Jacques Richier;
- Mr. Anthony R. Coscia; and
- Mr. Philippe Petitcolin.

2.2. Reasoned opinion of the board of directors

The board of directors of the Company, at its meeting of June 29, 2021, rendered the following reasoned opinion:

*"The Chairman reminds the members of the Board of Directors that they have been convened today for the purpose, in particular, in accordance with the provisions of Article 231-19 of the general regulations of the Autorité des marchés financiers ("**AMF**"), of giving a reasoned opinion on the interest that the proposed takeover bid (the "**Offer**") for the Company's shares at a price of 20.50 per share (dividend attached), initiated by Veolia Environnement SA ("**Veolia**" or the "**Offeror**").*

The Chairman recalled that the draft Offer was filed by the Offeror with the AMF on 8 February 2021 at a price of 18 euros per share (dividend attached) and that, since then, the Offeror has undertaken, subject to certain conditions set forth in the combination agreement entered into between Suez and Veolia on May 14, 2021, to increase the Offer price to a price of 20,50 euros per share (dividend attached).

*The Chairman then recalled that the proposed Offer was part of the more global project of the combination between Veolia and Suez, with the creation of a "new Suez" through the transfer of Suez's French water and waste activities and other international assets to a consortium of investors (i.e. GIP, CDC, CNP and Meridiam, together the "**Consortium**"). On May 14, 2021, the Board of Directors welcomed the proposed combination and indicated its intention, subject to its fiduciary duties, the opinion of the Company's Group Committee, and the positive conclusion of the independent expert on the fairness of the financial terms of the Offer, to issue a favorable recommendation on the Offer.*

The Chairman recalled that, prior to today's meeting, the directors had been given access to the following documents to enable them to give their reasoned opinion:

- *the draft offer document of the Offeror, intended to be filed with the AMF concomitantly with the notification to Veolia of the delivery by the Board of directors of a reasoned favorable opinion on the Offer, containing in particular the reasons for the Offer, the intentions of the Offeror, the terms and conditions of the Offer (including an indicative timetable), as well as the elements of assessment of the price of the Offer established by the presenting banks of the Offer;*
- *the draft offer document in response from the Company, to be filed with the AMF at the same time as the draft offer document from the Offeror, together with the report from Finexsi, acting as an independent expert, and the reasoned opinion of the Board of directors;*
- *the report of Finexsi, acting as an independent expert, which concludes that the financial terms of the Offer are fair; and*
- *the unfavorable opinion of the Suez Group Committee on the Offer.*

Finally, the Chairman recalled that the Consortium is expected to sign today a Put Option relating to the acquisition by the Consortium's acquisition vehicle of the perimeter constituting the "new Suez", which may be exercised by Suez as soon as the process of informing and consulting the relevant employee representative bodies has been finalized.

1. Reminders on the constitution of the Ad Hoc Committee

The Chairman indicates that the main terms and conditions of the draft Offer are set out in the draft offer document of the Offeror.

*The Chairman then recalled that, at its meeting of August 31, 2020, the Board of directors set up an ad hoc committee (the "**Committee**"), responsible for preparing the work of the Board of directors relating to the project announced by Veolia on August 30, 2020. It was decided in this context that, in the event of the formal filing of an offer for the Company's shares, the Committee's mission would be to participate in the selection of any independent expert as well as in the definition of its mission and to supervise its work, with a view to issue a fairness opinion within the meaning of the AMF's general regulation.*

At the time of its creation on August 31, 2020, the Committee was composed of four members: the chairman of the board of directors, who was appointed chairman of the Committee, an director representing the employees, namely Mrs. Agatta Constantini, and two independent directors, namely Mrs. Miriem Bensalah Chaqroun and Mrs. Delphine Ernotte Cunci. Two additional members of the Committee were appointed by decision of the Board of directors on September 23, 2020, namely Mrs. Brigitte Taittinger-Jouyet and Mrs. Anne Lauvergeon, bringing the number of Committee members to six.

2. Work of the independent expert

i. Appointment of the independent expert

At its meeting on September 21, 2020, the Committee reviewed the profiles and experience of two firms identified as being able to meet the competence criteria required by the applicable regulations. Following this review, the Committee selected Finexsi mainly on the basis of the absence of any present or past link between the firm and the Company, its recent experience in *large-scale market transactions and, more generally, its professional reputation and the human and material resources at its disposal.*

At its meeting of February 24, 2021, the Board of Directors, on the recommendation of the Committee, appointed Finexsi, represented by Mr. Olivier Perronet, as an independent expert pursuant to Article 261-1 I, 4°, in order to issue a report on the financial terms of the Offer and/or any other related transaction or agreement likely to take place in the event of a negotiated solution in the context of Veolia's project.

Finexsi has confirmed that it was not in a conflict of interest situation with the various parties involved and that it had sufficient material resources and the necessary availability to carry out its mission.

ii. Follow-up of the work of the independent expert by the Committee

Since the formal appointment of the independent expert on February 24, 2021, the Committee has met fourteen times, including five times in the presence of the independent expert. On each occasion, the Committee has ensured that the independent expert had all the information necessary for the performance of his mission.

The members of the Committee met in the presence of the independent expert:

- *March 26, 2021, in order to present the mission of the independent expert, to review its work and in particular the valuation methods retained and excluded and the work to be continued or further developed. The Committee also reviewed various issues related to the draft offer of Veolia;*
- *April 9, 2021, in order to review the progress of the independent expert's work. In particular, the independent expert presented a preliminary summary of the results of Suez's valuations;*
- *on May 11, 2021, in order to firstly discuss the scope of the new Suez by specifying the points of negotiation in progress, secondly, to provide an update on the buyers of the future Suez by specifying in particular the planned shareholding distribution, the elements of valuation of the consortium's offer as well as the important points of attention of the offer, and thirdly, to comment on the progress of the discussions on the combination agreement with Veolia and the timetable of the public offer;*
- *June 14, 2021, to discuss the characteristics (including valuation elements) of the "pre-final" offer submitted by the Consortium on June 11, 2021, to review the work of the independent expert, and to review the main stages of the timetable for the submission of a binding offer by the Consortium and the reasoned opinion of the Board of directors, and the progress of discussions with Veolia;*
- *June 28, 2021, to discuss the characteristics of the Consortium's firm and final offer submitted on June 27, 2021, to present the draft report of the independent expert, to give a recommendation on Veolia's draft Offer and to provide a general update on the steps planned on June 29, 2021.*

A medium-term business plan for 2020-2023, as well as management's extrapolation of this business plan by business unit until 2030 in order to take into account the full effects of the Shaping Suez 2030 plan, were communicated to the independent expert. The Committee has *ensured that (i) the business plan presented to the independent expert has been reviewed by the Board of Directors and that it reflects, at the time of the Offer, the best possible estimate of the Company's forecasts and (ii) that there are no other relevant forecast data. In addition, the Company's previous financial communication has been found to be consistent with the outlook contained in this business plan.*

In general, details of the interactions between the members of the Committee and the independent expert are set out in the expert report prepared by Finexsi.

iii. Conclusions of the independent expert's report

Finexsi, represented by Mr. Olivier Péronnet, summarized the conclusions of its work to the Board of directors:

"With respect to the shareholder of SUEZ

This Tender Offer follows the acquisition on October 6, 2020 of a block of SUEZ shares representing 29.9% of the Company's capital by VEOLIA from ENGIE at a price of €18.0 per SUEZ share. This price was subsequently increased to €20.50 per share (with coupon attached) as part of the Agreement in Principle entered between SUEZ and VEOLIA on April 11, 2021, an increase which will also benefit to ENGIE pursuant to a top-up clause provided for in the Share Purchase Agreement signed between the latter and VEOLIA, as we will discuss below.

This Offer provides immediate access to liquidity for SUEZ shareholders, with a 29% premium over the last unaffected share price by the health crisis as of February 21, 2020, and a 44% premium over the average stock market price for the 60 days preceding that date. This control premium includes a significant portion of the synergies expected from the combination.

The Offer price is close to the central value of €20.4 derived from the sum of the parts based on the future cash flows to 2030e, which allows to apprehend the potential of each activity according to its own characteristics, in standalone. On this basis, the Offer price immunizes the shareholder from the risk of realizing each of the 2030e business plans, which, as already mentioned, factor in the strategic orientations and ambitions of Management in terms of revenue growth and margin improvement, and therefore allow the full value of the Group to be assessed. It should also be remembered that the results of the cash flow approach are representative of a control value insofar as they assume that all cash flows from the business will be captured.

This result is corroborated by the sum of the part approach based on comparable multiples applied to the forecast aggregates of the Group's various activities, taking into account the recovery of activity following the health crisis, the development of international activities and the benefit of cost optimization programs, particularly with regard to the Group's headquarter costs.

Based on the global valuation approaches of SUEZ retained as secondary methods, the Offer Price shows a premium of 6% on the central value resulting from the global DCF approach, premiums of 50% and 30% respectively on the low and high bounds of the global approach using peer multiples, as well as premiums of 130% and 53% on the range of financial analysts' price targets published between July 29 and July 31, 2020.

With respect to related agreements

With respect to the Share Purchase Agreement between VEOLIA and ENGIE, the price paid for the acquisition of the block after application of the top-up clause will amount to €19.85 per SUEZ share, subject to the approval by the General Meeting of the 2020 dividend of €0.65 per share.

This price is strictly equal to the price that will be received by SUEZ shareholders after detachment of the €0.65 coupon per share, being noted that ENGIE does not benefit from the ordinary dividends that may be paid to SUEZ shareholders on the shares transferred to VEOLIA. These ordinary dividends correspond to the return attached to the holding of SUEZ shares until the settlement of the Offer, expected in 2021.

On this basis, we consider that the Share Purchase Agreement is not such as to question the fairness of the Offer Price.

With respect to the sale of the New SUEZ perimeter by VEOLIA to a Consortium of investors at the same time as the present Offer, it appears to us, on the basis of a review of the legal and financial documentation relating to the said sale94 and an exchange with the members and advisors of the Consortium, that the enterprise value of €9.5 billion (€9.8 billion including the earn-out) proposed by the Consortium is lower than our own estimates of the value of the said assets in the context of the assessment of the Offer Price, in particular regarding the central approach of the sum of the parts based on DCF. Therefore, the sale price to the Consortium does not represent a capital gain for the Offeror that would not benefit the SUEZ shareholder. Consequently, this sale does not appear to question the fairness of the Offer for the SUEZ shareholder.

The same applies to the Agreement in Principle and the Combination Agreement, the provisions of which are not such as to question the fairness of the Offer price from a financial view.

The comments and assessments in this report assume that the agreements with the Consortium are not substantially modified and are being performed in accordance with their terms, and that the scope of consolidation is not affected by future decisions of the Competition Authorities.

At the date of this report, we consider that the Offer Price of €20.50 per share is fair from a financial point of view for the SUEZ shareholder."

3. Measures likely to frustrate the Offer taken by Suez

The Company has not taken any decisions that it has qualified as actions that could frustrate the Offer.

For all intents and purposes, it should be noted that the Dutch foundation set up on September 23, 2020, is subject to specific stipulations in the combination agreement entered into on May 14, 2021 between Veolia and Suez, under the terms of which it is provided that:

- *concomitantly with the Put Option relating to the acquisition by the Consortium of the perimeter constituting the "new Suez" and in any event no later than September 30, 2021, Suez shall send the Foundation the Certificate E;*
- *subject to the settlement of Veolia's tender offer for Suez in accordance with the terms of the Combination Agreement, Suez shall deliver to the Foundation Certificate F (or, as*

the case may be, Certificate G) on the settlement date of Veolia's tender offer for Suez and no later than September 30, 2022;

- *subject to the sending of the said Certificate F or G, Suez shall take all decisions and measures necessary for the dissolution of the Foundation.*

4. Meetings of the Board of directors regarding the Offer

Since the filing of the Offer on February 8, 2021, the Board of directors has met twelve times:

- *February 8, 2021, in particular to discuss the Veolia tender offer filed on the same day, the context of its filing and the issues related to its timing;*
- *February 15, 2021, in particular to discuss the various open options, to report on the follow-up of Veolia's offer and discussions with interested parties, to prepare the holding of the company's general meeting and to discuss the company's communication plan;*
- *February 24, 2021, in particular to appoint Finexsi as an independent expert, to discuss the options available and in particular the negotiation process with the interested parties;*
- *March 4, 2021, in particular to discuss the terms and direction of discussions with interested parties, especially in terms of scope, value and social commitments;*
- *March 20, 2021, in particular to issue recommendations on Veolia's new proposal by analyzing the proposed price, the scope and the overall execution risk of the proposal in light of Suez's corporate interest, to accept the offer made by a consortium of investors and, overall, to authorize the making of a proposal with a view to finding a negotiated solution with Veolia, in line with the corporate interest;*
- *March 24, 2021, in particular to review (i) the internal and external reactions to the announcement made by Suez on March 21, 2021 of the proposal of a negotiated solution with Veolia supported by a firm offer from Ardian - GIP, and (ii) the company's external communication. It also discussed the conditions and challenges of the proposed divestments as well as the next steps to be taken for a negotiated solution with Veolia;*
- *March 26, 2021, to report on the Committee meeting during which Finexsi made a presentation of its valuation work, and to discuss the modalities, communication and progress of divestment projects;*
- *April 11, 2021, in particular to approve and comment on the terms of the agreement in principle between Suez and Veolia, to report on the progress made by Finexsi with the Committee and the Audit Committee on April 9, and to discuss standalone scenarios;*
- *April 22, 2021, in particular to discuss the draft agreement with Veolia, the identity of the investors in the new Suez and its scope, and to monitor the progress of Veolia's proposal with regard to social undertakings;*
- *April 28, 2021, in particular to comment on the status of discussions with the consortium and Veolia with a view to a combination agreement and to discuss the status of the Committee's work;*
- *May 14, 2021, in particular to approve the combination agreement with Veolia and the Memorandum of Understanding for the divestment of the "new Suez" perimeter to the*

consortium of investors, and to discuss the timetable for the next steps and the Company's communication regarding the combination agreement;

- *June 15, 2021, in particular to discuss with the members of the Consortium their strategic vision of the "new Suez", to review the progress of the discussions concerning the sale agreement of the "new Suez" and the work of the independent expert, the Committee and the Strategic Committee.*

5. Main written comments from shareholders received in accordance with stock market regulations

Since the announcement of Veolia's draft Offer on October 5, 2020, two minority shareholders have made their observations known to the AMF, as permitted by stock market regulations. Thus:

- *On October 19, 2020, the Association for the Defense of Minority Shareholders (the "**ADAM**") sent a letter to the Chairman of the Board of directors, copying the services of the AMF, arguing that the Dutch law foundation put in place by the Board of directors on September 23, 2020 is an imprecise and opaque mechanism that is detrimental to the interests of the shareholders as well as Suez. The Chairman of the Board of directors responded to this letter on October 30, 2020, firstly to reiterate the importance that the Board of directors attaches to protecting the interests of Suez shareholders as best as possible, and secondly to argue that the foundation measure is in the interest of all stakeholders, is regular, and has been fully disclosed to the market; and*
- *On February 16, 2021, Farallon Capital Europe LLP, through its advisors, sent a letter to the AMF in which it supports the filing by Veolia of its tender offer and the publication by the AMF of the notice of filing.*

6. Recommendation of the Ad Hoc Committee

On June 28, 2021, the Committee finalized its recommendation to the Board of directors in light of the independent expert's draft report.

- *Regarding the interest of the Offer for the Company,*

  The Committee:

  - *notes that the Perimeter Divestment will enable the creation of the "new Suez", forming a coherent and sustainable entity from an industrial and social point of view, with revenues of around 6.9 billion euros (based on 2019), in particular the "new Suez" would retain its growth prospects and its capacity for innovation in France and internationally;*
  - *notes that the "Reasons for the Offer" presented in the Offeror's draft offer document indicate that the Offer will make it possible to create a group that is a driving force in the ecological transformation at the global level, which would retain its French and European roots, and that the new group would be able to benefit from the significant complementarities of Suez and Veolia in terms of geography, client portfolio, commercial offerings, know-how and technology, and would have a greater capacity for investment and innovation;*

- *notes that the Offer and the Perimeter Divestment would thus contribute to preserving competition in France by allowing the maintenance of two major players in the water and waste management businesses, for the benefit of French and international customers;*
- *notes that the group formed by the combination of Suez and Veolia following the Offer, on the one hand, and the new Suez formed following the Perimeter Divestment, on the other hand, will be able to offer their clients, whether public or private, complete and effective solutions, thanks in particular to their expertise and their geographical footprint.*

The Committee further notes that the Offeror's intentions, as described in the Offeror's draft offer document, are as follows:

- *with respect to the composition of the corporate bodies, subject to the success of the Offer, the Offeror intends to ask the general meeting of the Company's shareholders to appoint its representatives to the board of directors of the Company, in order to reflect the new composition of the shareholder base, as well as the renewal or appointment of directors who are not related to the Veolia group, for a period covering at least the period during which the Company's shares will remain listed on Euronext Paris; it being specified that in the event that the settlement-delivery of the Offer occurs prior to the completion of the Perimeter Divestment, the Offeror has undertaken to retain certain independent directors of the Company until the date of full completion of the Perimeter Divestment;*
- *the Offeror intends to implement the Perimeter Divestment by Suez to the Consortium in order to create the "new Suez", it also reserves the right to consider a possible merger or transfer of assets or activities between the Company (or other entities of the Suez group) and itself or other entities of the Veolia group, or to carry out any other reorganization of the Company (or other entities of the Suez group);*
- *the Offeror intends to ask the AMF the implementation of a squeeze-out procedure for the shares of the Company, if the number of shares not tendered to the Offer by the minority shareholders of the Company does not represent, at the end of the Offer (or the reopened Offer), more than 10% of the share capital and voting rights of the Company; in the event that the Offeror would subsequently hold, directly or indirectly, alone or in concert, at least 90% of the share capital and voting rights of Suez and that a squeeze-out has not been implemented the Offeror reserves the right to file with the AMF a proposed squeeze-out offer followed by a mandatory squeeze-out for the Suez shares that it does not hold directly or indirectly, alone or in concert, at that time, in accordance with the conditions set forth in Articles 237-1 et seq. of the AMF's general regulations;*

  Having considered the above, the Committee confirms the interest of the Offer for the Company.

- *Regarding the price of the Offer and the interest of the shareholders for the Offer:*

The Committee notes that:

- *the Offeror indicates that the price offered of 20.50 euros per share (dividend attached) represents: (i) a premium of 98.7% over the closing price of the Suez share immediately prior to Engie's announcement of its strategic review including its stake in Suez on July 30, 2020, (ii) a premium of 95.5% and 97.3% respectively over the volume weighted average price over the month and the three months prior to such date and (iii) a premium of 79.7% over the average analysts' consensus target price as of August 28, 2020;*

- *the independent expert noted that the price offered of 20.50 euros per share (dividend attached) represented a premium to the stock market price, was within the range of values derived from the criteria based on the sum of the parts implemented on a primary basis and allowing to factor the ambitions of the Shaping Suez 2030 plan, and represented premiums on all the other criteria retained on a secondary basis, and that this price was fair, from a financial point of view, for the shareholders of the Company who would choose to tender their shares to the Offer;*

- *the Offer thus allows the Company's shareholders to benefit from an immediate liquidity greater than the one offered by the market prior to the announcement of the Offer;*

- *with regard to the free shares, in the event that the expiry of the vesting period is later than the closing of the Offer (or the Reopened Offer), the Offeror has indicated that it will propose to the beneficiaries of rights to receive free shares who will not be able to tender them to the Offer or, as the case may be, the Reopened Offer to purchase them during a period of 60 calendar days following the expiry of the vesting period via the implementation of a liquidity mechanism in accordance with the market practices applicable to similar transactions and which will have to be proposed or implemented at the latest at the closing of the Offer or, as the case may be, of the Reopened Offer. The purchase price of such free shares will be equal to the price per share paid in the Offer, adjusted for the amount of any distribution that may have occurred between the closing of the Reopened Offer and the request to purchase the free shares;*

  The Committee therefore considers that the Offer represents an opportunity for the shareholders to benefit from an immediate liquidity, significantly higher than the one offered by the market prior to the announcement of the Offer, under price conditions considered as fair by the independent expert, including in case of implementation of the squeeze-out.

- *Regarding the interest of the Offer for the employees*

  The Committee notes that the Offeror has taken a certain number of social undertakingsrelating to Suez.

  - *With respect to field staff in the European Union (excluding France), Veolia has already undertaken that the combination will not have any negative impact on these field jobs for a period of one year from the first settlement date of the Offer, subject of course to voluntary departures and individual decisions taken in the* *normal course of business. The status of the operators of the operational activities will also be maintained.*

- *As regards staff in central or support functions, in countries where duplication may be identified, Veolia will make every effort to support the staff concerned and offer appropriate career paths whenever possible.*

- *On the subject of bringing the management teams together, Veolia undertakes to integrate Suez executives into its management bodies in a spirit of balance and on the basis of skills (with the implementation of an independent evaluation of candidates). Following this objective evaluation process, Veolia could integrate four or five managers from Suez into its executive committee out of the dozen or so members that make up the body.*

- *Veolia is committed to fostering dialogue with employee representatives, which is essential to the successful construction of the new entity, in accordance with its social culture and taking into account the one of Suez.*

- *With respect to employment in France, Veolia's intention is that the combination will not have a negative impact but, on the contrary, a net positive impact on a lasting basis. In this respect, Veolia undertakes, for a period of four years from the first settlement date of the Offer, to maintain the existing employment and benefits in France of the Suez employees who will join Veolia, subject of course to voluntary departures and individual decisions taken in the normal course of business. With respect to the current employees at Suez headquarters, those whose activities primarily concern the "Water" or "Solid Waste" businesses in France, or the other businesses that will be sold in the context of the creation of the "new Suez", will join the latter. The remaining employees at Suez headquarters correspond, on the one hand, to positions that Veolia absolutely needs; on the other hand, in the absence of strictly identical positions, Veolia is committed to building an appropriate and motivating career path within a group that will offer unprecedented opportunities thanks to its new size.*

  In view of the foregoing, the Committee considers that the Offer as described in the draft offer document of the Offeror is consistent with the interests of the Company's employees and should not have any specific impact on employment.

At the end of its mission, and having taken into account the work of the independent expert and all of the above elements, the Committee ***recommends****, by a majority of its members, that the Board of directors conclude that the Offer is in the interest of the Company, its shareholders and its employees.*

7. Conclusion and opinion of the Board of directors

The Board of directors, after having deliberated, on the recommendation of the Committee, and having taken note of all the elements made available to its members and in particular the objectives and intentions expressed by the Offeror, the valuation elements prepared by the presenting banks of the Offer, the opinion of the Group Committee, the conclusions of the independent expert's report, and the conclusions of the Committee's review work, by a majority of its members, it being specified that (i) all the directors were present, (ii) two directors voted *against, (iii) one director abstained, and (iv) all the other directors voted in favour of the following decisions:*

- ***notes*** *that the Consortium is due to sign a put option on June 29, 2021 for the acquisition by the Consortium of the perimeter constituting the "new Suez", which may be exercised by Suez once the process of informing and consulting the relevant employee representative bodies has been completed;*

- ***notes****:*

    - *the terms of the Offer and the elements for assessing the price of the Offer contained in the Offeror's draft offer document;*

    - *the reasons and intentions of the Offeror as set out in the Offeror's draft offer document;*

    - *the motivated unfavorable opinion of the Group Committee on the Offer;*

    - *the favorable conclusions of the independent expert on the financial conditions of the Offer;*

    - *the work and recommendations of the Committee and its favorable opinion on the Offer;*

- ***decides*** *to take into account the work and recommendations of the Committee and* ***considers*** *that the Offer is in the interests of the Company, its shareholders and its employees;*

- ***issues*** *a favorable opinion on the draft Offer as presented to it;*

- *consequently* ***recommends*** *to the Company's shareholders to tender their shares to the Offer;*

- ***acknowledges*** *that the treasury shares held by the Company (which are intended, in particular, to be delivered in the context of free allocations to employees and corporate officers) will not be tendered in the Offer;*

- ***approves*** *the Company's draft response document;*

- ***authorizes****, as necessary, the Chief Executive Officer, with the option of sub-delegation, to:*

    - *finalize the draft response document relating to the Offer, as well as any document that may be necessary in the context of the Offer, and in particular the "Other Information" document relating to the legal, financial and accounting characteristics of the Company;*

    - *prepare, sign and file with the AMF all documentation required in connection with the Offer;*

    - *sign any certifications required in connection with the Offer; and*

    - *more generally, to take all steps and measures necessary or useful for the completion of the Offer, including entering into and signing, in the name and on behalf of the Company, all transactions and documents necessary and related to the completion of the Offer, including any press release.*

As a consequence of the foregoing, the members of the Board of directors specify that they will tender to the Offer all the shares of the Company that they hold, subject to the obligation to hold shares provided for by the Company's articles of association in the case of the directors who remain in office after the settlement-delivery date of the Offer and the obligation to hold shares until the end of his term of office, in the case of the Chief Executive Officer.

3. INTENTION OF THE MEMBERS OF THE SUEZ BOARD OF DIRECTORS

In accordance with the reasoned opinion expressed by its board of directors, the board of directors recommends the Offer and consequently the directors have indicated their intention to tender all their shares to the Offer, subject to the obligation to hold shares as provided for in the Company's articles of association with respect to the directors who remain in office after the settlement-delivery date of the Offer and to any retention obligations applicable to the Free Shares (and in particular the obligation to hold shares until the end of his term of office with respect to the Chief Executive Officer).

4. COMPANY'S INTENTION REGARDING TREASURY SHARES

As of the date of this Response Document, the Company holds 187,161 of its own shares.

In particular, in order to be able to deliver Free Shares to its employees and corporate officers, the Company has announced its intention not to tender all of its treasury shares to the Offer.

5. AGREEMENTS LIKELY TO HAVE AN IMPACT ON THE ASSESSMENT OR OUTCOME OF THE OFFER

With the exception of the share purchase agreement entered into between Veolia and Engie on October 5, 2021 as described in the Offer document, the Agreement in Principle, the Combination Agreement, the Memorandum of Understanding and the Put Option Agreement, the Company is not aware of any other agreement and is not a party to any other agreement that is related to the Offer or that could have a significant effect on the assessment of the Offer or its outcome.

6. FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

6.1. Capital structure of the Company

As of the date of this Response Document, the Company's share capital amounts to 2 557 356 896 euros, divided into 639 339 224 fully paid-up ordinary shares of the same class.

To the best of the Company's knowledge and based on the latest available information, the following table shows the breakdown of the Company's capital and voting rights[8]:

Shareholders	Number of shares held	% of shares held	% of exercisable voting rights
Veolia [9]	187 810 000	29,38%	29,38%
BlackRock [10]	43 417 479	6,79%	6,79%
Criteria Caixa	37 110 685	5,80%	5,81%
Employee ownership [11]	35 298 621	5,52%	5,52%
ENGIE [12]	11 434 720	1,79%	1,79%
Self-retention	187 161	0,03%	-
Public	324 080 558	50,69%	50,71%
Total	639 339 224	100%	100%

In accordance with Article 223-11 of the AMF general regulation, the total number of voting rights is calculated on the basis of all shares to which voting rights are attached, including shares without voting rights.

As of the date of this Response Document, the Offeror holds, directly or indirectly, 187 810 000 shares of the Company, representing 29.38% of the Company's share capital.

As of the date of this Response Document, there are, with the exception of the Free Shares, no other equity securities or other financial instruments issued by the Company or rights conferred by the Company that may give access, immediately or in the future, to the share capital or voting rights of the Company.

6.2. Situation of the beneficiaries of rights to receive Free Shares

The Company has set up several Free Share plans, the respective vesting periods of which are still in progress as of the date of this Response Document.

Beneficiaries of rights to receive Free Shares may tender such Free Shares to the Offer or to the Reopened Offer provided that they are definitively acquired and transferable[13].

8 Figures as of June 23, 2021.

9 According to the declaration of crossing of legal thresholds by Veolia dated October 7, 2020. Veolia's exercise of the voting rights attached to its shareholding is suspended pending clearance of the merger by the European Commission and the UK *Competition and Markets Authority (*CMA), except where the European Commission and the CMA expressly grant an exemption for decisions intended to safeguard the full value of the investment in the shareholding. However, the *Competition Commission of India* (CCI) has also suspended the exercise of its voting rights by Veolia as part of its review of the transaction under Indian merger control, without the possibility of an exemption.

10 According to the declaration of crossing of statutory thresholds sent by BlackRock to the Company.

11 Including shares from bonus share plans or performance shares held in registered form by employees of the Company or its subsidiaries.

12 According to ENGIE's declaration of crossing of legal thresholds dated October 8, 2020.

13 In particular, in the event of the lifting of unavailability pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code (due to the death or disability of the beneficiary).

The table below summarizes the main characteristics of the Company's Free Share plans in force as of the date of this Response Document.

	Free Shares allocation plan Sharing 2017 (the « 2017 Sharing Plan»)	**Free performance shares allocation plan 2018 (the « 2018 Plan »)**	**Free Shares allocation plan Sharing 2019 (the « 2019 Sharing Plan »)**
Date of the general meeting	May 10, 2017	May 17, 2018	May 14, 2019
Acquisition period	From February 28, 2018 to December 19, 2022	From July 25, 2018 to September 30, 2021	From January 28, 2020 to January 17, 2025
Number of shares that may be acquired	138 172	295 129	117 618

On June 29, 2021, the Company's Board of Directors amended the terms and conditions of the 2017 Sharing Plan and the 2019 Sharing Plan to shorten their respective vesting periods.

It has been decided that the vesting period of the 2017 Sharing Plan will end on November 16, 2021. Consequently, the vesting period of the Sharing 2017 Plan will expire before the closing of the Offer and the Free Shares delivered to the beneficiaries under this plan may be tendered to the Offer.

It was also decided that the vesting period of the 2019 Sharing Plan will end at the end of the minimum two-year vesting period set by the Suez shareholders' meeting, i.e. on January 28, 2022.

With respect to the 2018 Plan, to the best of the Offeror's knowledge, the vesting period will expire on September 30, 2021, i.e. before the closing of the Offer, and the Free Shares delivered to the beneficiaries under this plan may therefore be tendered to the Offer.

In the event that the expiration of the vesting period of the Free Shares is later than the closing of the Offer or, as the case may be, of the Reopened Offer, in particular in the context of the 2019 Sharing Plan, the Offeror will propose to the beneficiaries of the rights to receive Free Shares, who will not be able to tender such Free Shares to the Offer or, as the case may be, to the Reopened Offer, to purchase them during a period of 60 calendar days following the expiration of the vesting period, through the implementation of a liquidity mechanism in accordance with the market practices applicable to similar transactions and which will be offered at the latest at the closing of the Offer or, as the case may be, of the Reopened Offer. The purchase price of such Free Shares will be equal to the price per share paid under the Offer, adjusted, if applicable, in accordance with Section 2.2 of the Offer Document, for the amount of any Distribution that would have occurred between the closing of the Reopened Offer and the request for the purchase of the Free Shares[14]. It is specified that, in the event of the implementation of a squeeze-out, the liquidity mechanism will not apply to shares definitively acquired prior to its implementation.

6.2.1. Statutory restrictions on the exercise of voting rights and transfers of Suez shares

As of the date of this Response Document, there are no statutory restrictions on the exercise of voting rights and transfers of Suez shares.

6.2.2. Agreements brought to the attention of the Company pursuant to Article L.233-11 of the Commercial Code

As of the date of this Response Document, the Company has not been informed of any clause pursuant to article L.233-11 of the French Commercial Code.

6.3. Direct and indirect shareholdings in the company's capital that have been the subject of a declaration of threshold crossing or a declaration of transaction in securities in accordance with articles L. 233-7 and L. 233-12 of the commercial code

As of the date of this Response Document, the share capital of the Company is distributed as indicated in paragraph 6.1of this Response Document.

During the twelve months prior to the filing of this Response Document and to the Company's knowledge:

- In a letter received on October 7, 2020, the Offeror declared to the AMF that on October 5, 2020, it had crossed the thresholds of 5%, 10%, 15%, 20% and 25% of the Company's share capital and that it held 187,810,000 shares of the Company, representing the same number of voting rights, i.e., 29.89% of the Company's share capital and voting rights; this threshold crossing resulted from the off-market acquisition of a block of 187,800,000 shares of the Company from Engie. On this occasion, the Offeror also declared its intentions for the next six months in accordance with article L.233-7, VII of the French Commercial Code.
- In a letter received on October 8, 2020, Engie declared that on October 5, 2020, it had fallen below the thresholds of 30%, 25%, 20%, 15%, 10% and 5% of the Company's share capital and voting rights and held 11,434,720 shares of the Company representing the same number of voting rights, i.e., 1.82% of the Company's share capital and voting rights; this crossing of thresholds resulted from the off-market acquisition of a block of 187,800,000 shares of the Company by Veolia from Engie company
- By letter received February 8, 2021, the Offeror amended its statement of intent published in D&I 220C4173 dated October 8, 2020.
- By letter received on April 28, 2021, BlackRock, Inc. acting on behalf of clients and funds under its management, declared that on April 27, 2021, it had crossed the thresholds of 5% of the Company's capital and voting rights and that it held, on behalf of the said clients and funds, 32,038,443 shares in the Company representing the same

[14] Following the detachment of the dividend of 0.65 euro per share approved by the Annual General Meeting of Suez shareholders on June 30, 2021, the price of 20.50 euros per share (dividend attached) was automatically reduced by 0.65 euro to 19.85 euros per share (distribution rights attached).

number of voting rights, i.e. 5.01% of the Company's capital and voting rights.

- By letter received on April 29, 2021, BlackRock, Inc. acting on behalf of clients and funds under its management, declared that on April 28, 2021 it had fallen below the thresholds of 5% of the Company's capital and voting rights and that it held, on behalf of the said clients and funds, 31,692,502 shares of the Company representing the same number of voting rights, i.e. 4.96% of the Company's capital and voting rights.
- In a letter received on May 4, 2021, BlackRock, Inc. acting on behalf of clients and funds under its management, declared that on April 30, 2021 it had crossed the thresholds of 5% of the Company's capital and voting rights and that it held, on behalf of the said clients and funds, 32,746,231 shares of the Company representing the same number of voting rights, i.e. 5.12% of the Company's capital and voting rights.
- In a letter received on June 22, 2021, Société Générale declared that on June 18, 2021, it had crossed the thresholds of 5% of the Company's capital and voting rights and held 34,482,809 Company shares representing the same number of voting rights, i.e. 5.39% of the Company's capital and voting rights. This crossing of thresholds results from an off-market acquisition of SUEZ shares.
- In a letter received on June 23, 2021, the Swiss company UBS Group AG declared that on June 17, 2021, it had crossed the thresholds of 5% of the Company's capital and voting rights and held 33,555,025 Company shares representing the same number of voting rights, i.e. 5.25% of the Company's capital and voting rights. This crossing of thresholds results from an acquisition of SUEZ shares off the market and an increase in the number of SUEZ shares held by assimilation, as a result of which the trading exemption no longer applies to the declarant. In the same letter, the Swiss company UBS Group AG declared that on June 18, 2021, it had fallen below the thresholds of 5% of the capital and voting rights of the Company and no longer held any shares in the Company. This crossing of thresholds results from a decrease in the holding of the Company's shares in the context of trading activities, as a result of which the trading exemption applies to the declaring party.
- By letter received on June 30, 2021, Société Générale declared that on June 29, 2021, it had fallen below the thresholds of 5% of the Company's capital and voting rights and no longer held any Company shares. This crossing of thresholds results from an off-market sale of Company shares, as a result of which the trading exemption applies to the declaring party.
- By letter received on July 7, 2021, the Delaware corporation The Goldman Sachs Group, Inc. declared that on July 1, 2021, it had crossed the thresholds of 5% of the Company's capital and voting rights and that it held indirectly, through the intermediary of the companies it controlled, 32,794,489 shares of the Company, representing the same number of voting rights, i.e., 5.13% of the capital and voting rights of the Company. This threshold crossing results from an off-market acquisition of Company shares, as a result of which the trading exemption no longer applies to the reporting person.
- By letter received on July 14, 2021, the Delaware corporation The Goldman Sachs Group, Inc. declared that on July 12, 2021, it had fallen below the thresholds of 5% of the Company's capital and voting rights and that it held indirectly, through the

intermediary of the companies it controlled, 646,232 shares in the Company, representing the same number of voting rights, i.e., 0.10% of the capital and voting rights of the Company.

These declarations were the subject of ten notices published by the AMF on October 8, 2020, February 8, 2021, April 28, 2021, April 30, 2021, May 4, 2021, June 23, 2021, June 30, 2021 and July 8, 2021 and under the numbers 220C2501 (for the declaration of the crossing of thresholds on the increase of the share capital and voting rights by the Offeror) 220C4183 (for the declaration of the crossing of thresholds on the decrease of capital and voting rights by Engie), 221C0311 (for the amended declaration of intent), 221C0908 (for the declaration of the crossing of thresholds on the increase of capital and voting rights by BlackRock on April 28, 2021), 221C0927 (for the declaration of the crossing of thresholds on the increase of capital and voting rights by BlackRock on April 29, 2021) 221C0961 (for the declaration by BlackRock of the crossing of thresholds of capital and voting rights on May 4, 2021), 221C1504 (for the declaration by Société Générale of the crossing of thresholds of capital and voting rights on June 22, 2021), 221C1507 (for the declaration by UBS Group AG of the crossing of thresholds of capital and voting rights on June 23, 2021), 221C1603 (for the declaration of the crossing of thresholds on the decrease of capital and voting rights by Société Générale on June 30, 2021), 221C1694 (for the declaration of the crossing of thresholds on the increase of capital and voting rights by The Goldman Sachs Group, Inc. dated July 8, 2021) and 221C1781 (for the declaration of the crossing of thresholds for capital and voting rights by The Goldman Sachs Group, Inc. dated July 15, 2021).

6.4. List of holders of SUEZ securities with special control rights and their description

Article 23 of the Company's bylaws expressly excludes the existence of a double voting right.

There are no holders of securities with special control rights.

6.5. Control mechanisms provided for in a possible employee share ownership scheme, when control rights are not exercised by the latter

As of March 31, 2021, the total number of shares held by the Group's employees, pursuant to the definition introduced by the Law for Growth, Activity and Equal Economic Opportunity, known as the "loi Macron" of August 6, 2015, directly in individual registered accounts or through FCPEs, represents 35 298 621 shares, or 5.52% of the Company's share capital and voting rights.

- Group Savings Plan (GSP):

  The Savings Plan set up in March 2011 and intended for all employees of Group companies in France has been replaced by the new PEG, the agreement for which was signed by the social partners on April 15, 2016.

  The application of the new PEG agreement is administered by a joint monitoring committee made up of four members from each of the signatory trade union organizations and four executive members. This committee meets once a year. The financial, accounting and administrative management of the funds is supervised by a Supervisory Board which meets at least once a year. The FCPE invested in SUEZ shares within the system are administered by specific supervisory boards, composed for half of it by representatives of the employee shareholders and for the other half of it by executive representatives. The Supervisory Board exercises the voting rights attached to the shares held by the FCPE.

- Group company retirement savings plan (PERCO):

  Through an amendment signed on July 23, 2020 by the representative trade unions and the Group Human Resources Department, the Group Retirement Savings Plan (PERCO), which resulted from an agreement signed on December 10, 2013, has been transformed into a Group Company Retirement Savings Plan (PER COL). This change has made it possible to bring the plan into compliance with the "loi PACTE".

  The new SUEZ collective company retirement savings plan (PER COL) has been in effect since October 1, 2020. It offers the Group's employees in France the possibility of building up long-term savings to supplement their retirement income while benefiting from an advantageous tax framework. Among the new features introduced by the transformation in 2020 is the possibility for employees to deduct voluntary payments made into the PER COL from their tax base.

  The PER COL SUEZ offers a range of diversified investments as well as a choice of management adapted to the investment horizon and life plan of employees.

  As of December 31, 2020, 21,525 employees or former employees of the Group had assets in the PER COL, for a total amount of 76 million euros, i.e. an average of 3,500 euros per saver.

  The application of the PERCO agreement (now PER COL) is administered by a Monitoring Committee made up of members of the trade unions that signed the agreement and executive representatives. It meets at least once a year.

  A Supervisory Board of the PER COL dedicated funds is organized once a year. It is composed of equal numbers of members representing employees and executive representatives.

  International Group Savings Plan (IGSP):

  In 2011, SUEZ set up an International Group Savings Plan "PEGI" for all employees of Group companies abroad. The PEGI was created to serve as a framework for the acquisition of Group shares via Corporate Mutual Funds (FCPE) and for the allocation of free shares.

6.6. Agreements between shareholders of which the company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights

To the best of the Company's knowledge, there are no agreements between shareholders that could result in restrictions on the transfer of shares and the exercise of voting rights in the Company.

6.7. Rules applicable to the appointment and replacement of the board members and to the amendment of the bylaws of Suez

6.7.1. Appointment and replacement of the board members

The rules applicable to the appointment and replacement of members of the board of directors are described in Article 10 of the Company's bylaws.

Pursuant to the provisions of Article 10 of the Company's bylaws, the Company is managed by a Board of Directors consisting of between three (3) and eighteen (18) members.

In accordance with Article 10 of the Company's bylaws, the members of the Board of Directors are appointed for a term of four (4) years.

The directors are appointed, renewed and dismissed in accordance with the legal and regulatory conditions in force.

Each director must own at least 2 000 shares.

The term of office of a member of the Board of Directors expires at the end of the ordinary general meeting of shareholders called to approve the financial statements for the previous financial year and held in the year in which the term of office expires.

The number of directors who have reached the age of 70 may not at any time exceed one third of the total number of directors in office. If the number of directors is not exactly divisible by three, the third shall be calculated by excess.

Under the provisions of Article 11 of the Company's bylaws, the Board of Directors elects a Chairman from among its members. On the proposal of the Chairman, the Board of Directors may grant the title of Vice-Chairman to one or more of its members.

Regardless of the term for which they were granted, the duties of the Chairman shall end at the latest at the end of the Ordinary General Meeting of Shareholders called to approve the financial statements for the previous year and held after the date on which the Chairman reaches the age of 72.

In accordance with article 10.2 of the Company's bylaws, when the number of members of the Board of Directors, calculated in accordance with article L. 225-27-1-II of the French Commercial Code, is less than or equal to eight, the Group Works Council for France appoints a director representing the employees. When the number of members of the Board of Directors, calculated in accordance with Article L. 225-27-1-II of the French Commercial Code, is greater than eight, and provided that this criterion is still met on the date of appointment, a second director representing the employees is appointed by the European Works Council. When the number of members of the Board of Directors, calculated in accordance with article L. 225-27-1-II of the French Commercial Code, initially greater than eight, becomes less than or equal to eight, the term of office of the director appointed by the European Works Council is maintained until its expiration.

In addition, in accordance with the provisions of article 10.3 of the Company's bylaws, when the legal conditions are met, an director representing employee shareholders is appointed by the ordinary shareholders' meeting in accordance with the procedures set forth in the applicable laws and regulations, as well as in the Company's bylaws.

6.7.2. Amendment of Suez's bylaws

In accordance with Article 20 of the Company's bylaws, the Extraordinary General Meeting alone is empowered to amend the Company’s bylaws.

6.8. Powers of the board of directors, in particular regarding the issue or repurchase of shares

In accordance with the provisions of Article 14 of the Company's bylaws, the Board of Directors determines the orientations of the company's business and ensures their implementation. Subject to the powers expressly attributed to the shareholders' meetings and within the limits of the company's purpose, the Board of Directors deals with all matters concerning the proper operation of the Company and settles the matters that concern it through its deliberations. The Board of Directors carries out such controls and verifications as it deems appropriate.

In accordance with the provisions of Article 11 of the Company's bylaws, the Chairman of the Board of Directors organizes and directs the work of the Board and reports to the General Meeting. He ensures the proper functioning of the Company's bodies and, in particular, that the directors are in a position to fulfill their duties.

In addition to the legal powers granted to it by law and the Company's bylaws, the Board of Directors has the following authorizations and delegations.

Nature of the authorization or delegation granted	**Date of the general meeting and resolution concerned**	**Maximum nominal amount or percentage of share capital or number of shares authorized**	**Duration**	**Use during the year**
Authorization for the Company to trade in its own shares	12/05/2020 (20th resolution)	Within the limit of a maximum holding of 10% of the capital	18 months	0.03% as of 12/31/2020
Cancellation of treasury shares	12/05/2020 (21st resolution)	10% of capital per 24-month period	26 months	No
Increase in the share capital by issuing, with preferential subscription rights for shareholders, ordinary shares and/or any securities giving access to the Company's equity securities or entitling holders to the allocation of debt securities	12/05/2020 (22nd resolution)	500 million[a]	26 months	No

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Nature of the authorization or delegation granted	Date of the general meeting and resolution concerned	Maximum nominal amount or percentage of share capital or number of shares authorized	Duration	Use during the year
Increase in the share capital by issuing, without shareholders' preferential subscription rights, by way of a public offering of ordinary shares of the Company and/or securities giving access to equity securities of the Company or giving the right to the allocation of debt securities	12/05/2020 (23rd resolution)	250 million[(a)(b)]	26 months	No
Issuance, within the framework of an offer referred to in article L. 411-2-II of the French Monetary and Financial Code, (so-called "private placement" offer), of ordinary shares and/or securities giving access to the Company's capital, with cancellation of the shareholders' preferential subscription right	12/05/2020 (24th resolution)	250 million[(a)(b)]	26 months	No
Increase in the number of shares to be issued in the event of a capital increase with maintenance or cancellation of shareholders' preferential subscription rights up to a limit of 15% of the initial issue	12/05/2020 (25th resolution)	Up to 15% of the initial issue[(a)]	26 months	No
Increase in the Company's share capital in consideration for contributions in kind consisting of equity securities or securities giving access to the capital	12/05/2020 (26th resolution)	250 million (up to 10% of the capital) [(a)(b)]	26 months	No

Nature of the authorization or delegation granted	Date of the general meeting and resolution concerned	Maximum nominal amount or percentage of share capital or number of shares authorized	Duration	Use during the year
Increase in share capital in consideration for the contribution of shares made in the context of a public exchange offer initiated by the Company, with cancellation of preferential subscription rights	12/05/2020 (27th resolution)	250 million[(a)(b)]	26 months	No
Increase in the share capital by issuing shares or securities giving access to the capital reserved for members of savings plans, with cancellation of shareholders' preferential subscription rights in favor of the latter	12/05/2020 (28th resolution)	50 million[(a)]	26 months	10,976,645 shares issued in connection with Sharing 2021
Free allocation of shares in the context of an employee share ownership plan	05/14/2019 (21st resolution)	0.05% of share capital	26 months	119,604 shares allocated as matching shares in the context of Sharing 2019
Free allocation of performance shares	12/05/2020 (29th resolution)	0.5% of share capital	26 months	No

(a) The 30th resolution of the 2020 Shareholders' Meeting set a limit on the total nominal amount of capital increases that may be carried out, immediately and/or in the future, pursuant to the 22nd to 27th resolutions of the 2020 Shareholders' Meeting, at 500 million euros for issues of shares and/or securities representing debt securities or similar securities giving access to the Company's share capital, and at 3 billion euros for issues of securities giving access to the Company's share capital to be issued or entitling the holder to the allotment of debt securities.

(b) Joint ceiling of 250 million euros in par value, which will be deducted from the overall ceiling set in the 30th resolution of the 2020 Shareholders' Meeting.

6.9. Agreements entered into by Suez that are modified or terminated in the event of a change of control of Suez

The Company may enter into agreements containing clauses that could, under certain conditions, result in their early termination in the event of a change of control of the Company, some of which the Company believes could have an impact in the event of a public offer.

These include certain financing agreements, in particular the bonds issued under the EMTN program set up by the Company, the issues of undated deeply subordinated notes, known as "hybrids", carried out in 2015, 2017 and 2019, the 2.5 billion syndicated loan put in place in February 2010, renegotiated in 2011, 2014 and 2019, maturing in 2026, on condition that the change of control is accompanied by a downgrading of the Company's rating below a certain threshold.

6.10. Agreements providing for indemnities for members of the board of directors or employees if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a takeover bid or exchange offer

With the exception of the Chief Executive Officer, there is no agreement providing for the payment of compensation to any of the director in the event of their resignation or removal from office as a result of a takeover bid or exchange offer.

Concerning the Chief Executive Officer, the Board of directors decided at its meeting of February 26, 2019 to grant an indemnity to Mr. Bertrand Camus in the event of his forced departure from his duties as Chief Executive Officer (in particular following a dismissal or resignation linked to a change of control or strategy of the Company).

No compensation would be due in the following cases:

- if the departure occurs less than two years after the start of the Chief Executive Officer's term of office or in the event of resignation, except if the departure is due to a change of control of the Company or a change of strategy;
- in the event of a change of functions within the SUEZ Group;
- if the departure, in whatever form, is due to gross misconduct or serious misconduct from the Chief Executive Officer;
- if the Chief Executive Officer is eligible to retire on the date of his departure;
- if the age limit for holding the office of Chief Executive Officer is reached; or
- in the event of death.

The amount of the severance payment is capped at two years' fixed and variable annual compensation, the variable compensation to be taken into account for the calculation of this payment corresponding to the average of the last two annual variable compensation payments actually given to the Chief Executive Officer.

In addition, the severance payment may only be paid after the board of directors has ascertained that performance conditions have been met, assessed at the date of termination of the Chief Executive Officer's mandate. These performance conditions correspond to the levels of achievement of the quantifiable performance criteria set at the beginning of each fiscal year by the board of directors for the calculation of the Chief Executive Officer's annual variable compensation.

Thus, if the average amount obtained by the Chief Executive Officer in application of the quantifiable criteria in respect of the three financial years preceding departure is greater than or equal to the target amount of annual variable compensation, 100% of the amount of the indemnity will be due to the Chief Executive Officer. If the average amount obtained is, on average for the three financial years preceding the departure, between 90% and 100% (excluding) of the target amount, 70% of the amount of the compensation will be due to the Chief Executive Officer. If the average amount obtained for the three financial years preceding the departure is less than 90% (excluding) of the target amount, no indemnity will be due to the Chief Executive Officer. If Chief Executive Officer leaves before the end of the third year, compliance with the performance condition will be assessed over one or two years only, depending on the length of time he or she has been in office.

The commitments made in favor of the Chief Executive Officer with respect to this end-of-term indemnity were approved by the SUEZ Shareholders' Meeting of May 14, 2019, in a specific resolution and are described in the Chief Executive Officer ‘s compensation policy approved by the Shareholders' Meetings of May 14, 2019, May 12, 2020 and June 30, 2021.

The compensation policy for the Chief Executive Officer, as approved by the Shareholders' Meetings of May 14, 2019, May 12, 2020 and June 30, 2021, also provides that in the event of forced departure, in particular following a change of control, the rights linked to long-term compensation plans are maintained pro rata to the length of time spent within the Group but remain subject to performance conditions.

In addition, it is specified that the board of directors also decided, at its meeting of February 26, 2019, in consideration of the commitment of the Chief Executive Officer, for a period of two years from the end of his term of office as Chief Executive Officer, whatever the cause of the termination of his duties, not to engage directly or indirectly in a business competing with that of the Company and the companies of the SUEZ Group, to grant him compensation equal to one year's remuneration (fixed and variable parts, the variable remuneration to be taken into account for the calculation of this compensation corresponding to the average of the last two annual variable remunerations effectively paid to the Chief Executive Officer), paid in the form of 24 equal and successive monthly payments.

In accordance with the AFEP-MEDEF Code, the aggregate of the severance payment and the non-competition payment may not exceed two years' remuneration (fixed and variable, the variable remuneration to be taken into account for the calculation of these payments being the average of the last two years' variable remuneration actually paid to the Chief Executive Officer).

The non-competition indemnity will not be paid under any circumstances if the Chief Executive Officer exercises his right to retirement or if he is over 65 years of age at the end of his term as Chief Executive Officer.

In addition, the board of directors will have the option of waiving the implementation of this non-competition undertaking at the time of the departure of Chief Executive Officer, in which case no compensation will be due.

These commitments in favor of the Chief Executive Officer in respect of the non-competition indemnity were approved by the SUEZ Shareholders' Meeting of May 14, 2019 and are described in the Chief Executive Officer‘s compensation policy approved by the Shareholders' Meetings of May 14, 2019, May 12, 2020 and June 30, 2021.

On June 15, 2021, the Chief Executive Officer announced that he wished to terminate his duties in view of the change of control of the Company, but agreed to remain in office until the first settlement of the Offer and at the latest on December 31, 2021.

In this context, the Board of Directors noted the amount of the severance payment due to the Chief Executive Officer (subject to approval by the SUEZ Shareholders' Meeting of June 30, 2021 of the payment of his 2020 annual compensation), the number of performance units that he is entitled to maintain and waived the implementation of the non-competition commitment of the Chief Executive Officer , who will therefore not be entitled to any compensation in this respect. It also decided, subject to the approval, if necessary, of the modification of the compensation policies by the 2022 SUEZ General Meeting, to waive the condition of presence attached to the multi-year variable compensation from which the Chief Executive Officer benefits that would not be vested on the date of his departure and to deem fulfilled the performance conditions attached to all of the 2019 and 2020 performance units that had been granted to him. For all intents and purposes, it is specified that Veolia has irrevocably undertaken, in its capacity as a Suez shareholder, to vote at the 2022 SUEZ General Meeting in favor of the allocation and payment of the elements concerned or, if it occurs before this Meeting, to pay all of these elements to the Chief Executive Officer at the time of the delisting of SUEZ, taking into account the granting of these elements of compensation by the Board of Directors of Suez.

It is specified that the SUEZ General Meeting of June 30, 2021 approved the payment of the Chief Executive Officer's 2020 annual variable compensation.

7. MEASURES LIKELY TO FRUSTRATE THE OFFER THAT THE COMPANY HAS IMPLEMENTED OR DECIDES TO IMPLEMENT

In order to preserve the integrity of its group, the Company has taken the decision to create a Foundation (non-profit organization) under Dutch law administered by a majority of representatives or former representatives of the SUEZ corporate body, with the mission of preserving, in the corporate interest of SUEZ, the integrity of the French water business within the SUEZ group, as indicated by the Company in its press releases dated September 23, 2020 and September 24, 2020.

As described in the Suez press release of March 21, 2021, the Foundation is expected to be dissolved if (i) Suez reaches agreement on the principal terms of a transaction including a possible tender offer for Suez by April 20, 2021, (ii) Suez reaches a definitive agreement on such principal terms by May 20, 2021, and (iii) such agreement is completed by September 30, 2022.

In this respect, on May 14, 2021, the terms of administration of the Foundation were amended to shift the date from May 20, 2021 to September 30, 2021; the postponement of this date allowing the conclusion of the final agreements relating to the divestment of the "new Suez".

In accordance with the Combination Agreement, subject to the settlement of the Offer in accordance with the terms of the Combination Agreement, the Company has undertaken to take all necessary decisions and measures, and to have ensured that the Foundation, in accordance with its operating rules, has taken all necessary decisions and measures, in order to have definitively terminated, at the end of the first settlement of the Offer, the lock-up of the Water France activities set up through the Foundation.

8. OPINION OF THE SUEZ FRANCE GROUP WORKS COUNCIL

The opinion of the Suez France group works council is reproduced in Appendix 1.

9. INDEPENDENT EXPERT'S REPORT

Pursuant to the provisions of Articles 261-1 I, 4° and 261-1 III of the AMF general regulations, the Board of Directors of the Company, at its meeting of February 24, 2021, appointed the firm Finexsi represented by Mr. Olivier Perronet, as an independent expert with the task of preparing a report on the financial terms of the Offer

The above-mentioned report, dated June 29, 2021, is reproduced in full in Appendix 2.

10. TERMS AND CONDITIONS FOR THE PROVISION OF INFORMATION ABOUT THE COMPANY

In accordance with article 231-28 of the AMF's general regulations, the other information relating to the legal, financial and accounting characteristics of the Company will be the subject of a specific document filed with the AMF and made available to the public in a manner that ensures effective and complete publication, no later than the day before the opening of the Offer.

11. PERSONS RESPONSIBLE FOR THE CONTENT OF THIS RESPONSE DOCUMENT

"*To the best of my knowledge, the data in this response memorandum is accurate and does not contain any omissions that would affect its import*."

Mr. Bertrand Camus

Chief Executive Officer of Suez

Appendix 1

Opinion of the Suez social and economic committee

This document is an unofficial English-language translation of the "*extrait de procès-verbal Comité Groupe France*" of June 21, 2021. In the event of any differences between this unofficial English-language translation and the "*extrait de procès-verbal Comité Groupe France*", the French document shall prevail

Extract of the minutes of the
Groupe France committee
Dematerialized extraordinary meeting of June 21, 2021

		Present	**Excused absentee**
Representatives of the management			
Laurent-Guillaume GUERRA	HRD France	X	
Jean-Marc BOURSIER	Deputy Director-General	X	
Nicolas LEPROUX	Associate HRD Suez RV France	X	
Céline GRAÇA	Executive assistant	X	
Isabelle CALVEZ	HRD		X
Work councils' representatives			
Cédric TASSIN	CFDT (coordinator)		X
Joël DRONIOU	CFDT (union representative) – Full member	X	
Gregory BOUCHEZ	CFDT (union representative) – Alternate member		X
Georges BEN MOHAMED	CFDT - Full member		X
Sélim BOUSSALEM	CFDT - Full member		X

José LEICHT	CFDT - Full member	X	
Abdellah AIT MESSAOUD	CFDT - Full member	X	
Corinne LE GLOUX	CFDT - Full member	X	
Stéphane BERNARD PEYRE	CFDT - Full member	X	
Nelly MAUXION	CFDT - Full member		X
Fabrice GIL	CFDT – Alternate member	X	
Éric GUILLEMETTE	CFE-CGC (coordinator)		X
Éric CATTELAIN	CFE-CGC (union representative) – Full member		X
Pascal GAUTHIER	CFE-CGC – Full member	X	
François CANDONI	CFE-CGC – Full member		X
Cyril SAVTCHENKO-BELSKY	CFE-CGC – Full member	X	
Michel BRETON	CFE-CGC – Full member	X	
Samy FÉLICIEN	CFE-CGC – Full member	X	
Philippe JACQ	CFTC (coordinator)		X
David GUILLAUME	CFTC (union representative) – Full member	X	
André COUTURIER	CFTC (union representative) – Alternate member		X
Ronan MOAL	CFTC – Full member		X

Annabelle TRÉBUTIEN	CFTC – Full member	X	
Abdellatif BEKHTI	CFTC – Full member	X	
Sylvie CHATAIN	CFTC (assistant secretary) – Full member		X
José RAMOS-LOPEZ	CFTC – Alternate member	X	
Wilhem GUETTE	CGT (coordinator – union representative) – Full member	X	
Frédéric DENARNAUD	CGT (union representative) – Alternate member		X
Jean-Pierre LUCAS	CGT – Full member	X	
Rachid YAGOUB	CGT – Full member	X	
Jean-Michel AMESTOY	CGT – Full member		X
Dolores DULAC	CGT – Full member	X	
Gilbert VIALE	CGT – Full member	X	
Loïc GODIN	CGT – Full member	X	
Sébastien THIAULT	CGT – Alternate member	X	
Noui BOURAHLI	FO (coordinator)		X
Laurent LELOUARNE	FO (union representative) – Alternate member	X	
Marc DEL GRAZIA	FO (union representative) – Full member		X
Jean-Claude FERREIRA	FO – Full member	X	

Frédéric CORNETTE	FO – Full member	X	
Patrick COCCA	FO – Full member	X	
Stéphane LE MEUR	FO – Full member	X	
Carole PRÉGERMAIN	FO (secretary) – Full member	X	
Emmanuelle GERMAIN	FO – Alternate member	X	
Invités			
Antoine FRÉROT	Veolia CEO	X	
Estelle BRACHLIANOFF	Veolia General manager	X	
Jean-Marie LAMBERT	HRD Veolia	X	

Review of the agenda

Continuation of the May 27, 2021 meeting regarding the consultation on the modification of the draft tender offer filed by Veolia on February 8, 2021, for the shares of Suez SA, following Veolia's modification of its offer announcement.

Part 1: exchanges with Veolia, pursuant to article L2323-21 of Labor Code.

Part 2:

a. Question & Answer session
b. CGF's opinion

The meeting is suspended from 11:00 AM to 11:15 AM

b. CGF's opinion

David GUILLAUME indicates that CFTC gives an unfavorable opinion as fears remain on employment.

Corinne LE GLOUX reads a statement on behalf of the CFDT.

Following the presentation and in view of the answers given by the management and Veolia Group, the CFDT notes the drastic decline in turnover that would result for the Suez group, particularly through the loss of its international dimension, as well as the unknown future of the employees transferred to Veolia.

In this respect, the consequences of such a project call into question in particular:

- *The viability of Suez, of the BU IWS Europe as a whole, SCORI and SCORI Est on the competitive market,*
- *The future of the support functions which are necessary to the company,*
- *The future of the sites, the headquarter, and the employees, for the proper conduct of the activities.*

These concerns compounded by the management's persistent inaccuracies regarding the new perimeters, the Consortium's identity, social guarantees, and employees transfer to Veolia, are facts likely to affect the company's situation to a worrying extent.

Hence, the Suez Groupe CFDT gives an unfavorable opinion.

Jean-Claude FERREIRA indicates that Force Ouvrière follows the same course of action expressed in all CSE and confirms its unfavorable opinion.

Pascal GAUTHIER presents the CFE-CGC's view.

On social impacts, as of today, no formal commitment was formalized, and all the guarantees on employment promised by the investors will only be effective at the conclusion of the tender offer. We are particularly concerned and will be extremely watchful as to the legal means that may be used by the new or the old Suez or Veolia, to circumvent or escape this obligation and the goodwill commitments regarding maintenance of jobs (use of the un-foreseeability concept, substantial changes to employment contracts, economic lay-off alternatives, etc.).

Considering the high level of psychosocial risks and the current fragility of our colleagues, we believe that jobs must now be secured through the signing of agreements, especially for the most exposed BUs, the development of social benefit continuation plans, the anticipation of definitive developments, to obtain a legally and socially secured framework.

We have also noted a break in the employees' trust immediately after the Suez-Veolia agreement. This trust must and can only be restored through the signing of agreements that are protective of and favorable to Suez employees, whether they join Veolia or remain in the new Suez.

Regarding the substance, nothing has convinced us of the merits of this combination, both from an industrial point of view and in terms of the previously mentioned social impact - which is bound to occur later. We do not forget that this takeover started hostile and we will keep our consistency regarding the legal actions brought against this takeover, both by us and other unions.

For all these reasons, the CFE-CGC gives an unfavorable opinion.

Wilhelm GUETTE indicates that the CGT also expresses an unfavorable opinion, given the lack of certainty regarding employment. No agreement is signed. The CGT will be extremely watchful on the rest of the operation.

The representative unions within the Groupe France Committee, that were consulted on the tender offer's draft as modified, give a unanimous unfavorable opinion.

Laurent-Guillaume GUERRA takes note of the unions' views and thanks them for the quality of the exchanges that took place during the information-consultation process.

Jean-Marc BOURSIER welcomes the CGF creation and the cleverness of the discussions. He also indicates that he had passed on Carole PRÉGERMAIN's message so that the body could meet with M. DEAU, representative of the "new" Suez consortium.

Carole PRÉGERMAIN also thanks the CGF members. Such a decision, taken unanimously, is of great importance. The work councils' representatives will do their utmost to ensure that employees are treated as well as possible, considering the human factor in a, until now, purely capitalistic operation that will cause damage.

Laurent-Guillaume GUERRA confirms that CGF showed its importance and quality and that it will keep fulfilling its role in carrying out the social dialogue in the next few months.

Carole PRÉGERMAIN asks for the group's opinion on the granting of the so-called "Macron" (or "Gilet-Jaune") bonus for the maximum engagement commitment of personnel.

Laurent-Guillaume GUERRA replies that the management is currently not planning to renew a bonus of this nature in France as of today. The company has implemented important means to protect its employees during the health crisis (payment of two commitment bonuses, protection of variable bonuses and derogatory formula for profit-sharing).

Carole PRÉGERMAIN indicates that the elected officials will reiterate this request.

The meeting was adjourned at 11:35 AM.

The Secretary The Chairman

N.B.: These minutes were drafted by Codexa (www.codexa.fr) and then checked and completed by the members of the body under the responsibility of the Secretary.

Appendix 2

Independent expert's report

FINEXSI

Free translation of the original report entitled " *Attestation d'équité – Offre Publique d'Achat (OPA) initiée par la société Veolia SA visant les actions de Suez SA* " dated June 29, 2021. The original report has been prepared solely for the purposes of the General Regulations of the Autorité des Marchés Financiers in France, without prejudice to any obligations that may result from foreign legislation. In the event of any discrepancy in translation or interpretation between the French and English versions, reference should be made solely to the original report prepared in the French language, which shall prevail in all circumstances. It should also be noted that our fairness opinion does not constitute a recommendation to tender its shares.

FAIRNESS OPINION – PUBLIC TENDER OFFER INITIATED BY VEOLIA SA FOR THE SHARES OF SUEZ SA

June 29, 2021

CONTENTS

In the context of the public tender offer (hereinafter "the Offer") initiated by VEOLIA ENVIRONNEMENT SA (hereinafter "VEOLIA" or "the Offeror") for the shares of SUEZ S.A. (hereinafter "SUEZ", "the Company", "the Group" or "the SUEZ group"), we have been appointed as independent experts by the Board of Directors of SUEZ to assess the nature of the offer and the value of the shares. We have been entrusted, in our capacity as independent expert appointed by the Board of Directors of SUEZ, to assess the fairness of the financial terms of the Offer.

The present Offer, at a price of €20.50 per SUEZ share with coupon attached, follows the off-market acquisition on October 6[1], 2020 of a block of shares representing 29.9% of the share capital and 29.9% [2]of the voting rights of SUEZ from ENGIE by VEOLIA at a price of €18.00 per share (with coupon attached), it being specified that ENGIE benefits from a price supplement clause.

Our appointment, by the Board of Directors of SUEZ on February 24, 2021, was made on the basis of Article 261-1 I, 4 of the General Regulations of the Autorité des Marchés Financiers ("AMF") due to the existence of agreements related to the Offer (in particular the Share Purchase Agreement between VEOLIA and ENGIE including an earn-out clause from which ENGIE benefits and the sale of all the activities of SUEZ EAU FRANCE and its subsidiaries to MERIDIAM) that may have a significant impact on the assessment of the Offer price. Following the conclusion of an Agreement in Principle and a Combination Agreement between SUEZ and VEOLIA, a *Memorandum of Understanding* between SUEZ, VEOLIA and a consortium of investors composed of MERIDIAM, GIP, CDC and CNP (the "Consortium") for the sale of certain assets of the SUEZ Group the submission of an offer for the acquisition of Nouveau SUEZ by the Consortium, the conclusion of the *Put Option Agreement* [3]between SUEZ, VEOLIA and the Consortium relating to the acquisition of Nouveau SUEZ[4], the sale of SUEZ assets would be to the benefit of the Consortium and no longer to the sole benefit of MERIDIAM. Our intervention is therefore also required under the agreements concluded between SUEZ and VEOLIA on the one hand and between SUEZ and the Consortium on the other for the transfer of assets to the Consortium.

In order to carry out our assignment, we used public documents and information provided to us by SUEZ and VEOLIA. These documents were considered accurate and complete and were not subject to any particular verification. We did not attempt to validate the historical and forecast data used, but only verified their plausibility and consistency. This engagement did not include an audit of the financial statements, contracts, litigation and any other documents communicated to us and collected by us for the strict purposes of our engagement.

[1] The Share Purchase Agreement was signed on October 5, 2020 and announced to the market the same day. The effective completion of the block purchase resulting in the transfer of ownership of the SUEZ shares to VEOLIA occurred on October 6, 2020.

[2] VEOLIA' s exercise of the voting rights attached to its shareholding is currently subject to approval of the transaction by the European Commission and the UK Competition and Markets Authority (CMA). However, VEOLIA could benefit from express waivers from the European Commission and the CMA for decisions relating to the safeguarding of the full value of its stake. Source: SUEZ press release of February 3, 2021.

[3] Promise to purchase to which the draft *Share and Asset Purchase Agreement* is attached.

[4] At the date of our appointment by the Board of Directors, i.e. February 24, 2021, the Agreement in Principle, the Combination Agreement, the *Memorandum of Understanding, the* offer to acquire New Suez and the *Put Option Agreement* relating to the acquisition of New SUEZ had not yet been concluded. Our engagement letter was therefore supplemented in order to include these agreements in the scope of our intervention.

1. Presentation of the operation

1.1 Companies involved in the transaction

1.1.1 Presentation of the initiating company

VEOLIA is one of the world's leading providers of environmental services, designing and delivering water, waste and energy management solutions. Since its creation in 1853, the company has developed through a strategy of specializing in its businesses and diversifying its geographic locations.

VEOLIA has more than 178,000 employees in 55 countries. In 2020, the company generated revenues of €26.01 billion and has a client portfolio of public authorities and industrial companies.

VEOLIA is a French corporation with a Board of Directors, registered in the Paris Trade and Companies Register under number 403 210 032. Its registered office is located at 21 rue La Boétie, 75008 Paris.

Its share capital amounts to €2,893,056,810 and its shares are listed on EURONEXT PARIS (compartment A, under ISIN code FR0000124141).

Following the completion of the acquisition of a block of off-market shares from ENGIE on October 6, 2020, VEOLIA holds, as of the date of this report, 29.9% of the capital and 29.9% of the voting rights of SUEZ.

1.1.2 Presentation of the company subject to the Offer

SUEZ is the parent company of the eponymous group, which employs nearly 90,000 people in more than 70 countries and is a *leader in the* entire value chain of water and waste management services.

SUEZ is a French corporation with a Board of Directors, registered in the Nanterre Trade and Companies Register under number 433 466 570. Its registered office is located at Tour CB21 - 16, place de l'Iris 92040 Paris La Défense Cedex.

As of December 31, 2020, the share capital of SUEZ amounted to €2,513,450,316 and was composed of 628,362,579 shares with a par value of €4, listed on Euronext Paris (compartment A) and Euronext Brussels, under ISIN code FR0010613471.

The breakdown of the capital and exercisable voting rights of SUEZ as of December 31, 2020, i.e. after the acquisition by VEOLIA of the 29.9% block, is as follows:

Table 1: Shareholder base as of December 31, 2020

Shareholders	Number of shares	% of share capital	% of exercisable voting rights
Veolia[(a)]	187 810 000	29,9 %	29,9 %[(a)]
Criteria Caixa	37 110 685	5,9 %	5,9 %
Employee shareholding[(b)]	24 888 799	4,0 %	4,0 %
ENGIE[(c)]	11 434 720	1,8 %	1,8 %
Caltagirone[(d)]	1 800 000	0,3 %	0,3 %
Treasury shares	187 161	0,0 %	-
Free float	365 131 214	58,1 %	58,1 %
Total	**628 362 579**	**100,0 %**	**100,0 %**

(a) According to the declaration of crossing of legal thresholds by VEOLIA dated October 7, 2020. The exercise of the voting rights attached to VEOLIA's shareholding is suspended pending approval of the merger by the European Commission and the UK Competition and Markets Authority (CMA), except where the European Commission and the CMA have granted an express waiver for decisions intended to safeguard the full value of the investment in the shareholding. However, the Competition Commission of India (CCI) has also suspended the exercise of its voting rights by VEOLIA AS PART OF its review of the transaction under Indian merger control, without the possibility of an exemption.

(b) Including shares from bonus share plans or performance shares held in registered form by employees of the Company or its subsidiaries.

(c) According to the declaration of crossing of legal thresholds by ENGIE dated October 8, 2020.

(d) According to the declaration sent to the Company, it being understood that the shares held by the companies of the CALTAGIRONE Group were no longer subject to a non-transferability undertaking as of September 2020.

Source : Company

Treasury shares are not entitled to voting rights. There are no shares with double voting rights.

As of December 31, 2020, there were 138,172 and 117,618 bonus shares outstanding under the Sharing 2017 and Sharing 2019 plans, respectively.

In addition, in March 2021, the Company carried out a capital increase reserved for employees (Sharing 2021 plan), resulting in the issue of 10,976,645 new shares.

The Company also implemented a performance share plan on July 25, 2018, which provides for the grant of performance shares subject to the achievement of several criteria:

- A performance condition relating to the Group's cumulative EBIT for fiscal years 2018, 2019 and 2020;
- A performance condition relating to the evolution of the *Total Shareholder Return* (TSR) of the SUEZ share compared to the average TSR of the companies making up the DJ EURO STOXX UTILITIES index over a period from January [1,] 2018 to December 31, 2020.

As of December 31, 2020, the total number of shares that could be issued under this 2018 performance plan amounted to 639,016 shares. After taking into account the performance criteria, the number of shares to be issued amounts to 295,129.

1.2 Presentation of the Offer

1.2.1 Reminder of the context of the Offer

SUEZ IS AN international group, leader in water, wastewater and waste management services.

On July 31, 2020, ENGIE, SUEZ's largest shareholder with approximately 32.06% of the capital, announced that it was studying the possibility of disposing of non-strategic assets and minority stakes in order to finance its investments as part of its strategic refocusing.

In this context, VEOLIA announced on August 30, 2020 that it had made a binding offer to ENGIE TO acquire a block of shares representing 29.9% of SUEZ's share capital at a price of €15.50 per share (coupon attached), and it intended to file a voluntary tender offer for the remaining SUEZ shares at a later date. This offer included the sale of the French water business to the MERIDIAM fund.

VEOLIA submitted a second improved offer on September 30, 2020, at a price of €18.0 per SUEZ share (coupon attached). The improved offer was accepted by ENGIE and the sale of the block of shares representing 29.9% of the share capital of SUEZ WAS signed on October 5, 2020. On the same day, VEOLIA confirmed its intention to file a voluntary takeover bid for the remaining shares of SUEZ, but undertook not to file an offer until it had received a favorable response from the Board of Directors of SUEZ.

On November 3, 2020, VEOLIA undertook to file a public tender offer at a price of €18.0 per share (with coupon attached) for the entire share capital of SUEZ as soon as the Board of Directors of SUEZ issued a favorable opinion on this project.

On January 7, 2021, VEOLIA sent a proposal to the Board of Directors of SUEZ TO MAKE A public offer at a price of €18.0 per share (coupon attached).

Following VEOLIA's announcements, SUEZ began the search for alternative solutions to VEOLIA's project. On January 17, 2021, SUEZ announced that it had received a joint letter of intent from the ARDIAN and GLOBAL INFRASTRUCTURE PARTNERS (GIP) funds "*aimed at enabling a friendly and rapid solution to the situation created by Veolia's intended offer*". This alternative solution, at a price of €18.0 per share, was welcomed by the SUEZ BOARD OF DIRECTORS.

On February 7, 2021, VEOLIA's Board of Directors changed its declaration of intent of October 5, 2020.VEOLIA's public takeover bid was no longer conditioned by the SUEZ Board of Directors' approval. On February 8, 2021, VEOLIA announced the filing of a proposed public tender offer for the remaining shares of SUEZ, AT A price of €18.0 per share with dividend attached. VEOLIA has indicated that it intends to implement a squeeze-out at the end of the public offer if the 90% ownership threshold is met. This proposed tender offer was the subject of a notice of filing by the AMF on February 8, 2021. The Board of Directors of SUEZ unanimously decided at its meeting of February 24, 2021 that the conditions were not met to welcome VEOLIA's proposed offer.

In this context, SUEZ announced on March 21, 2021 that it would propose a negotiated solution to VEOLIA, supported by a firm offer from ARDIAN and GIP for its "Water" and "Recycling and Recovery" activities in France, as well as for several "Water and Technologies" activities outside France, at an implicit price per share of €20.0.

On April 12, 2021, SUEZ and VEOLIA announced that they had reached an agreement in principle setting forth the general principles of a comprehensive and friendly solution for a combination of the SUEZ and VEOLIA Groups (the "Agreement in Principle"). The Agreement in Principle [5]provides, in particular, for the increase of the price of VEOLIA's public offer for SUEZ from €18.0 per Suez share (with coupon attached) to €20.50 per SUEZ share (with coupon attached) and the creation of a "New Suez" composed of assets forming a coherent and sustainable industrial and social entity, 7 billion, including "*SUEZ's municipal water and solid waste activities in France (including CIRSEE, the main research center in France), as well as SUEZ's activities in water and in the following regions Italy (including the stake in ACEA), the Czech Republic, Africa (including LYDEC), Central Asia, India, China, Australia, and the worldwide digital and environmental activities (SES)*" with a view to creating a new SUEZ (hereinafter the "New SUEZ Perimeter").

Subsequently, on May 14, 2021, SUEZ and VEOLIA entered into a Combination Agreement confirming the terms of the Agreement in Principle announced on April 12, 2021, as well as a *Memorandum of Understanding* with a Consortium of investors consisting of MERIDIAM, GIP and CAISSE DES DÉPÔTS ET CONSIGNATION/CNP ASSURANCES (hereinafter, the "Consortium"), which sets out the terms of the negotiations for the takeover of the activities of New SUEZ, on the basis of an indicative offer from the Consortium.

1.2.2 Principal terms of the Offer

The Offer is presented as follows in the draft offer document of June 28, 2021 prepared by VEOLIA:

" The Offer is for all Suez shares not held by the Offeror[6]:

(i) that are currently issued and outstanding, i.e., to the Offeror's best knowledge as of the date of this Offer Document, a maximum number of 451,529,224 Suez Shares,[7] and

(ii) that may be issued prior to the closing of the Offer or the Reopened Offer (as such term is defined in paragraph 2.13 below), as a result of the vesting of the free shares granted by Suez (the "Free Shares"), i.e., to the Offeror's best knowledge as of the date of this Offer Document, a maximum of 550,919 new Suez shares […]

altogether representing, to the Offeror's best knowledge as of the date of this Offer Document, a maximum number of 452,080,143 Suez shares included in this Offer."

[5] The agreement in principle was concluded on April 11, 2021 and announced to the market on April 12, 2021.

[6] *"As of the date of the Offer Document, the Offeror holds 187,810,000 Suez Shares […] out of a total of 639,339,224 issued and outstanding shares."*

[7] *"On the basis of the information published by the Company on its website as at June 30, 2021 in accordance with Article 223-16 of the AMF's General Regulations, i.e. 639,339,224 shares representing as many theoretical voting rights. This also includes treasury shares, i.e., on the basis of the same information, 187,161 shares. It is however specified that, in order to be able to deliver Free Shares to its employees and corporate officers, the Company has announced its intention not to tender its treasury shares to the Offer."*

The draft briefing note also states:

"The Offer is subject to the validity threshold referred to in Article 231-9, I of the AMF General Regulation [...].

In addition, as of the date of this Offer Document, the Offer is subject to the condition precedent […] of obtaining merger control clearance for the combination from the European Commission, in accordance with Article 6.1.b) of EC Regulation No. 139/2004 of January 20, 2004, it being specified that the Offeror reserves the right to waive this condition precedent, after prior consultation (without right of veto) with Suez.

The Offer is made on a voluntary basis and will be conducted following the standard procedure pursuant to Articles 232-1 et seq. of the AMF General Regulation. […]».

1.3 Reasons for the Offer

"The merger of the two groups Veolia and Suez will create a group that will drive ecological transformation at the global level while retaining its French and European roots. Bringing together the strengths of the two groups within a new entity will make it possible to combine expertise to meet the fundamental challenges facing us today, as evidenced by the various recovery plans and the demands of our public and private clients. At a time when demand for ecological solutions from citizens and consumers alike has never been so strong, it is essential to translate this demand into concrete "industrial" solutions that are operational, effective and financeable, for both local communities and large industries.

The market of solutions for ecological transformation (combating global warming, pollution treatment, recycling and circular economy to fight against the increasing scarcity of raw materials, digitalization of uses, etc.) is growing strongly but today also very fragmented: as an illustration, the new combined entity will have a market share of around 5% worldwide.

Consolidation of the sector appears to be inevitable, particularly in order to meet the challenges of financing the increasing Research & Development efforts essential to developing new environmental technologies, of mobilizing the capital necessary to launch operations for the treatment of hazardous waste or the protection of water resources - both strongly growing sectors, or of developing solutions to enable industries to meet environmental standards - which are bound to become stricter in the next few decades. This consolidation has already begun, especially with the acquisition of strategic assets in Europe (Spain, Germany and the United Kingdom) by Chinese stakeholders and American investment funds.

Finally, this combination fits perfectly with the creation of a more powerful and sovereign Green Deal Europe capable of exporting an alternative to the model of the Chinese blocks - which have been particularly active in the last few years and especially ambitious in terms of future ecological transition activities - and those of America. It could become an advantage in the implementation of the Green Deal and of the European recovery plan, and it is a perfect match for the ambitions of the European Commission.

Size is an asset for the development and deployment of these industrial solutions of ecological transformation: to offer a complete range of solutions in all the countries where our industrial customers are present, as well as to enable the funding of Research & Development for new solutions to the major problems we face. Today we probably have half of the solutions to the major environmental problems we face, which we must deploy as quickly as humanity is capable of doing so, and invent the other half.

The new group formed by the combination of Suez and Veolia will be able, thanks to its expertise, its technological lead, the level of excellence of its talents, its geographic footprint, the breadth of its range of offerings and its financial strength, to offer all its public and private clients more effective solutions, deployed on a large scale, to fight against major environmental disruptions and global warming. […]"

1.4 Synergies – Economic gains

"€500 million, 20% of which would be achieved in the first year and more than 60% during the second year following the implementation of the Offer. Among those synergies, the synergies relating to the operational optimizations are estimated at 300 million euros, and the synergies stemming from savings in purchasing made by the new group are estimated at 200 million euros. These expected synergies should be fully achieved within a four-year time frame while fully respecting the social commitments […] .

These potential synergies are in essence of a notional and essentially prospective nature and their amount is provided for information purposes only. In this respect, it is specified that this synergy potential is only an estimate by Veolia in the absence of a business plan prepared jointly with Suez's management. These synergies have been taken into account in the Offer price."

1.5 Merger - Other reorganizations

"In accordance with the terms of the Agreement in Principle, the Combination Agreement and the Memorandum of Understanding, the Offeror intends to implement the Perimeter Divestment by Suez to the Consortium in order to create the "New Suez. [...].

In addition, the Offeror reserves the right to implement a possible a merger of the Company (or other entities of Suez's group) with itself or other entities of Veolia's group, or a transfer of assets or activities, including by way of contribution or sale, between the Company (or other entities of Suez's group) and the Offeror (or any entity of Veolia's group). The Offeror also reserves the right to carry out any other reorganization of the Company (or other entities of Suez's group). As of today, no decision has been made and no feasibility studies has been initiated, with the exception of the Perimeter Divestment."

1.6 Intentions with respect to squeeze-out

"Pursuant to Articles L.433-4 II of the French Monetary and Financial Code and Articles 232-4 and 237-1 et seq. of the AMF General Regulation, the Offeror intends to apply to the AMF, within ten (10) trading days from the publication of the result of the Offer or, if applicable, within three (3) months from the closing of the Reopened Offer, to implement a squeeze-out with respect to Suez shares, if the number of shares not tendered in the Offer by the minority shareholders of the Company does not represent more than 10% of the share capital or the voting rights of Suez following the Offer or, if applicable, the Reopened Offer."

1.7 Agreements that may have a material effect on the valuation of the Offer or its outcome

"With the exception of the share purchase agreement entered into between Veolia and Engie on October 5, 2021, the Agreement in Principle, the Combination Agreement and the Memorandum of Understanding, and the Put Option Agreement […], the Offeror is not aware of any other agreements that could have an impact on the assessment of the Offer or its outcome."

2. Declaration of independence

We confirm that FINEXSI AND its partners:

- Are independent within the meaning of Articles 261-1 *et seq.* of the AMF General Regulation, and as such are able to draw up the declaration of independence provided for in Article 261-4 of the AMF General Regulation, and in particular are not in any of the cases of conflict of interest referred to in Article 1 of AMF Instruction 2006-08 on independent valuations;

- Have the human and material resources necessary to carry out their engagement on a permanent basis, as well as sufficient insurance or financial resources to cover any risks related to this engagement;

- Are members of the Association Professionnelle des Experts Indépendants (APEI), an association recognised by the AMF pursuant to Articles 263-1 *et seq.* of its General Regulation; one of the signatory partners is also a member of the IVSC's *Standard Review Business.*

3. Diligences carried out

Details of our work are provided in Appendix 1.

Our work consisted mainly of:

- Understand the context of the proposed transaction, as well as the terms and conditions of the Offer and its evolution;

- Analyze the identified risks and opportunities likely to affect the valuation of SUEZ, the summary of which is presented in the form of a SWOT matrix;

- Analyze the accounts and business plans of the SUEZ group with the operational management, including the identification of the key assumptions considered and the assessment of their relevance;

- Examine previous transactions involving the Company's share capital, and in particular the off-market acquisition by VEOLIA of a block of shares representing 29.9% of the share capital of SUEZ, which took place on October 6, 2020 from ENGIE;

- Carry out a multi-criteria evaluation of the SUEZ group and sensitivity analyses on the structuring assumptions of the valuation;

- Critically review the valuation report prepared by the institutions presenting the Offer;

- Analyze the agreements and related transactions that may have a significant impact on the Offer price, namely the share purchase agreement between VEOLIA and ENGIE including an earn-out clause, the Agreement in Principle and the Combination Agreement between SUEZ and VEOLIA, the *Memorandum of Understanding* entered into between SUEZ, VEOLIA and the Consortium for the sale of certain assets of the SUEZ Group, the offer to acquire New SUEZ submitted by the Consortium and the *Put Option Agreement;*

- To prepare a report in the form of a fairness opinion setting out our valuation of the SUEZ shares and our opinion as to the fairness of the price offered.

In the context of our assignment, we have examined the accounting and financial information (financial statements, press releases, etc.) published by the Company for the last few years.

We have performed procedures on the legal documentation made available to us, to the extent necessary and for the sole purpose of gathering information relevant to our engagement.

We have met with the Company's management on several occasions to understand the context of the Offer and the current financial situation, the business outlook and the resulting financial forecasts.

We assessed the economic assumptions underlying the forecast data in the Company's business plans (overall business plan and business plans of the various activities) and, on the basis of these forecasts, modeled the cash flows to implement an approach based on the discounting of these flows according to an overall approach and a sum-of-the-parts approach.

For the analogical valuation methods (multiples of comparable listed companies and multiples of comparable transactions), we studied the public information available from our financial databases.

Finally, we have taken cognizance of the work of the presenting institutions, i.e. CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK, HSBC, MORGAN STANLEY AND BANK OF AMERICA, AS presented in the report on the assessment of the offer price and summarized in the draft prospectus. In this context, we have held a working meeting with the representatives of the presenting institutions.

A quality review was carried out by Mr. Olivier COURAU, Partner of the firm, who did not intervene on the file.

4. Presentation of the economic environment and SUEZ activities

The following presentation is the result of the Universal Registration Documents 2019 and 2020, as well as the XERFI studies "The water and sanitation market facing the crisis" and "The waste market facing the crisis" published in 2020.

4.1 Brief presentation of the world water market

The global water market shows very strong disparities depending on the level of development of the countries. In mature markets, existing infrastructures and networks offer a good quality of service for water distribution and sanitation, while in emerging countries, existing infrastructures do not meet the population's needs.

The development of emerging markets should lead to a strong demand for investment in infrastructure and services to meet the needs of demographic and economic growth and the resulting strong urbanization and industrialization.

Moreover, many countries, mature or not, are facing or are expected to face in the coming years the scarcity of available resources due to global warming, pollution or overexploitation of groundwater. According to the WHO, half of the world's population will be living in water-stressed regions[8]by 2025.[9]

In this context, infrastructures and services that optimize the use and distribution of water should be in strong demand from public and private customers. Similarly, less conventional solutions such as desalination or the reuse of wastewater could be a growth factor in this market. Furthermore, many mature countries have adopted regulations imposing high standards in terms of drinking water quality. These policies, combined with sometimes aging infrastructures, will result in significant investment needs for municipalities in these countries, which should benefit market players.

Finally, global awareness of environmental issues has led to the adoption of policies aimed at reducing water use in many countries, as well as a change in individual user behavior in terms of consumption. In mature countries, individual user consumption is declining, but overall consumption remains stable due to demographic and economic growth.

8 Water stress: situation of water availability below 1,700 m^3 /year /inhabitant according to the WHO. Source: Futura Science.

9 WHO Article: "Water" - June 2019.

4.2 The different activities developed in the water market

The main activities developed in the water market can be grouped as follows :

- The study, design and construction of water-related infrastructures, such as wastewater collection, storage and treatment centers or distribution networks for local authorities or industrialists;

- Operation and maintenance of infrastructure and networks, in particular for drinking water distribution and wastewater treatment;

- The development and distribution of technical equipment necessary for public or industrial water infrastructures and networks (pumps, valves, filters, etc.);

- The production and distribution of chemicals for the treatment of drinking water or wastewater.

Most of the SUEZ group's activity in the water sector concerns the operation and maintenance of infrastructure for the distribution of drinking water and the treatment of wastewater under municipal contracts. This segment includes various activities that may be delivered by a single integrated operator or by several players:

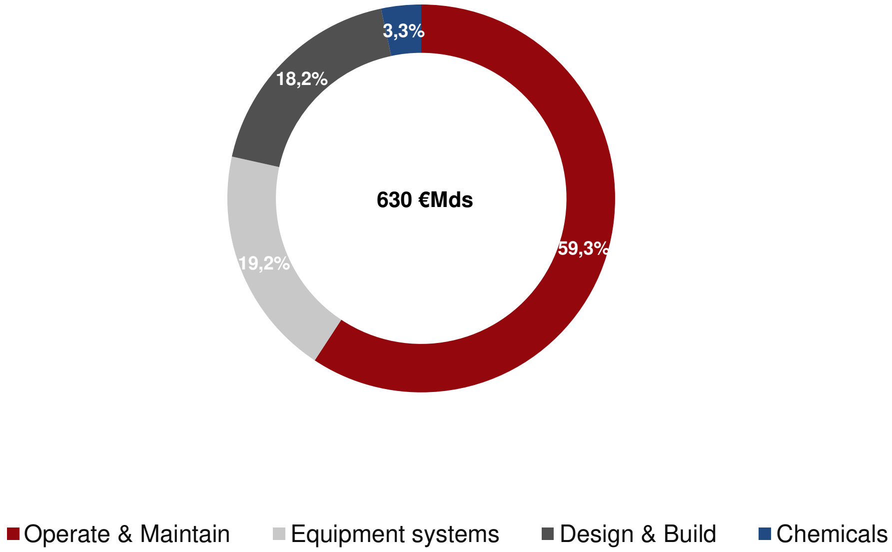
- Water collection, treatment, storage and distribution;

- The collection and treatment of wastewater (water polluted by domestic, industrial or agricultural activity and stormwater and runoff);

- Customer management, including, depending on the case, relations with users, reading and billing of consumption as well as collection of payments.

The global market for water-related products and services accounted for €630bn in 2018. The breakdown of this market into its various components is presented below.

Figure 1: Global Water Market in 2018



Source: GLOBAL WATER INTELLIGENCE Data

In terms of destination, water use in 2020 was mainly divided between agriculture (about 69% of demand), industry (about 17%) and domestic use (about 14%).

4.2.1 Analysis of the environment of the main markets of the SUEZ group

For its water business, the SUEZ group operates mainly in France, Spain, Chile, the United States and China.
The main characteristics of these markets are presented below.

4.2.1.1 The water market in France

The management, distribution and treatment of water for domestic use in France represents a market of €14.5 billion. This service is either provided directly by local authorities (so-called "en régie" operation by municipalities without the intervention of private operators and representing about 40% of the market), or through private operators who represent about 60% of the market.

While the division of the market between public and private operators has remained stable since 2006[10], some of France's major cities have opted to return to public service management. This is the case for the city of Bordeaux, which has decided to take over water management from 2023, ending its contract with SUEZ[11], and Lyon, whose contract with VEOLIA will end in 2022[12].

In France, the three main operators (VEOLIA, SUEZ and SAUR[13]) hold about 94% of the market entrusted to private operators.

[10] Source: SUEZ Universal Registration Document 2019.
[11] Source: France Bleu: "Bordeaux Métropole will take over water management in 2023" - December 2020.
[12] Source : Rue89Lyon : " Une régie pour l'eau du Grand Lyon : la fin du pré carré de VEOLIA " - December 2020.
[13] Unlisted company

There are three main types of contracts in private water management[14]:

- The "Public-Private Partnership" contracts, in which the operator provides the technical operation and maintenance of the infrastructure and the municipality manages it for the users, assumes the operational risk and remains the owner of all the assets. In this case, the operator's remuneration depends on the quality of the service, the savings achieved and the financial results inherent in the operation;

- "Lease" contracts[15], in which the operator operates the infrastructure and manages the water supply to the users and bears the operating risk. The infrastructure remains the property of the municipalities, but the operator is responsible for its maintenance and operation in exchange for the right to bill the users;

- "Concession" contracts in which the operator is responsible for financing and building the infrastructure at its own risk in exchange for a right to charge users. Existing assets are transferred to the operators and new infrastructure is owned and operated by the operators. At the end of the contract, the assets can either be returned to the municipality or resold at a price fixed at the time of contract signing. For this type of contract, investment is a key element of success.

These contracts have an average duration of 10 years, guaranteeing good visibility on the operators' future revenues, with a renewal rate at maturity for the contract holder of between 75% and 85%. However, it should be noted that between 2007 and 2016, operators experienced a sharp contraction in revenues (up to 27%) due to strong price pressure from municipalities during this period. Since 2017, water rates have stabilized.

Private operators also offer additional services to municipalities, such as *consulting* or the development of innovative technological solutions (e.g., the use of sensors connected to distribution networks or software for optimizing networks and flows, making it possible to save water resources and improve the operational and financial performance of operations), which are real growth drivers for the years to come.

Moreover, the "NOTRe" law, enacted in August 2015, providing the grouping of municipalities into PEICs[16] and the transfer of "water and sanitation" competencies to communities of municipalities and agglomerations, has led to an increase in the size of contracts and, consequently, a decrease in the number of calls for tender. It should be noted, however, that before the adoption of the "NOTRe" law, there were already contracts involving several municipalities (50% to 75% of the revenue of the main operators in France), limiting the impact of this law on the activity of the main private players.

[14] Since 2015 there is also the possibility of constituting a mixed economy company with a single operation ("SEMOP"), i.e. a joint venture between the operator and the local authority. The infrastructure is transferred to the joint venture at the time of its creation and handed over to the community at the end of the contract.

[15] Lease contracts represent the majority of the SUEZ Group's contracts.

[16] Public Establishment of Intercommunity Cooperation.

Finally, France is also subject to European laws such as the Urban Wastewater Directive, which aims to protect the deterioration of groundwater due to wastewater, and the Drinking Water Directive, which imposes new quality criteria, which could foster demand for the services and technical expertise offered by private operators.

4.2.1.2 The water market in Spain

In Spain, private operators account for about half of the drinking water production and distribution market and 85% of the wastewater treatment market[17].

There are 3 operating models: public contracts covering 47% of the market, private contracts 33% and public-private partnerships 20%.

Rates are reviewed annually and vary locally depending on several factors:

- The level of available resources;
- Relationships with municipalities (which are the regulatory body with full authority over the water sector);
- The price of labor in the region concerned ;
- Population density;
- Investments made during the operation of the concessions.

The two main operators (SUEZ and AQUALIA) account for 75% of the private market, although several of AQUALIA's major contracts (with the municipalities of Alcoy, Dénia or Yecla, for example) are due to expire in the next two years, which could represent a growth opportunity for SUEZ.

Although the water market in Spain has been affected by the sharp contraction in tourism due to the health crisis in 2020, it is a buoyant market, particularly for the development of technical solutions to combat water stress or accidents related to climate change (droughts, floods).

In terms of regulations, the Spanish market is subject to the same European directives as France, including the Wastewater Directive, which could lead to significant investments in infrastructure.

4.2.1.3 The water market in Chile

The municipal water market in Chile represents €1.7 billion. It is 95% operated by private operators according to a regulated model through which the State guarantees the operators a level of return on equity (ROE) fixed at 7%.

[17] Universal Registration Document 2020 of SUEZ.

The operations of private interveners can be framed by two types of contracts:

- Perpetual contracts, which cover 72% of the population and according to which the operator holds the water management assets without time limit;

- 30-year contracts under which the State owns the assets and guarantees the operator exploitation of the rights over the duration of the contract. These contracts are subject to a bidding process.

Water consumption is expected to increase by 2% to 3% per year over the next few years in terms of volume, in line with the strong demographic growth in the country's urban areas.

Moreover, some regions, such as Santiago, are experiencing an increasing scarcity of water resources, encouraging the use of private operators to build appropriate infrastructure and optimize water management. Apart from these specific works, the infrastructures are relatively recent and the market therefore presents a limited need for investment.

Furthermore, the regulations states that any operator may hold more than 50% of the market share, thus limiting consolidation operations in a country where the main players each hold substantial market shares (including approximately 39% for SUEZ following the sale of its stake in ESSAL in 2020).

Finally, it should be noted that on May 15 and 16, 2021, Chileans elected 155 representatives from among 1,300 candidates to the Constituent Assembly, who will be responsible for drafting the new constitution.

These elections were dominated by independent and left-wing candidates, in favor of a constitutional overhaul and a revision of the state's participation in basic public services, to the detriment of the coalition of right-wing parties that have been in power for more than 30 years and defend the current system.

The Constituent Assembly has a maximum of 12 months to propose a new constitutional text that will be submitted to Chileans for approval in a referendum to be held in 2022.

The majority of the elected officials in charge of drafting the new constitution consider water to be a human right and want to change the way it is managed. Although water is a national good for public use, it is currently regulated by the Código de Aguas[18]and not by the constitution. Their proposals would pave the way for a change in the water management model by proposing its regulation or, more directly, the end of its exploitation by private companies or the questioning of perpetual contracts[19][20], which could significantly impact SUEZ's operations in the country.

[18] Water Code.

[19] Convención ambientalista: más de un 70% de constituyentes respalda cambiar modelo de gestión del agua - EL MOSTRADOR - 18 May 2021.

[20] *Agua: los cambios que vendrán* - LA TERCERA - May 23, 2021.

4.2.1.4 The regulated water market in the United States [21]

In the United States, most of the regulated market is administered directly by local governments (89%). The balance (11%), addressed by private operators represents nearly €11 billion. The sector remains fragmented with 40 local operators running more than 52,000 drinking water systems and 17,000 wastewater treatment plants in 34 states.

In the regulated market, the *PUCs*[22] guarantee private operators a return on equity (ROE) of between 8% and 12%, limiting their financial risks and encouraging them to invest in the renewal of the country's aging infrastructure and networks (average age of 45 years with a renewal rate of less than 1%).

In order to address these major investment needs, some public authorities who are facing a decline in their revenues (decrease in revenues from taxes and federal funding), combined with an increase in their operating costs, have sold all or part of their assets to private players or have granted them operating rights over long periods.

This phenomenon of disposals could intensify in the future due to growing financing needs and the increasing costs of bringing infrastructure into compliance with environmental and safety regulations (the number of which has increased sixfold since 1980).

These divestitures could allow the main operators in the regulated market (AMERICAN WATER[23], SUEZ NORTH AMERICA and ESSENTIAL UTILITIES[24], which share 37% of the market) to expand their presence and increase their market share.

Furthermore, some states, such as California and Texas, are facing a significant scarcity of water resources which requires the intervention of specialized operators to optimize water management systems.

All these factors as well as the massive stimulus and infrastructure investment plans recently announced by the new administration are expected to have a positive impact on the U.S. water market which could prompt some energy players to enter the market in order to create single points of contact for customers thereby increasing competition in the sale of assets by local governments.

It should also be noted that in a mature market where people are aware of the need for resource optimization, revenue growth is likely to come mainly from tariff increases that the authorities grant to private operators in return for investments in infrastructure renovation, to ensure minimum guaranteed ROE levels. However, these tariff increases could eventually be constrained by a political will to limit the increase in the cost of access to water for users.

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[21] Non-regulated" activities (maintenance, rehabilitation or replacement services for local authorities or operators) represent less than 3% of the overall market (regulated and non-regulated market) for water in the United States.

[22] Public Utility Commissions.

[23] Company presented in Appendix 3.

[24] Company presented in Appendix 3.

4.2.1.5 The water market in China

The water market in China represents €119 billion and is growing rapidly (+4% per year expected until 2023). Municipal water represents 80% of the market and its development is supported by the country's strong growth, massive urbanization, rising living standards and stricter regulations that impose increasingly high water quality standards.

60% of the market is operated directly by municipalities. For the remaining 40%, competition from companies directly owned by the Chinese state (BEIJING CAPITAL) and local private players (BEIJING ORIGIN WATER) is strong for international companies (mainly SUEZ and VEOLIA) which also have to partner with local players.

Water management contracts with municipalities are generally for a period between 30 and 50 years with increasingly strict tariff regulation. They also require significant investments as operators acquire 50% of the assets at the beginning of the contract.

4.2.2 The water market for industrial customers

The Water market for industrial customers includes:

- The development and marketing of technological equipment and solutions representing $50 billion and are expected to grow by 5% per year until 2025;

- Chemical treatment solutions and associated processes, which represent $16 billion. Within this market, we can distinguish (i) the chemical treatment activity dedicated to water, which represents $10 billion, and which is expected to grow by 4% per year until 2025, and (ii) the activity dedicated to the refining and treatment of gas and oil, which represents $6 billion.

The growth of these markets is expected to be supported by the development of the industry on a global scale worldwide which, combined with (i) the increasing attention that companies are paying to their environmental footprint, (ii) stricter regulatory requirements, and (iii) the possibility of cost savings, should lead manufacturers to invest in projects, services and products designed to optimize the use of water resources or to enable their reuse.

, these services are generally provided under contracts of limited duration unlike municipal water (1 to 5 years). Market players can limit contract attrition by offering integrated packages that combine their technologies, products and services which can limit the ability of customers to easily switch providers.

Given the specific nature of the markets to be addressed, and with the exception of SUEZ and VEOLIA which operate across the entire value chain, the players in this market tend to specialize in a few "verticals" in which they will be the benchmark in terms of technical expertise.

4.2.3 The impact of the Covid-19 health crisis

Overall water-related activities have shown resilience in the context of the Covid-19 health crisis. However the contraction of industrial activities and the halt in tourism has weighed on water consumption[25], with demand in the industrial sector falling by an estimated 27% [26]on average.

In emerging countries, the Covid-19 crisis has been added to the difficulties of access to water that were already very present and could therefore have an impact on operators' revenues. For example, in Chile the government has decided with certain operators to defer water bills for the poorest households.

However, the health crisis has also led to the development of new specific services that can generate additional sources of revenue for operators. For example, SUEZ, through its subsidiary *Smart & Environmental Solutions in* Spain, has developed the "City Sentinel" solution for monitoring the presence of coronavirus in wastewater.

4.3 The waste treatment market

4.3.1 Brief overview of the global waste management market [27]

The waste treatment market can be broken down into two main categories of activities:

- Collection of household, industrial and hazardous waste upstream;
- The treatment of the waste collected downstream, in particular through:
  - The burial of waste on dedicated sites with a possible methanization;
  - Recycling, which allows the reuse of certain components of a waste product by a chemical or mechanical process for the manufacture of a new product;
  - Recovery through methanization and incineration processes with energy production.

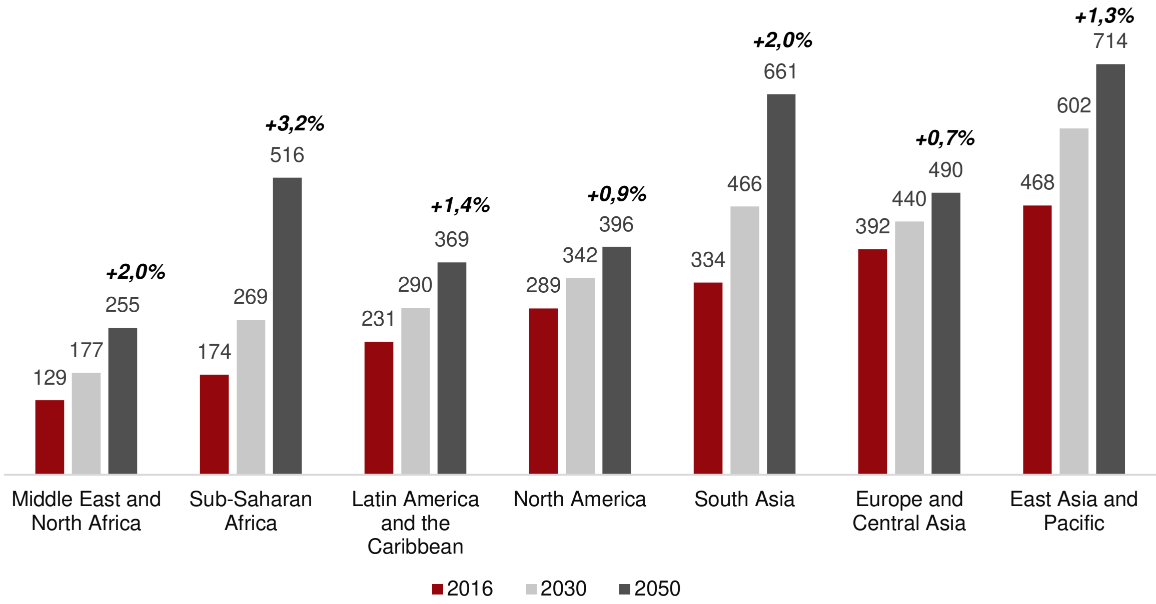
The main customers in this market are local authorities, which delegate all or part of the public service of domestic waste management, as well as companies that outsource this activity.

Currently 0.74 kg of waste are produced per day per capita in the world, with however strong disparities according to the level of development of the countries. Mature markets generate 34% of the world's waste while representing only 16% of the world population. Low-income countries produce mostly food waste, while developed countries produce more "dry" waste (plastic, paper, metal and glass).

[25] XERFI - "The water and sanitation market facing the crisis" - 2020.
[26] Article: The Impact of Covid-19 on the water and Sanitation Sector - June 2020.
[27] According to the law of July 15, 1975, is considered as waste: "Any residue of a process of production, transformation or use, any substance, material, product, or more generally any movable property abandoned or that the holder intends to abandon", article L. 541-1-1 of the Environmental Code.

The market is expected to grow as global waste production is expected to reach 3.4 billion tons/year by 2050 (compared to 2 billion tons/year in 2016[28]), due to the economic development of emerging countries.

Figure 2: Historical and Estimated Waste Volumes by Region (Millions of Tons)*



**The changes shown correspond to average annual growth calculated over the period 2016 - 2050.*
Source: WORLD BANK

The waste treatment market is governed by many factors of varying importance in different geographical areas, including regulations, the volume of waste produced, available treatment capacity and the bargaining power between service providers and customers resulting from the balance between waste treatment volumes and capacities.

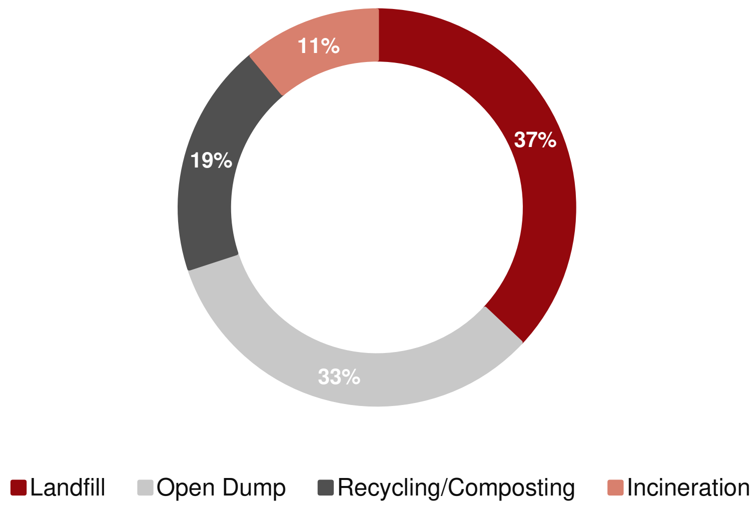
The different national and international regulations are a determining factor in the behavior of local authorities, companies and households through the increasing prohibition of certain practices or the implementation of fiscal policies designed to promote more sustainable treatment methods such as energy recovery and recycling to the detriment of landfill.

On a global level, the two main types of waste treatment are landfilling and open dumping, with also strong disparities between countries according to their income level. Only 2% of waste is disposed of in open landfills in high-income countries where waste treatment regulations are increasingly strict and people are more environmentally aware while this proportion rises to 93% for low-income countries.

Moreover, mature markets use more sustainable waste treatment methods such as energy recovery or recycling: 33.3% of waste is recycled in North America compared to only 6.6% in Sub-Saharan Africa.

[28] WORLD BANK: "What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050"- 2018.

Figure 3: Waste treatment methods worldwide



Source: WORLD BANK: "What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050"- 2018

4.3.2 Value chain and drivers of the waste treatment market

4.3.2.1 Type of waste treated

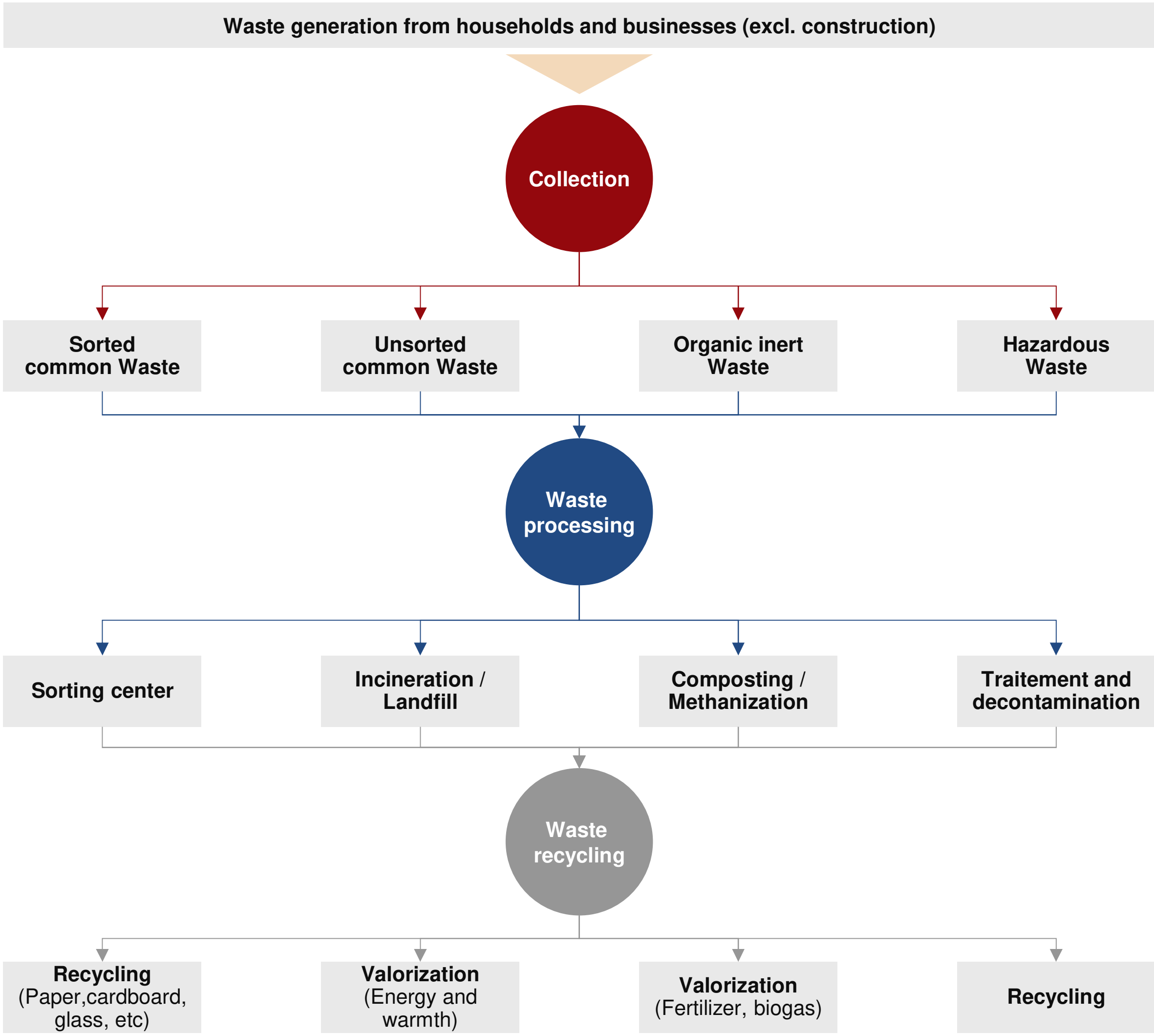
Waste can be divided into three categories:

- Inert waste, considered as the most stable waste and not generating pollution, is eliminated by reuse or storage and is not subject to any physical, chemical or biological modification;
- Household and similar waste and ordinary industrial waste, which includes waste produced by individuals and non-hazardous waste produced by companies (household waste, bulky waste and green waste);
- Hazardous waste, which includes waste from industrial activity, waste from electrical and electronic equipment, waste from care activities with infectious risks and toxic waste in dispersed quantities, corresponding to waste produced in small quantities by households, traders or SMEs. In France, hazardous waste represents 3.4% of the total waste produced[29].

[29] XERFI study "The waste market facing the crisis" - 2020.

Depending on its type, waste follows a collection, treatment and recovery process that can be summarized as follows :

Figure 4: Simplified diagram of the waste management chain



Source: Xerfi study: "The waste market facing the crisis" - 2020

4.3.2.2 The main determinants and risks of the activity

As previously mentioned, economic and demographic growth and increasing urbanization, combined with stricter regulations in favor of waste treatment make this market a growth sector worldwide. However there are marked differences between sub-segments (sustainable treatment solutions and recovery benefiting from government incentive mechanisms) or geographies for this activity, which remains highly dependent on local regulations.

Collection

Overall waste collection should benefit from economic and population growth while being affected by the increasing responsibility of businesses and households to sort and recycle their waste.

Moreover, this is an activity where margins are limited due to the high competitive intensity of the business, low barriers to entry (limited to investment in a fleet of vehicles) and contracts that are generally shorter than those of other activities.

Under these conditions, the geographical concentration of an operator is decisive insofar as it allows for the maximization of operational efficiency through the optimal use of assets (vehicle fleet) and resources. This activity also presents a risk of a return to public service operation on the part of the municipalities.

Landfill

Landfill activity should be penalized by public policies designed to make it prohibitively expensive for industry, with the objective of encouraging them to move towards more sustainable treatments such as recovery or recycling.

Landfill volumes are therefore expected to decline steadily in the coming years depending on the level of taxes applied. However the segment could continue to benefit from a "buffer" role in markets where sustainable treatment capacities are saturated, as was the case at the time of the plastic waste import ban in China in early 2018. The opening of new landfills is now banned or highly restricted in many countries favoring established players.

Waste incineration/energy recovery

Waste-to-energy has benefited from public incentive mechanisms that have encouraged investment in new treatment and waste-to-energy facilities.

The performance of incinerator operators depends on their ability to (i) capture the benefits of incentives (energy credit, financing, guaranteed prices) and (ii) optimize the load plan of facilities in order to reduce the unit cost of treatment, in particular by ensuring access to suitable and sorted waste. This waste may come from waste collected upstream from industrial or commercial customers or from the company's own sorting centers, highlighting the synergies that locally integrated players can benefit from.

The cost of acquiring the waste, the raw materials used (fuel) and the resale price of the energy produced will also have an impact on the operators' margins.

Recycling

Recycling represents the largest treatment stream in terms of volume and value in the French and British markets where the SUEZ group operates.It is a highly fragmented business with a variety of waste types (glass, paper, plastic, metal, organic) each with specific treatment processes and varying levels of recycling. For example, metal and glass are recycled at more than 70%, whereas the recycling rate for plastic is less than 50% in France and the UK. This proportion is expected to increase significantly due to decisions taken at the European level and the ban on plastic imports in China and Malaysia. However the plastic recycling market is not yet mature and its *business model* need to be stabilized.

The profitability of this activity is highly variable and depends mainly on the quality of the materials and their pre-sorting as well as on the ability to acquire materials and then resell them at the end of the recycling process on favorable terms in order to limit exposure to price volatility[30].

Furthermore the margins of the players could be impacted by the intensification of competition, with the arrival of industrial players who integrate recycling into their processes.

In this context, diversification of activities makes it possible to reduce exposure to unfavorable policies and to benefit from synergies between the various businesses (for example, an integrated player can use the materials collected and sorted in its collection activity for its recycling activity). In addition, players in this market are tending to reduce their presence in the traditional waste segment and turn to higher value-added activities such as hazardous waste management or recovery.

4.3.3 Analysis of the environment

4.3.3.1 The French market

The waste treatment market in France represents approximately €26.8 billion and a waste production of nearly 4.9 tons of waste per inhabitant.

In 2018, waste was generated by construction activities (72%), commercial and industrial activities (14%), and municipalities and households (14%).

In France, 70% of non-hazardous waste undergoes treatment for recovery, 28% is placed in landfills and 2% is incinerated without energy recovery.

30 The price of recycled paper, which is one of the main recycled materials, rose from €19/T to €99/T during the year 2020, before returning to its usual price.

The collection contracts awarded to operators have different characteristics depending on the type of customer. Contracts with local authorities are generally for a period of five to eight years, with few barriers to entry. In this case, the waste does not belong to the operators who simply manage it. Contracts with industrial companies are generally for a period of 1 to 3 years with low barriers to entry but allow the operators to own the waste collected.

The share of non-hazardous waste recycled should be increasingly important in the coming years due to regulatory changes. Several laws govern waste treatment in France, including the "anti-waste for a circular economy" law of February 10, 2020, whose principles are:

- The reduction of waste and the increase of recovery activities, through the implementation of taxes on polluting activities and incentive pricing;
- A more sustainable production with the implementation of taxes and fines to penalize the programmed obsolescence and the use of plastic bags;
- The modernization of sorting centers and the increase of selective collection by allocating a budget for the municipalities;
- Encouraging the use of ecological products and the development of alternative solutions to the use of plastic, by financing research and tests on them.

The objectives of this law are to reach 100% recycled or recovered plastic by 2025, compared to 25% today. It is also expected that landfill activities will decrease by half, that the volume of waste from municipalities will decrease by 10% and that industrial waste will remain stable by 2025.

The planned sharp increase in the General Tax on Polluting Activities (TGAP) until 2025 is a step in this direction and should encourage industrialists and companies to reduce the quantities of waste produced and to move towards more sustainable, less heavily taxed solutions (the amount of TGAP for a ton of waste buried should rise to €65 by 2025, compared with €25 per ton incinerated).

In addition to national laws, European regulations are pushing to reduce landfill activities in favor of recycling. By 2035, these regulations aim to have less than 10% of municipal waste going to landfill.

Energy recovery represents a buoyant market in which operation and maintenance contracts are for about 10 years and "Public Service Delegation" contracts for about 15 years, with significant barriers to entry.

The three main players, VEOLIA, SUEZ and DERICHBOURG, represent approximately 50% of the recycling and recovery market in France.

4.3.3.2 The market in the UK

In 2018, the non-hazardous waste market in the UK was worth €23 Billion and 217 Million Tons. This waste comes from industry (41%), construction (34%), households (21%) and other areas (4%).

This market is expected to grow by an average of 2.3% per year between 2020 and 2025, due in particular to demographic changes, increased economic activity and the consideration of environmental issues in public policies, which should encourage the use of recycling and recovery.

Like France, the United Kingdom has put in place an ambitious environmental regulation, the "*25 Year Environment Plan*", which aims to

- An increase in recycling activities for all types of materials;
- The development of reusable, recyclable or compostable plastic bags by 2025;
- Food waste disposal in landfill operations.

The year 2023 should also see the application of the *Deposit Return Scheme* (DRS) and *Reinforced Extended Producer Responsibility* (EPR) mechanisms, according to which consumers will have to sort and return certain household waste themselves to specific locations or skips, which will then be collected and processed by the companies that originate these materials.

Finally, the Brexit could also contribute to the growth of the waste treatment market in the UK due to a possible increase in taxes on the export of waste to Europe, which would lead to an increase in the volume of waste to be treated on British soil.

The top five players, VEOLIA, BIFFA[31], SUEZ, VIRIDOR[32] and FCC[33], account for about 23% of the UK recycling and recovery market, which is less concentrated than the French market.

4.3.3.3 The market in China

The waste treatment market in China represented €42 billion in 2019, a market expected to grow strongly in the coming years driven by the development of more sustainable treatment infrastructures and supported by local authorities in order to meet increasingly high environmental standards in these countries, as well as by growing urbanization, which leads to an increase in the volumes of waste produced.

As the market is still fresh, developments are expected both in the household waste segment, for which significant volume growth is anticipated, and in waste treatment solutions with the construction of energy recovery plants and an increase in recycling to the detriment of landfill.

[31] Company presented in Appendix 3
[32] Unlisted company.
[33] Company presented in Appendix 4

The competitive landscape is highly fragmented, with the three main local players (CHINA EVERBRIGHT[34] , CEHL, SANFENG) holding less than 15% of the total market. However, the trend is towards consolidation, with the main Chinese companies seeking to acquire smaller players positioned in higher value-added markets. The main international players in China are SUEZ and VEOLIA, each with less than 2% of the market.

4.3.3.4 The market in Australia

The waste sector in Australia represented nearly €8.5 billion in 2017-2018. In this market, too, the trend is to develop recycling and energy recovery of waste to the detriment of landfill, which should be taxed more.

The market is thus expected to grow by 5% per year, with a volume effect linked to the ban on the export of waste to Southeast Asia implemented in July 2020 by the federal government.

4.3.4 Hazardous waste

In 2020, the hazardous waste market was estimated at $32 billion and was concentrated in North America, Europe and some Asian countries like China.

Generally speaking, the market for hazardous waste treatment is in under-capacity, which has an upward impact on treatment prices. This situation is not expected to change significantly in the coming years particularly due to the low number of projects to build new incineration or storage facilities.

France is the second largest market for hazardous waste in Europe and treatment capacities are saturated, due in particular to the increasing importation of hazardous waste.

In other European countries, the German market is also in under-capacity, as are Ireland and the United Kingdom, where the Brexit is causing uncertainty about market developments.

Belgium and the Netherlands are concentrated markets, in which hazardous waste treatment is preferentially done locally, although these countries are open to competition, both for imports and exports.

[34] Company presented in Appendix 3

The European regulation strongly frames hazardous waste (Basel Convention, Framework Directive, Waste, etc.) which can no longer be exported outside the European zone. However, their circulation remains free within Europe. Consequently, the main market players are seeking to group together the treatment of hazardous waste in regional centers that can handle waste from several countries. In this context, it is essential for these players to have optimized logistics and strategic locations within the European area in order to maximize their profitability.

It should also be noted that the hazardous waste market in Asia is growing rapidly due to stricter standards imposed on industrial companies in particular.

4.3.5 The impact of the Covid-19 health crisis

The waste treatment sector has shown itself to be resilient overall in the context of the health crisis. In France, for example, collection and treatment revenues were expected to decline by only 3% and 6% respectively in [35]2020.

Although the containment measures imposed by governments in 2020 led to a reduction in waste volumes due to the temporary cessation of business activity, the increase in household waste partially offset this contraction in industrial volumes. The health crisis has also boosted certain sectors, such as the treatment of waste from care activities involving infectious risks.

[35] XERFI forecast: "The waste market facing the crisis" - 2020.

4.4 Presentation of the company SUEZ

4.4.1 Background information

Figure 5- History of the Group

1880

SUEZ : From the origins of LYONNAISE DES EAUX ET DE L'ECLAIRAGE

- **1880 :** Establishment of LYONNAISE des EAUX ET DE L'ECLAIRAGE, y operated in the public services of water, electricity and gas distribution.
- **1946** : Partial nationalization of LYONNAISE des EAUX ET DE L'ECLAIRAGE and LYONNAISE des EAUX became a majority shareholder in DEGRÉMONT, now called SUEZ INTERNATIONAL.
- **1971** : Acquisition of SITA, now called SUEZ RV FRANCE.
- **1974** : La COMPAGNIE FINANCIÈRE DE SUEZ became majority shareholder of LYONNAISE DES EAUX.
- **1997** : Creation of SUEZ LYONNAISE DES EAUX Group, which became SUEZ in 2001.

2003

SUEZ : Formation of SUEZ ENVIRONNEMENT

- **2003 :** the environment activities were combined within SUEZ ENVIRONNEMENT.
- **2008 :**
  - Merger between GAZ DE FRANCE and SUEZ created GDF SUEZ Group.
  - Finalization of the consolidation of all its environmental operations within a new company : SUEZ ENVIRONNEMENT.
  - Initial Public Offering of SUEZ ENVIRONNEMENT.

2008 – **2021**

SUEZ : The ambition to become a world leader in environmental services

- **2010 :** Takeover of 75,23% of AGBAR, spanish company specialized in water cycle management.
- **2014 :** Acquisition of the remaining share of AGBAR in exchange for 4,1% of the capital of SUEZ.
- **2015 :**
  - SUEZ ENVIRONNEMENT became SUEZ.
  - Consolidation of all the group's commercial brands under a single brand : SUEZ.
- **2016 :**
  - Acquisition of PERTHWASTE, société de gestion des déchets en Australie.
  - Increase to 23,33% holding in the ACEA undertaking, company specialized in water management in Italy.
- **2017 :** Acquisition de GE Water & Process Technologies, company providing innovative solutions mainly in water treatment (now WTS)
- **2019 :** Annoncement of the launch of *Shaping SUEZ* 2030, a strategic plan to achieve world leadership in environmental services.

Source: SUEZ Universal Document 2020 and FINEXSI analysis

The LYONNAISE DES EAUX ET DE L'ECLAIRAGE company was created in 1880 and specialized in water and electricity distribution services in large cities such as Lyon, Nantes and Paris.

At the end of the Second World War, LYONNAISE DES EAUX ET DE L'ECLAIRAGE was partially nationalized by the French government and became LYONNAISE DES EAUX[36], focusing mainly on water services. In this context, the group acquired a 71.5% majority stake in DEGRÉMONT[37], a company specializing in drinking water distribution and wastewater treatment services in France and abroad.

In 1970, to broaden its range of environmental services, LYONNAISE DES EAUX acquired a 51.3% stake in SITA[38], a company specializing in waste collection.

[36] Now known as SUEZ EAU FRANCE.
[37] Now SUEZ INTERNATIONAL.
[38] Since 2000, the Group has held all of the capital of SITA, which became SUEZ RV FRANCE.

In 1974, COMPAGNIE FINANCIÈRE DE SUEZ acquired a stake in LYONNAISE DES EAUX and became its largest shareholder. This transaction led to the merger of the two entities in 1997 to create the SUEZ LYONNAISE DES EAUX Group, which became SUEZ in 2001.

In 2003, the water and waste activities were brought together in a new entity, SUEZ ENVIRONNEMENT, which holds the environmental services activities of the SUEZ group.

On July 16th, 2008, GAZ DE FRANCE and SUEZ merged to create GDF SUEZ, one of the world leaders in electricity and gas. As part of this merger, 65% of SUEZ ENVIRONNEMENT shares are distributed to SUEZ shareholders and the remaining 35% are held by the new GDF SUEZ group.

On July 22th, 2008, SUEZ ENVIRONNEMENT WAS LISTED ON THE Paris and Brussels stock exchanges.

In 2010, in order to strengthen its international presence, SUEZ ENVIRONNEMENT acquired 75.23% of the capital of the Spanish company SOCIEDAD GENERAL DE AGUAS DE BARCELONA (AGBAR), which provides water management services mainly in Spain and Chile. In 2014, the Company acquired the remaining AGBAR shares from CRITERIA CAIXA IN exchange for 4.1% of its capital.

On July 29th, 2015, SUEZ ENVIRONNEMENT became SUEZ and consolidated all its brands under this name.

In 2016 and 2017, SUEZ carried out several external growth operations with the aim of strengthening its international presence (acquisition of PERTHWASTE in Australia, increase in the stake in ACEA [39], an Italian company, and acquisition of GE WATER & PROCESS TECHNOLOGIES).

On October 2nd, 2019, SUEZ unveils its new strategic plan "*Shaping SUEZ 2030",* with the ambition to make SUEZ the "*world leader in environmental services*".

[39] Acquisition of an additional 10.85% of Acea's capital, giving it a 23.33% stake in the company (previously 12.48%).

4.4.2 Presentation of the *Shaping SUEZ 2030* plan

The "*Shaping SUEZ 2030*" plan, presented to the market on October 2nd, 2019, aims to position the Group now to face the opportunities and challenges of the decade, and to increase value creation for all stakeholders over a four-year period, through three main axes of selectivity, simplicity, and employee engagement with its customers.

4.4.2.1 « Selectivity »

Selectivity in terms of organic growth is materialized by an increased requirement in the choice of projects and markets addressed by the Group to accelerate its development in areas where it identifies the strongest opportunities, namely :

- The Group's development in international markets with strong growth potential where there is a significant need for environmental infrastructure (particularly in Asia and Africa), with the ambition of generating 60% of its revenues outside Europe;

- Increasing the share of industrial customers, by addressing high value-added activities, with the ambition of generating 50% of its revenues from industrial customers;

- "Data-based technologies and solutions", which will support the competitiveness of the Group's historical activities and enable the development of new offerings such as air quality management and intelligent agriculture. The development of this segment will be based in particular on proprietary technologies, innovation and the acquisition of dedicated companies. The Group aims to generate 30% of its revenues from this segment.

The implementation of this selective growth requires a change in the Group's capital allocation and the acceleration of the rotation of the business portfolio, which should represent between 15% and 20% of capital employed. To date, SUEZ has completed the first wave of disposals under its asset rotation plan, with :

- The sale of its 4.8% stake in AQUASURE ;

- The sale of its 53.51% stake in ESSAL ;

- The sale of its Recycling and Recovery activities in Sweden;

- The sale of its French subsidiary OSIS to VEOLIA, which *closed* on May 18, 2021;

- The sale of its Recycling and Recovery activities in Northern Europe (Germany, Luxembourg, Poland and the Netherlands), which *closed* on May 31, 2021.

As part of the second wave of disposals, the SUEZ group announced on April 6, 2021 that it had reached an agreement with Cleanaway for the sale of its Recycling and Recovery activities in Australia.

on April 6, 2021 that it had reached an agreement with CLEANAWAY for the sale of its Recycling and Recovery activities in Australia on the basis of an enterprise value of A$2.52 billion[40]. However, following the Agreement in Principle reached with VEOLIA on April 11, 2021, SUEZ has terminated the agreements with CLEANAWAY, which will nevertheless acquire a portfolio of post-collection assets in the Sydney area for an amount of A$501 million[41].

It is also planned that part of the proceeds from the disposals will be reinvested in the activities of the *Environmental Tech & Solutions (ETS*) segment and internationally, where the Group completed in early 2021 the acquisition of minority interests in China in Suez NWS and Suyu for approximately €693 million[42].

4.4.2.2 The "simplicity"

The simplicity part of the plan consists of transforming the Group's organization and improving its operational performance through the deployment of a performance plan (SPOT[43]), which should generate cost savings of €1.2 billion by 2023 via :

- Business process optimization;
- The transformation of the purchasing function;
- Rationalization of overhead costs.

4.4.2.3 "The commitment of its employees to its customers

The commitment of the Group's employees must be achieved through (i) the development of skills, (ii) the promotion of new values (passion for the environment, customer care, respect, team spirit) and (iii) the alignment of management remuneration with the Group's financial objectives.

4.4.2.4 Financial objectives of the *Shaping SUEZ* 2030 plan

In financial terms, the "*Shaping SUEZ 2030"* plan aims to achieve the following objectives[44]:

- 1.2 billion in savings[45] under the SPOT performance plan;

[40] Or approximately €1.6 billion based on an average 1-year €/$ exchange rate on April 6, 2021.
[41] This represents approximately €300 million based on an average €/$ exchange rate of 1 year as of April 6, 2021.
[42] SUEZ press release of January 11, 2021
[43] SPOT: SUEZ Performance Operational Transformation
[44] From the *Shaping SUEZ 2030* presentation on October 2, 2019.
[45] Initial target of €1bn revised upwards in September 2020 to €1.2bn.

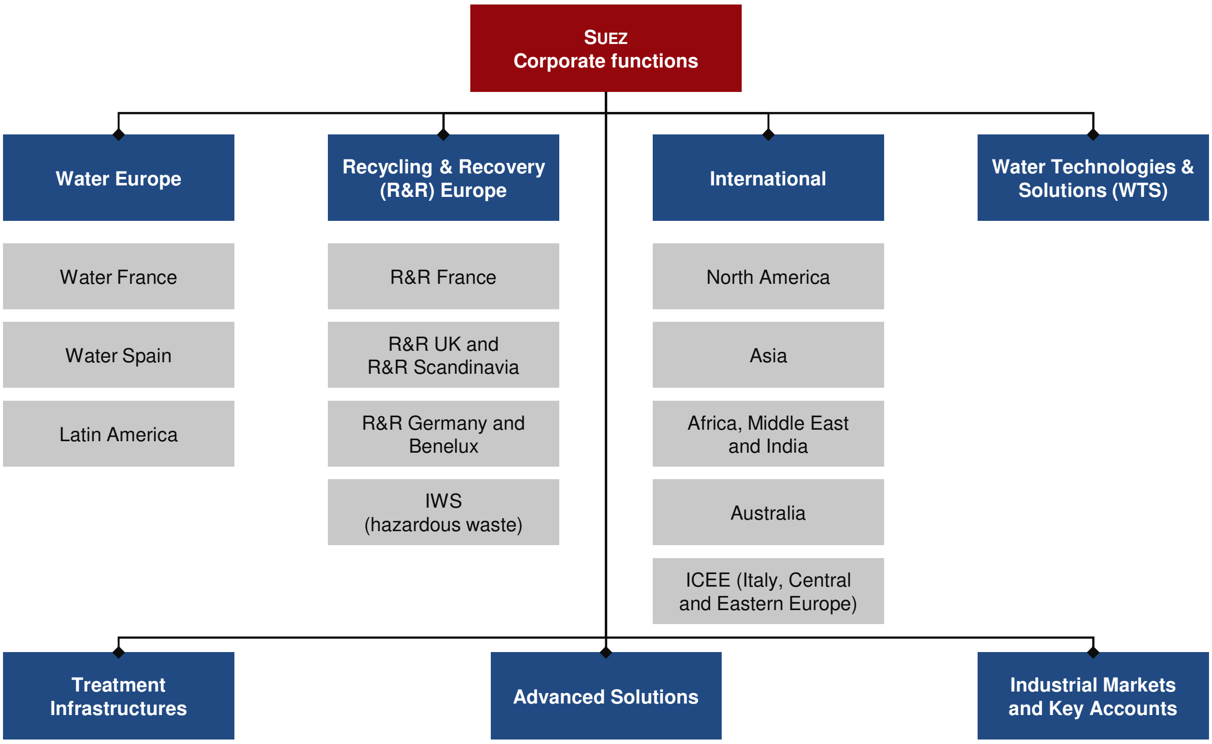
- Recurring *free cash flow* [46]generation of more than €500 million from 2021;
- A return on capital employed that is at least 2 points higher than in 2018 (4.9%) from 2022 onwards, enabling the Group to increase its capacity to distribute dividends;
- EBIT of between €1.4 billion and €1.6 billion in 2021[47];
- Earnings per share of €0.80 to €0.85 in 2021[48].

Net debt between 2.8x and 3x EBITDA, enabling it to maintain an *investment grade* rating.

4.4.3 Organizational structureof SUEZ

Until December 31, 2019 the Group was organized around 4 divisions as follows:

Figure 6- Operational organization chart of the SUEZ Group as of December 31, 2019

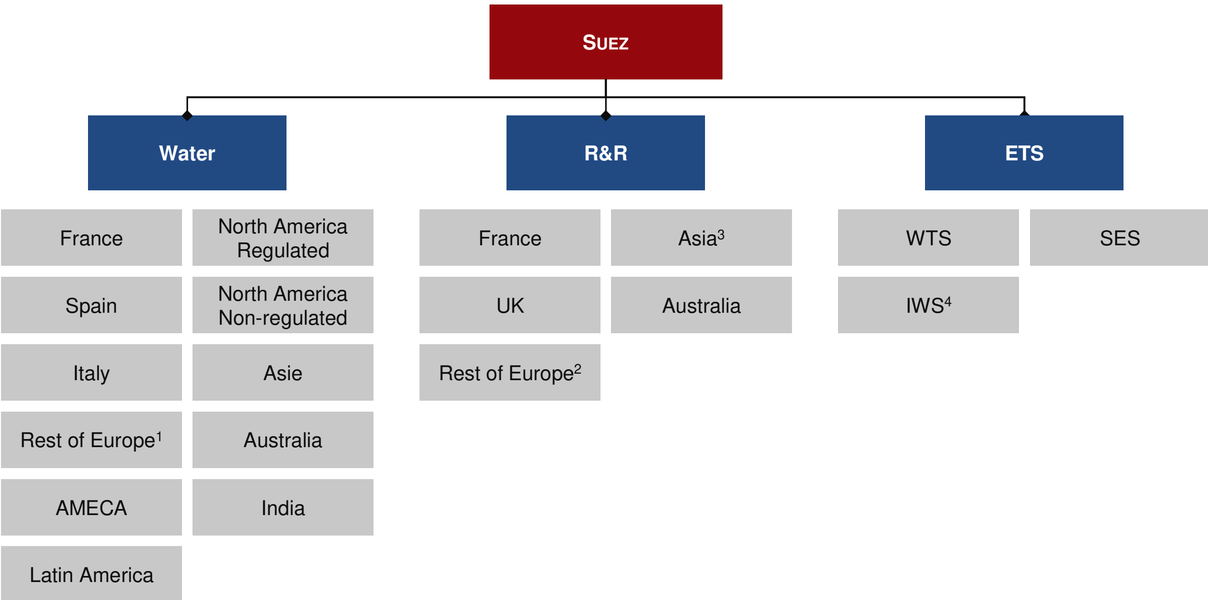


Source : SUEZ Universal Registration Document 2019

[46] Cash flow from operating activities - hybrid coupon + restructuring expenses (cash) - investments in property, plant and equipment and intangible assets - leases - net financial expenses - flows including dividends to/from minority interests.
[47] Company press release of February 26, 2021.
[48] Initial target of €0.8 from 2021 revised in September 2020 to between €0.75 and €0.8 in 2021 and up to €1 in 2022 then improved in February 2021 to between €0.80 and €0.85 for 2021.

Since 2020 and the implementation of the *Shaping SUEZ 2030* plan, the Group's businesses have been grouped into three activities, namely Water, Recycling & Recovery (R&R) and *Environmental Tech & Solutions (ETS), as* shown in the figure below.

Figure 7- Operational organization chart of the SUEZ Group as of December 31, 2020



Source: SUEZ Universal 2020 Registration Document

[1] Mainly corresponds to the activities in the Czech Republic

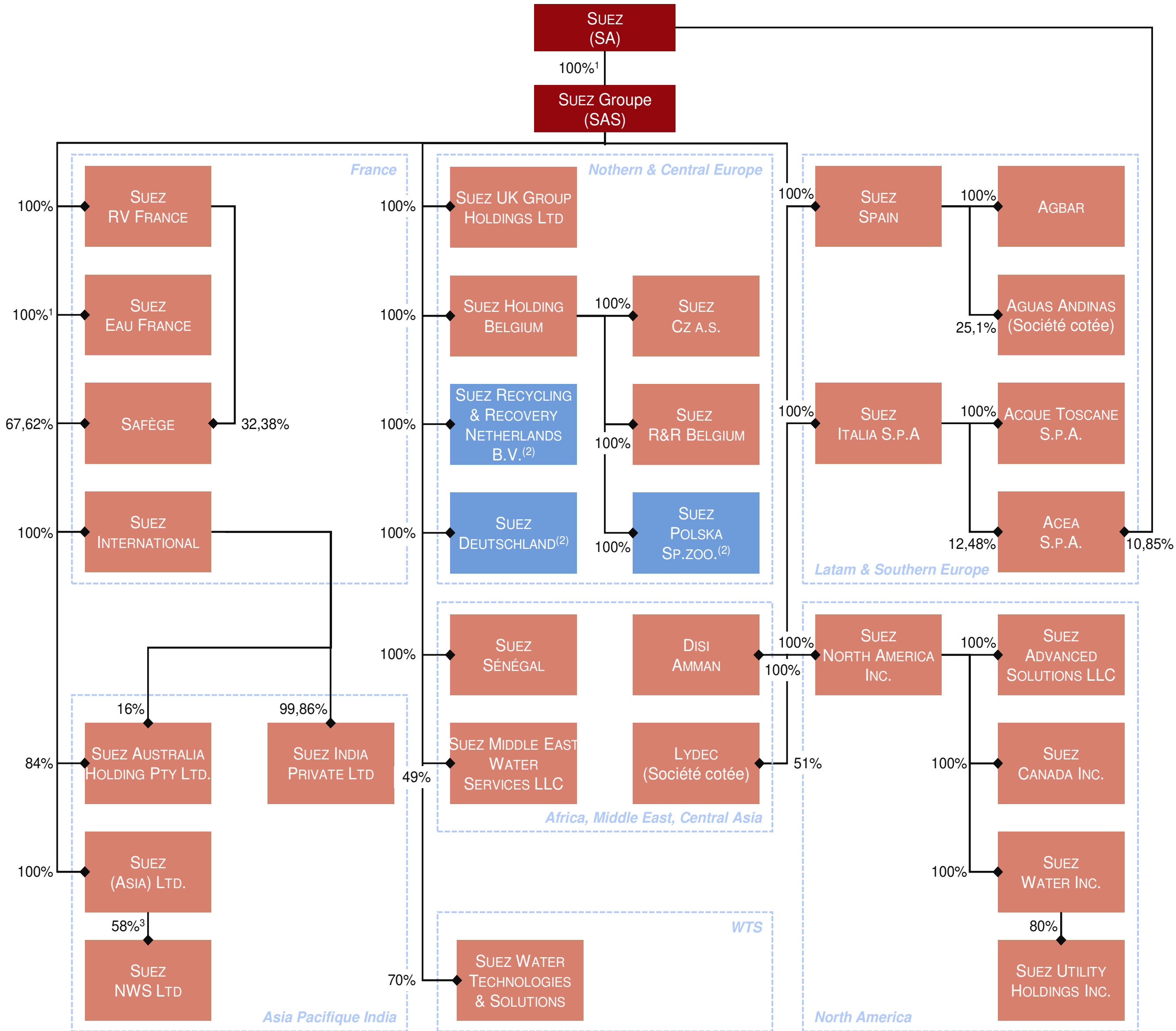
[2] Mainly corresponds to the activities in the Czech Republic and Belgium

[3] Mainly corresponds to activities in Hong Kong, Macao and Taiwan, excluding hazardous waste activities

[4] Corresponds to activities in hazardous waste regardless of geographical location

We also present below the simplified legal organization chart of the Group as of December 31, 2020.

Figure 8- Simplified organization chart of the SUEZ Group AS OF December 31, 2020



1 One share held by a foundation under Dutch law.

2 Disposal in progress.

3 Acquisition of the 42% in progress.

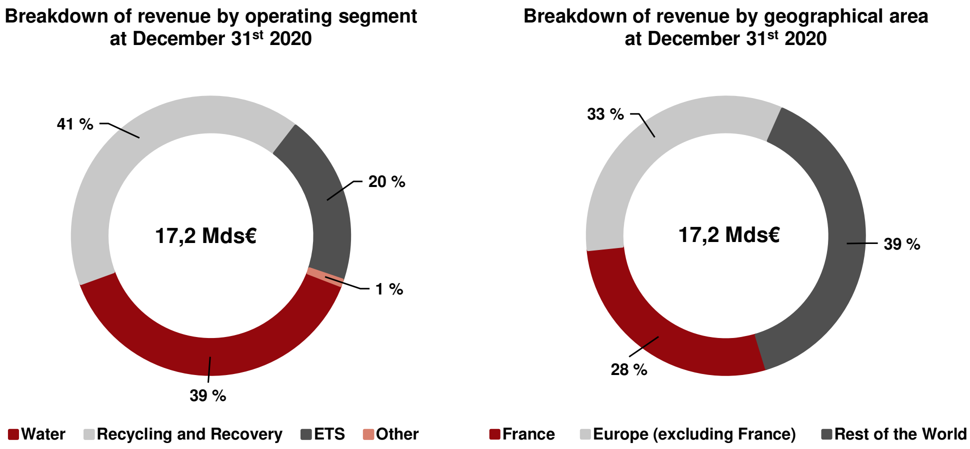
Source : Company

4.5 Presentation of SUEZ activities

With operations in more than 70 countries and approximately 90,000 employees, the Group has three business lines, Water, Recycling & Recovery (R&R) and *Environmental Tech & Solutions (ETS)*.

In 2020, SUEZ generated sales of €17.2 billion, broken down as follows

Figure 9- Breakdown of revenues as of December 31, 2020



Source: SUEZ Universal 2020 Registration Document

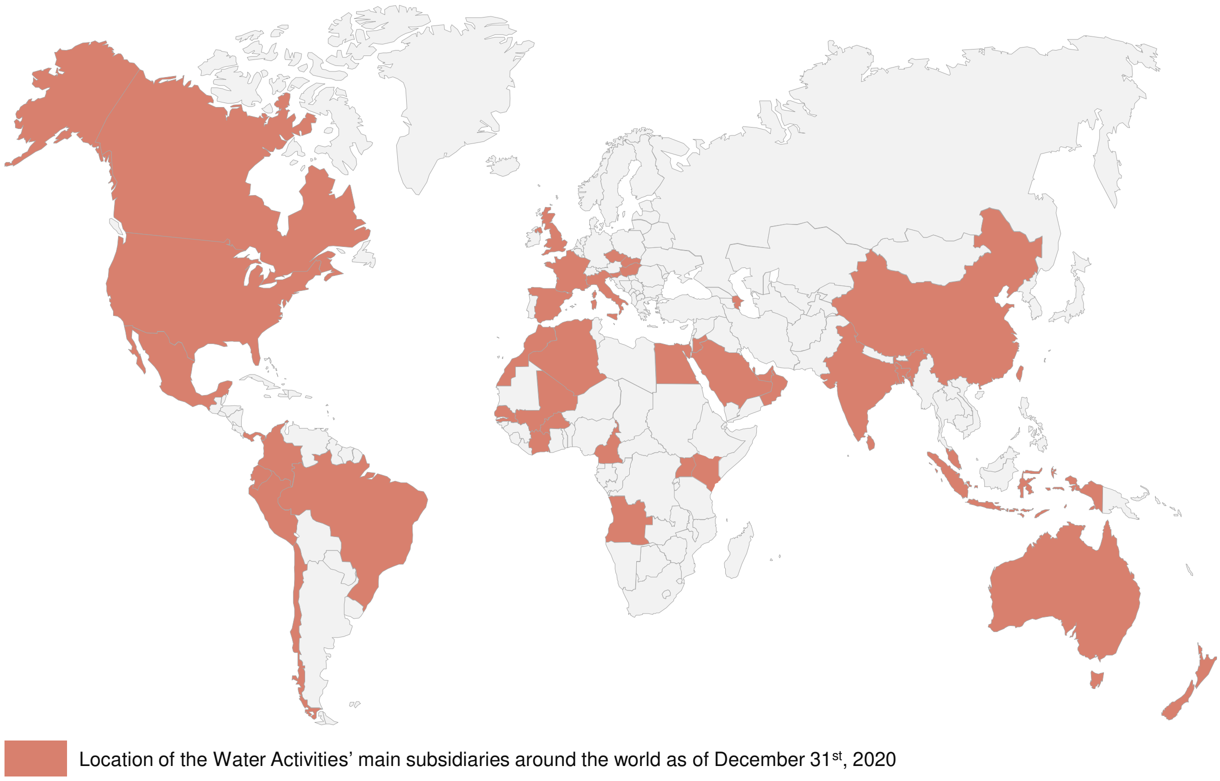
In 2020, the Group generated 61% of its revenues in France and Europe and 39% outside Europe. As part of the "*Shaping SUEZ 2030*" plan, the Group aims to generate 60% of its revenues outside Europe by 2023.

The three main activities of the Group and their various locations are presented below.

4.5.1 Water activity

4.5.1.1 Presentation of the SUEZ Water business [49]

Figure 10: Presence of the Group's Water business worldwide



Source: SUEZ Universal Registration Document 2019 and FINEXSI analysis

The Water business accounted for 39% of the Group's revenues at December 31, 2020, or €6.8 billion. This figure is down organically by -2.9% compared to fiscal 2019, linked in particular to:

- The slowdown in Europe (-1.0% or -20 M€) due to limited tourist activity in France and Spain in 2020;
- The effects of continued containment measures in the second half of 2020 in the Americas (-4.5% or -€42 million) and particularly in Chile, where the increase in rates only partially offset the decrease in water consumption;
- The impact of the Covid-19 health crisis on operational and construction activities in the AMECA region[50](-9.6% or -47 M€).

[49] The water business carried out by WTS on behalf of industrial customers is presented in a separate section.
[50] Africa, Middle East and Central Asia.

Today, SUEZ is present across the entire value chain of the water market and offers its industrial and municipal customers:

- Study, design and project management services for water management infrastructure projects;
- The realization of industrial projects such as the construction of water treatment plants;
- Drinking water distribution;
- Wastewater treatment ;
- Customer service for monitoring and billing of user water consumption.

The Group provides infrastructure design and construction services in the context of specific projects for private or public clients, particularly in less mature countries that are developing their infrastructure extensively, or in support of the domestic water distribution and treatment activities of the Group's subsidiaries, in particular when operating contracts require prior investment in the development or renovation of the network or infrastructure (e.g., concession contracts).

In this case, SUEZ can propose complete offers that include the construction and management of infrastructures, underlining the commercial and operational synergies linked to the Group's presence across the entire value chain of water services.

SUEZ's Water business benefits from generally buoyant trends due to its presence in dynamic geographies with countries that are investing in their infrastructures (China, India, AMECA), and efforts to optimize water resources at the global level for which the Group's technical expertise and know-how in terms of infrastructure construction and management are recognized and in demand.

In mature markets, where the need for new infrastructure is limited and water consumption is stable due to the increasing attention paid to the use of resources, the Group's revenue growth is based on capturing new market share, rate increases or the marketing of additional services. In practice, however, gaining market share can be difficult due to renewals that are often favorable to the incumbent operator, and the potential for rate increases is limited due to political choices made by municipalities.

In this context, the Group has chosen to enrich its offer of additional services through the development of connected objects (*ON'Connect*) and software suites such as *Aquadvanced, Sludge Advanced*, in synergy with the solutions developed within the ETS division (see 4.5.3below).

4.5.1.2 Water business in France

SUEZ is a key player in the French water market with a market share of approximately 33.5%, which has increased since 2010 (+6.5 points)[51]. In 2019, the Group operated 702 drinking water production sites and 1,642 wastewater treatment plants, mainly under leasing contracts.

France is also the center of the Group's research and innovation in water services, and the solutions developed and tested in French cities are key references for the Group's international development.

In terms of volumes distributed, the Group has been confronted with a significant contraction in water consumption in France[52] over the last decade, linked to the use of less consumptive household appliances and a change in user behavior. In the coming years, volumes are expected to decrease slightly due to the decline in consumption, which will be partially offset by population growth, the decrease in the number of people per household, and the increase in the rate of connection to wastewater treatment networks, all of which contribute to increasing the number of billable customers for operators.

In recent years, many of the Group's major contracts have expired and have generally been renewed on less favorable terms than those previously prevailing, which has affected the Group's revenues. Some contracts, such as the one with the Bordeaux city council, have also been lost due to their return to " regie ".

Nevertheless, SUEZ Eau France should not face any major renewals in the coming years and could even benefit from commercial opportunities due to the renewal of major contracts currently held by its competitors, such as that of SEDIF (Syndicat des Eaux d'Île de France), the Lille metropolitan area or Lens.

Finally, after a period of pressure on prices between 2007 and 2016, prices have stabilized since 2017 and could even increase again due to the need to renew infrastructure, which reduces the bargaining power of local authorities. The Group also benefits from contractual indexation mechanisms that allow it to pass on the increase in costs incurred.

4.5.1.3 Water activity in Spain

The Group is a major player in Spain, where it operates 220 drinking water production sites and 609 wastewater treatment plants under concession contracts, notably in Barcelona through its subsidiary AGBAR (SOCIEDAD GENERAL DE AGUAS DE BARCELONA), whose contract was renewed in 2013 for a period of 35 years, as well as in many other cities in the country (Granada, Alicante, Canary Islands).

[51] XERFI data at the end of 2018.

[52] 11% decrease in billed volume between 2006 and 2016.

Thanks to its expertise in infrastructure upgrades, its reputation and its ability to make larger investments than other operators at the start of contracts, SUEZ is the leader in this market with approximately 14 million people served. The Group could also benefit from the renewal of significant contracts by its competitors to strengthen its position.

In addition, the country's extreme climatic conditions (drought, flooding) make it an important development center for the Group in terms of innovative solutions to combat these environmental issues. SUEZ has thus developed the SUEZ ADVANCED SOLUTIONS brand in the country and launched in 2018 a business dedicated to agriculture in Spain and Portugal.

For the coming years, and in the absence of new contract wins, the Group does not anticipate strong revenue growth due to the non-renewal of some of its contracts in favor of competitors and the return to " regie".

It should also be noted that the Group has been facing strong pressure on tariffs against a backdrop of tensions with the Barcelona municipal authorities since 2015, which has affected its operating margins on this contract.

4.5.1.4 Water activity in Chile

SUEZ is active in municipal and industrial water management in Chile through its indirect 25.1% stake in AGUAS ANDINAS[53] . AGUAS ANDINAS serves approximately 2.3 million customers, mainly in the metropolitan area of Santiago and the regions of Los Rios and Los Lagos, and has a market share of approximately 40%.

In the coming years, the Group should benefit from the growing urbanization of the country and the increase in the number of customers connected in the metropolis of Santiago. However, given the scarcity of water resources and the development of environmental trends in the country, the increase in the connected population should be partially offset by a decrease in the volume of water consumed per inhabitant.

As mentioned above (see **Erreur ! Source du renvoi introuvable.**), the market in Chile is regulated and 95% owned by private operators who have perpetual contracts (including the AGUAS ANDINAS contract for Santiago) or 30-year contracts. The regulator guarantees operators a 7% return on investment, although this could be reduced due to political pressure. In addition, Chile remains a market to watch from a geopolitical point of view due to the recent election of a constituent assembly, which could impact the Group's operations in this country.

Tariffs are renegotiated every five years between the regulator and the operators, with intermediate adjustments based in particular on inflation indices. AGUAS ANDINAS suffered a 3% tariff cut at the last renegotiation in 2019, but expects a future increase in tariffs linked to expected inflation in the country and the need for investments to deal with drought problems (the amount of these investments being taken into account in the framework of the guaranteed minimum return on investment mechanism).

[53] AGBAR 's 50.1% stake in INVERSIONES AGUAS METROPOLITANAS ("IAM"), which owns 50.1% of AGUAS ANDINAS.

4.5.1.5 Water business in the United States

SUEZ NORTH AMERICA is the second largest private environmental services company in the United States, serving approximately 6.4 million people per day through 15 regulated water companies in New Jersey, New York, Idaho, Pennsylvania, Delaware and Rhode Island, as well as through more limited contracts for non-regulated water services for approximately 84 municipalities[54].

Despite stable consumption volumes, the Group's regulated business in the United States is expected to grow in the coming years due to the significant need for investment in aging infrastructure, the tightening of regulations on water quality and the scarcity of resources in certain states (California, Texas).

Under the regulated model, investments are passed on in tariffs to ensure a minimum return on investment, although some price increases could be deferred in the context of the health crisis.

In addition, the scale of the investments required to comply with environmental regulations could lead some local authorities facing financial difficulties to sell their assets to private players, which could benefit the SUEZ group.

Finally, it should be recalled that in 2018 the Group sold a 20% minority stake in its regulated business in North America to the investment fund PGGM for $601m as part of a long-term partnership agreement, which provides for the implementation of an ambitious growth plan for the asset base.

4.5.1.6 The Water business in Asia Pacific

The Group provides drinking water services to more than 20 million people in China under a municipal water concession contract in Macao, service contracts for the Shanghai Chemical Industry Pool (SCIP[55]), and various other contracts for the design, rehabilitation of infrastructure or operation and maintenance of networks.

SUEZ anticipates significant growth in its business in China and the rest of Asia due to the region's economic and demographic development as well as pressure from local authorities for better environmental management. The Group has already announced in January 2021 that it has strengthened its presence in the country with the signing of 21 contracts worth approximately €266 million with the cities of Beijing, Shanghai, Shaaxi, Guangdong etc.

The Group's business in China is conducted in partnership with local players through joint ventures. However, in early 2021, the Group completed the acquisition, for €693 million, of NWS' interests in the two main joint ventures through which it operates (42% of SUEZ NWS and 50% of SUYU), in which it now holds 100% of the capital.

[54] Source: SUEZ NORTH AMERICA WEBSITE.

[55] Shanghai Chemical Industry Park.

The Group is also developing its business in India through the implementation of numerous infrastructure design and construction projects that should contribute to the growth of SUEZ's revenues in the country.

Finally, SUEZ IS also active in drinking water production and wastewater treatment in Australia and New Zealand with assets near the main cities (Sydney, Melbourne, Adelaide, Auckland).

The Group anticipates development in these regions, supported in particular by the growth of the ETS activities dedicated to Water, in order to meet the challenges of increasing scarcity of resources, particularly in Australia.

4.5.1.7 Water activities in other geographies

SUEZ is present in Morocco in the management of municipal water in Casablanca through its 51% stake in the multiservice company LYDEC [56](water and electricity), which supplies approximately 4.2 million inhabitants under a 30-year contract signed in 1997.

In the rest of Africa, the Group provides consulting services in Algeria, operates water treatment plants in Egypt, builds drinking water production and wastewater treatment plants in sub-Saharan Africa and installs compact water treatment units.

The Group is also directly involved in water management in Tuscany (Italy) and in the rest of Italy through a 23.3% minority stake in the listed company ACEA, which is the main water operator in Italy and is also involved in energy distribution and public lighting.

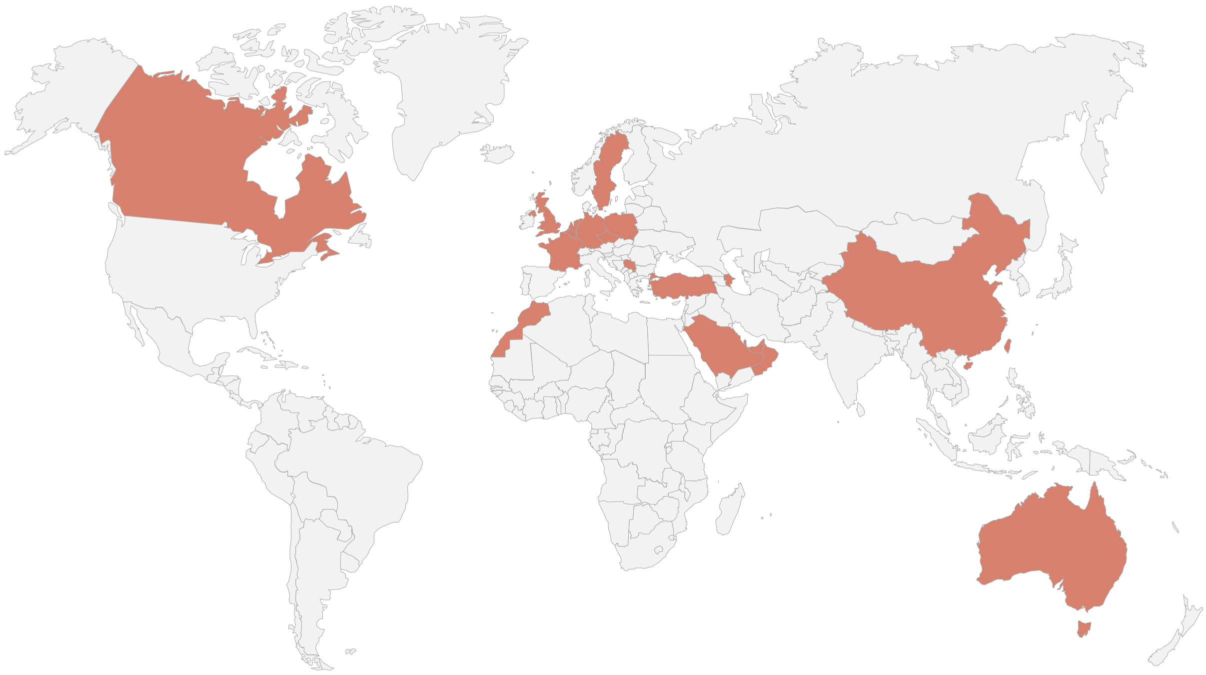
Finally, SUEZ is also present in the Middle East and is developing its activity in Eastern and Southern Europe (Poland, Czech Republic, Slovenia, Romania, Greece).

[56] Company listed on the Casablanca Stock Exchange.

4.5.2 The Recycling and Recovery (R&R) activity

4.5.2.1 Presentation of the R&R activity [57]

Figure 11: Presence of the Group's R&R activity worldwide



Location of the Water & Waste Activities' main subsidiaries around the world as of December 31st, 2020

Source: SUEZ Universal Registration Document 2019 and FINEXSI analyses

The R&R business accounted for 41% of the Group's revenues at December 31, 2020, or €7.3bn. This figure was down -4.1% compared to fiscal 2019, in connection with the health crisis that affected the activity of the Group's industrial customers in particular.

Today, SUEZ is present across the entire value chain of non-hazardous waste management and offers waste collection, sorting, recovery and disposal services to local authorities and industrial companies in a variety of ways, including

- Recycling and transformation of waste from selective collections (glass, plastic, cardboard, paper, metal, etc.);
- Processing and composting of organic waste;
- The incineration of certain waste (household, non-conforming waste from sorting centers, sludge, etc.) in order to generate energy, notably electricity;
- The burial of waste in landfill.

[57] The R&R activity does not include the management of hazardous waste, which is now handled by the *Environmental Tech & Solutions* activity. This activity is operated by the subsidiary IWS.

SUEZ also works with local authorities and industrial companies to provide cleaning, maintenance, control and sanitation services.

4.5.2.2 R&R activity in France

SUEZ is the leader in waste management services in France. The Group treated more than 15.8 million tons of waste in 2020 throughout France through the operation of 73 composting platforms, 33 incineration sites and 413 sorting and transfer stations.

In France, the Group operates across the entire value chain from waste collection to treatment, enabling it to benefit from operational synergies by using the waste flows from its collection and sorting activities to feed its recycling and recovery centers.

SUEZ R&R FRANCE's revenues contracted between 2013 and 2017 in connection with the decline in waste volumes in the country (-4.6% per capita since 2007[58]), intensifying competition and a presence in less buoyant activities. After a return to growth in 2018 and 2019, the business suffered from the sharp slowdown in industrial activity linked to the health crisis in 2020.

In the coming years, despite the anticipated reduction in waste volumes, the Group should benefit from regulations favoring higher value-added treatment activities such as incineration or recycling, for which it has the investment capacity, facilities, experience and technical know-how that could enable it to stand out from its competitors and improve its margins.

As for water management services, SUEZ IS investing in France in the development of innovative solutions that will enable it to stand out locally and internationally, with, for example, the biomethane production plant from the fermentation of wastewater treatment plant sludge inaugurated in Marseille in April 2019.

Finally, the activity should benefit from the optimization actions of the SPOT plan in terms of improved operational performance and savings on procurement costs and central functions.

4.5.2.3 R&R activity in the United Kingdom

SUEZ is a leading waste management services provider in the UK. In 2020, The Group treated more than 6 million tonnes of waste from approximately 2.1 million people and 30,601 commercial and industrial customers across the UK. The Group also operates over 60 transfer stations.

As in France, the Group operates in the United Kingdom across the entire value chain from waste collection to treatment, enabling it to benefit from operational synergies, but with a more significant incineration business governed by long contracts and generating higher margins.

[58] Agence de la transition écologique (ADEME) – Key figures – February 9, 2021.

The Group should continue to benefit from regulations favoring sustainable processing activities, for which it has the experience and investment capacity to differentiate itself from its competitors and optimize its margins.

In 2020, SUEZ began its new municipal collection contract in the Cornwall area and renewed its contracts in the cities of Chelsea and Kensington.

As for SUEZ R&R FRANCE, this activity should also benefit from the optimization actions of the SPOT plan in terms of improved operational performance and savings on procurement costs and central functions, as well as from major commercial initiatives with industrial customers.

4.5.2.4 R&R activity in Asia

SUEZ has been present in Hong Kong through its company SITA WASTE SERVICES since 1998. The Group operates 6 transfer stations and 2 landfill sites in Hong Kong, allowing it to treat approximately 5 million tons of waste each year.

The Group is also active in Macao, where it carries out collection and cleaning activities and operates a specialized storage center for residues from the local incinerator.

SUEZ is also present in mainland China, Taiwan and Thailand where it has energy recovery and recycling activities, notably through its subsidiaries NWS and Suyu.

4.5.2.5 R&R activity in Australia

The Group is a leader in the waste market in Australia, particularly in the recovery segment. SUEZ operates in the country's largest urban areas, providing collection services for more than 46,332 commercial and industrial customers and 5 million residents, as well as organic waste treatment through composting and recycling services, particularly for medical waste.

As part of this activity, the Group operates "advanced resource recovery technology facilities" (ARRT) that use innovative technologies to recycle materials that would otherwise have been treated as landfill, as well as *smart cells* landfills that capture more biogas.

4.5.3 The *Environmental Tech & Solutions (ETS)* activity

ETS comprises the activities of (i) *Water Technologies & Solutions (WTS), (ii)* Hazardous Waste (IWS) and (iii) *Smart & Environmental Solutions (SES).*

The ETS business represented 20% of Group revenues at December 31, 2020, or €3.5 billion. Revenues from this division contracted by more (-5.6%) than from the Group's other activities, due in particular to its greater exposure to industrial customers.

4.5.3.1 The Water Technologies & Solutions (WTS) business

The WTS business is the result of the September 29, 2017 acquisition of GE WATER & PROCESS TECHNOLOGIES (now the WTS business) from GENERAL ELECTRIC FOR A value of €3.2 billion. This acquisition was completed with the CAISSE DE DÉPÔT ET DE PLACEMENT DU QUÉBEC holding a 30% minority stake.

WTS operates in the water business for industrial customers in various sectors: chemicals, food, energy, oil and gas, etc., throughout the world.

The activity is organized around two main poles:

- *Chemical & Monitoring Solutions (*CMS) which provides (i) chemical processing solutions and consumables for regular operations as well as (ii) connected objects (sensors, monitors), software and analysis tools for industrial operations optimization;

- *Engineering Systems* (ES), which offers (i) equipment (valves, evaporators) or disinfection systems, (ii) design and construction of infrastructure for the treatment and recycling of water in the installations of industrial clients, and (iii) complete management and maintenance services for the installations on behalf of clients.

Given the diversity of the needs of each industry in this sector, the Group has chosen to develop its expertise and its technological investment - which are key differentiating factors for these markets - in certain growth verticals.

In addition, WTS offers integrated packages of infrastructure/circuit design services, products, and operations and maintenance services to benefit from commercial synergies and limit the ability of large customers to switch suppliers in a market where contracts are short.

Finally, it should be noted that WTS is a platform for technological innovation for the entire Group, enabling it to enrich the offer in the other Water and Waste activities based on the products and technical know-how of this division.

4.5.3.2 The Hazardous Waste activity

The Group is involved in the management of waste that poses a risk to man and his environment. This activity is carried out by the Group's *Industrial Waste Specialities* (IWS) division, mainly in Europe (Germany, Belgium, Spain, France, Italy, the Netherlands) and in China.

Hazardous waste, once collected from industrial customers, is sorted and then sent to the most appropriate facilities for treatment according to different processes:

- Conversion to alternative fuels;
- Incineration to produce energy, including electricity;
- Physical-chemical and biological treatment, especially for liquid hazardous waste;
- Burial in a storage center, after having undergone certain treatments of depollution or solidification;
- Recycling and sale of recycled materials.

This division also includes services for the treatment and decontamination of groundwater and soil, either directly on site or in specialized centers.

In this market, where European regulations allow the movement of waste, the Group is seeking to optimize the logistics of collecting and treating hazardous waste in its treatment centers in order to improve its profitability.

SUEZ IS also benefiting from the increase in outsourcing of hazardous waste treatment by industrial companies, which are facing stricter regulations that make it more complex and more expensive to treat such waste internally, as well as limited treatment capacity in Europe, which favors the bargaining power of operators.

4.5.3.3 The SES activity

The *Smart & Environmental Solutions* activity was created in 2020 with the aim of developing digital solutions for the optimization and protection of water, air and soil for the entire Group.

This activity includes connected objects (*ON'Connect, aEner'COM*), *consulting* and software (*Aquadvanced*, *MyCollect*) that support other SUEZ activities or are offered to third-party clients, as well as other innovative technological solutions for monitoring and improving air quality for industrial and municipal clients, optimizing resources for agriculture (*Smart Agri*), and integrated service offerings for cities (*Smart Cities*)

These solutions are already meeting with growing success with clients concerned about optimizing water resources, and this business as a whole should continue to benefit from buoyant environmental trends as well as from commercial synergies with the Group's other activities, particularly in terms of relations with local authorities and industrial clients. In addition, as the SES business is a major development axis of the strategic plan, SUEZ plans to reinvest a significant portion of the proceeds from the Group's asset disposal plan (€1.2 billion) in external growth operations focused on these activities in order to accelerate the development of this offering.

4.6 Financial analysis of SUEZ

The consolidated financial statements of SUEZ, as presented in the 2015 to 2018 Registration Documents and the 2019 and 2020 Universal Registration Documents, are reproduced below.

These accounts have all been certified without reservation by the Group's auditors[59].

4.6.1 Income statement

Table 2: Consolidated income statement of the Group from 2015 to 2020

In millions of euros	2015	2016	2017 adjusted (a)	2018	2019 (c)	2020 (c)
Revenues	**15 134,7**	**15 322,0**	**15 783,0**	**17 331,1**	**18 015,3**	**17 209,0**
% of growth (b)	**5,7 %**	**1,2 %**	**3,0 %**	**9,8 %**	**3,9 %**	**(4,5)%**
Purchases	(2 945,5)	(2 995,9)	(3 032,2)	(3 648,6)	(3 720,7)	(3 436,7)
Personnel costs	(3 818,4)	(3 990,2)	(4 115,1)	(4 598,4)	(4 701,4)	(4 697,2)
Depreciation, amortization and provisions	(1 091,9)	(1 091,3)	(1 109,2)	(1 167,7)	(1 531,7)	(1 762,6)
Other operating expenses and operating income	(6 163,8)	(6 143,0)	(6 526,3)	(6 774,0)	(6 853,1)	(6 675,6)
Current operating income	**1 115,1**	**1 101,6**	**1 000,2**	**1 142,4**	**1 208,4**	**636,9**
% of growth (b)	**10,3 %**	**(1,2)%**	**(9,2)%**	**14,2 %**	**5,8 %**	**(47,3)%**
% of Revenues	**7,4 %**	**7,2 %**	**6,3 %**	**6,6 %**	**6,7 %**	**3,7 %**
Mark to Market on operating financial instruments	0,6	(1,3)	1,3	(0,8)	3,7	4,6
Impairment on property, plant and equipment, intangible and financial assets	(80,4)	(159,5)	(20,3)	(25,6)	(64,8)	(209,2)
Restructuring costs	(71,4)	(76,1)	(157,6)	(87,6)	(132,3)	(157,0)
Scope effects	0,9	182,9	77,6	(6,2)	8,4	198,8
Other gains and losses on disposals and non-recurring items	4,1	91,3	33,6	60,1	26,6	(50,6)
Other significant non-recurring transactions	(27,5)	(28,1)	(44,4)	-	214,9	(47,6)
Income from operating activities	**941,4**	**1 110,8**	**890,4**	**1 082,3**	**1 264,9**	**375,9**
% of Revenues	**6,2 %**	**7,2 %**	**5,6 %**	**6,2 %**	**7,0 %**	**2,2 %**
Share in net income of equity-accounted companies considered as core bu	266,4	179,0	211,6	192,9	198,3	144,8
of which: share in net income (loss) of joint ventures	*179,8*	*84,4*	*92,2*	*82,0*	*71,4*	*39,7*
of which: share in net income (loss) of associates	*86,6*	*94,6*	*119,4*	*110,9*	*126,9*	*105,1*
Income from operating activities after share in net income of equity-accounted companies considered as core business	**1 207,8**	**1 289,8**	**1 102,0**	**1 275,2**	**1 463,2**	**520,7**
% of Revenues	**8,0 %**	**8,4 %**	**7,0 %**	**7,4 %**	**8,1 %**	**3,0 %**
Financial expenses	(510,6)	(516,9)	(518,5)	(555,6)	(603,8)	(523,2)
Financial income	89,1	93,4	89,6	90,2	89,8	82,5
Net financial income	**(421,5)**	**(423,5)**	**(428,9)**	**(465,4)**	**(514,0)**	**(440,7)**
Income tax expense	(173,0)	(243,5)	(157,2)	(244,0)	(340,0)	(154,4)
Net income	**613,3**	**622,8**	**515,9**	**565,8**	**609,2**	**(74,4)**
% of Revenues	**4,1 %**	**4,1 %**	**3,3 %**	**3,3 %**	**3,4 %**	**(0,4)%**
Net income, Group share	407,6	420,3	295,5	334,9	351,7	(228,2)
Net income, Non-controlling interests	205,7	202,5	220,4	230,9	257,5	153,8
Net income (Group share) per share (in euros)	**0,69**	**0,72**	**0,45**	**0,47**	**0,49**	**0,43**
Net diluted income (Group share) per share (in euros)	**0,68**	**0,70**	**0,45**	**0,47**	**0,48**	**0,43**

(a) Restatement due to the impact of IFRS 15 and the finalization of the purchase price allocation of GE Water

(b) Growth in 2018 calculated on the basis of restated 2017

(c) The data presented include the impact of assets held for sale reclassified under IFRS 5

Sources: 2019 and 2020 Universal Registration Documents and the Company's 2016 to 2018 Registration Documents

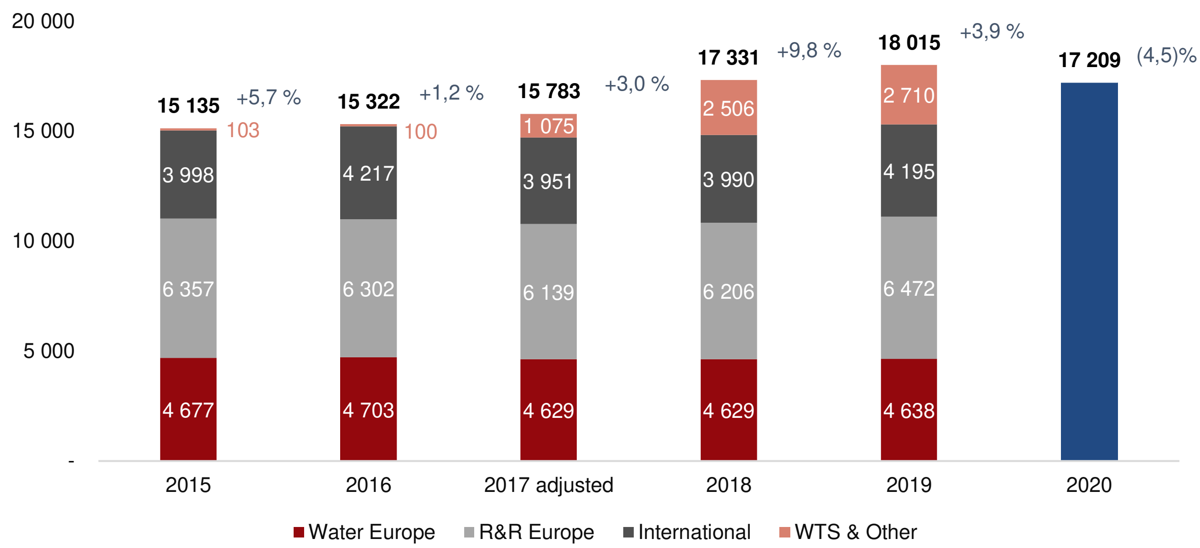
Over the period under review, the Group's income statement was affected by the acquisition of GE WATER at the end of 2017, by the asset rotation plan as part of the *Shaping SUEZ 2030* plan, and by the consequences of the health crisis.

We analyze below the evolution of the main income statement aggregates over the period 2015-2020.

[59] ERNST & YOUNG AND Mazars SA.

Sales figures

Figure 12: Breakdown of SUEZ's revenues by operating segment since 2015 in €M



Sources: 2019 and 2020 Universal Registration Documents and the Company's 2016 to 2018 Registration Documents
The 2020 revenues are not broken down as in other years due to the change in the Group's operational reporting.

Until 2019, SUEZ broke down its business into four segments: (i) Water Europe, (ii) R&R Europe, (iii) International and (iv) WTS & Others. In 2020, the Group changed its operational organization (see §4**Erreur ! Source du renvoi introuvable.**) and therefore the presentation of its segment reporting, which no longer allows a comparison on a consistent basis with historical data.

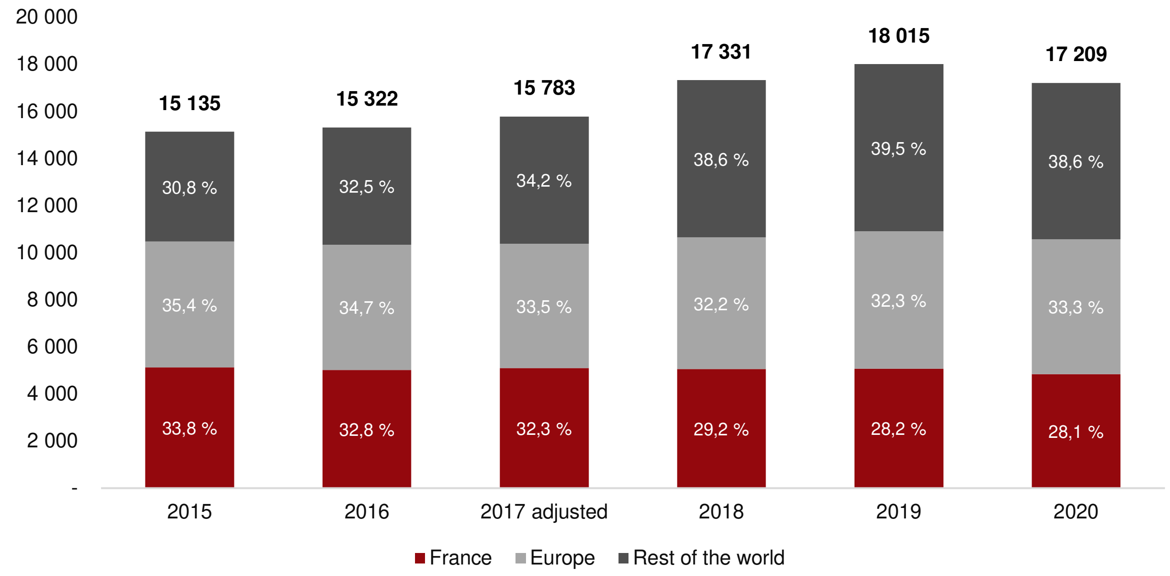
Since 2015, revenues in the first three segments have been relatively stable, with average annual growth of -0.2%, 0.4% and 1.2% respectively between 2015 and 2019.

The growth in Group revenues in 2017 (+3.0%) and 2018 (+9.8%) was mainly due to scope effects, with the acquisition of WTS (formerly GE WATER) in the last quarter of 2017. The more pronounced increase in 2018 is explained by the "full year" effect of this acquisition as well as by organic growth of +3.6%.

In 2019, revenue growth (+3.9%) was mainly organic (+3.6%), supported in particular by the good performance of R&R Europe (+€304 million), and more specifically (i) the Germany/Benelux region (+€138 million), which benefited from an under-capacity situation that led to higher prices with industrial and commercial customers, (ii) the United Kingdom/Scandinavia region (+€63 million) in connection with the launch of the waste management contract for the Greater Manchester area, and (iii) France (+€51 million).

In 2020, Group revenues contracted by €806 million (-4.5%) compared to the previous year, linked to the slowdown in activity in the first half of the year (and especially in the second quarter) due to the health context and a scope effect following the implementation of the asset rotation plan. In the second half of the year, the recovery in activity worldwide enabled the Group to accelerate its operations, which achieved revenues close to those of 2019 in the same period (-0.9%).

Figure 13: Breakdown of Group revenues by geographic area since 2015 (in €M)



Sources: 2019 and 2020 Universal Registration Documents and the Company's 2016 to 2018 Registration Documents

The Group has expanded internationally (outside Europe) in recent years, notably through several acquisitions.

The impact of the Covid-19 pandemic was more marked for these international activities, with a 0.9 point drop in their contribution to Group revenues. Successive containment measures led to operational disruptions in AMECA, while limitations in the tourism business weighed on volumes in the Water business in Latin America and Macao, and greater selectivity affected the WTS business in the Americas.

In addition, the Group retains a strong foothold in France, as it generated 28.1% of its revenues there in 2020 (or €4.8 billion, down -4.7% compared to 2019).

EBITDA

The Group uses the EBITDA indicator to measure its operational performance and for its external communication.

EBITDA is not defined by IFRS and does not appear directly in the Group's consolidated income statement. The reconciliation of EBITDA to profit from recurring operations is performed as follows:

Table 3: Group EBITDA and EBIT

In millions of euros	2015	2016	2017 adjusted [a]	2018	2019 [c]	2020
Current operating income	**1 115,1**	**1 101,6**	**1 000,2**	**1 142,4**	**1 208,4**	**636,9**
Share in net income of equity-accounted companies considered as core business	266,4	179,0	211,6	192,9	198,3	144,8
Others	(0,6)	1,3	-	-	1,0	(1,5)
EBIT	**1 380,9**	**1 281,9**	**1 211,8**	**1 335,3**	**1 407,7**	**780,2**
% of Revenues	**9,1 %**	**8,4 %**	**7,7 %**	**7,7 %**	**7,8 %**	**4,5 %**
Net depreciation, amortization and provisions	1 091,9	1 091,3	1 109,2	1 167,7	1 531,7	1 762,6
Share-based payments	6,8	6,0	1,5	2,9	17,7	0,8
Disbursements under concession contracts	271,5	271,8	255,9	262,4	263,3	271,1
EBITDA	**2 751,2**	**2 651,1**	**2 578,5**	**2 768,4**	**3 220,5**	**2 814,7**
% of growth [b]	**4,1 %**	**(3,6)%**	**(2,7)%**	**7,4 %**	**16,3 %**	**(12,6)%**
% of Revenues	**18,2 %**	**17,3 %**	**16,3 %**	**16,0 %**	**17,9 %**	**16,4 %**

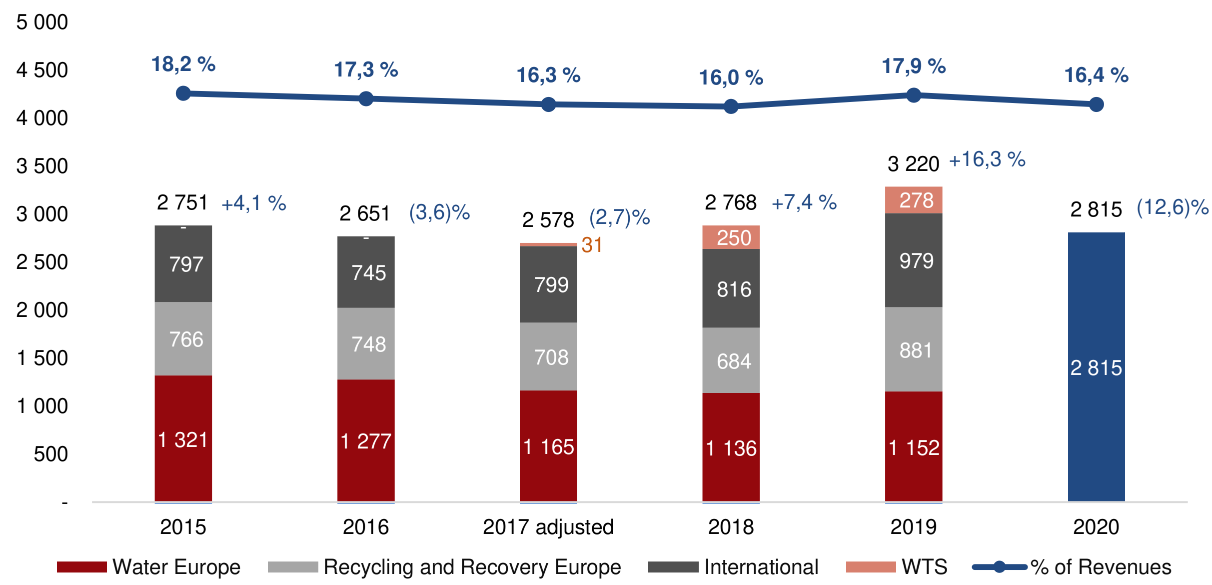
(a) Restatement due to the impact of IFRS 15 and the finalization of the purchase price allocation of GE Water

(b) Growth in 2018 calculated on the basis of restated 2017

(c) The change in EBITDA is related to the implementation of IFRS16

Sources: 2019 and 2020 Universal Registration Documents and the Company's 2016 to 2018 Registration Documents and FINEXSI analyses

Figure 14: Evolution of Group EBITDA by activity since 2015 in €M



Sources: 2019 and 2020 Universal Registration Documents and the Company's 2016 to 2018 Registration Documents and FINEXSI analyses

The 2020 revenues are not broken down as in other years due to the change in the Group's operational reporting.

Over the period analyzed, the Group's EBITDA margin rate contracted from 18.2% in 2015 to 16.0% in 2018, in particular, in connection with the lower profitability of the Group's activities and the application of IFRS 15 in 2017, which had an impact of -88 M€ on revenues and -2% on EBITDA for the year.

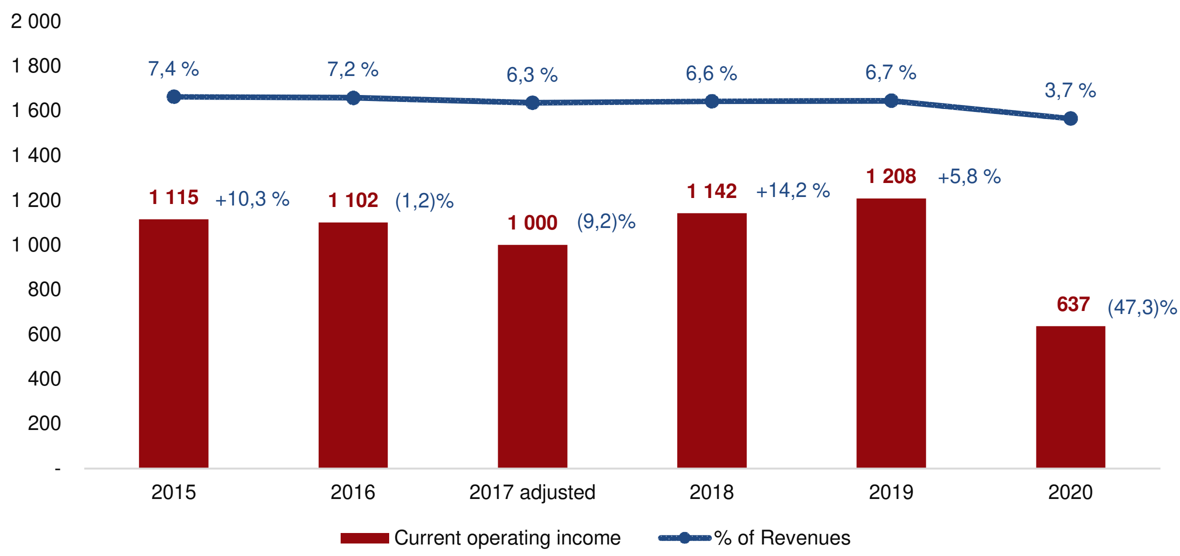
In 2018, the increase in EBITDA by value (+190 M€) was mainly due to the contribution of WTS acquired at the end of 2017 and the implementation of a program to optimize operating performance, based on purchasing savings, a reduction in overheads and the implementation of synergies between the Group's activities (in particular between the Water and R&R activities in France).

The strong growth in EBITDA in 2019 (+€452.1 million, +1.9 percentage points) is explained by the application of IFRS16, the impact of which amounts to +€299 million. Excluding the impact of IFRS16, the 2019 EBITDA margin would have been 16.2%, in line with the levels mainly reported in 2017 and 2018.

In 2020, EBITDA decreased by -12.6%, mainly due to the decline in revenues mentioned above, the contraction in the results of companies accounted for by the equity method, as well as additional costs to maintain operations in the sanitary context. The decline in EBITDA was greater in the first half of the year due to the slowdown in activity caused by health measures (down 21.3% at the end of June 2020 compared with the same period of the previous year). In the second half of the year, the Group delivered a good operating performance, in particular in connection with the initial effects of the SPOT performance plan, making it possible to partially offset the decline observed in the first half.

Current operating income

Figure 15: Evolution of SUEZ's Current Operating Income since 2015 in €M



Sources: 2019 and 2020 Universal Registration Documents and the Company's 2016 to 2018 Registration Documents and FINEXSI analyses

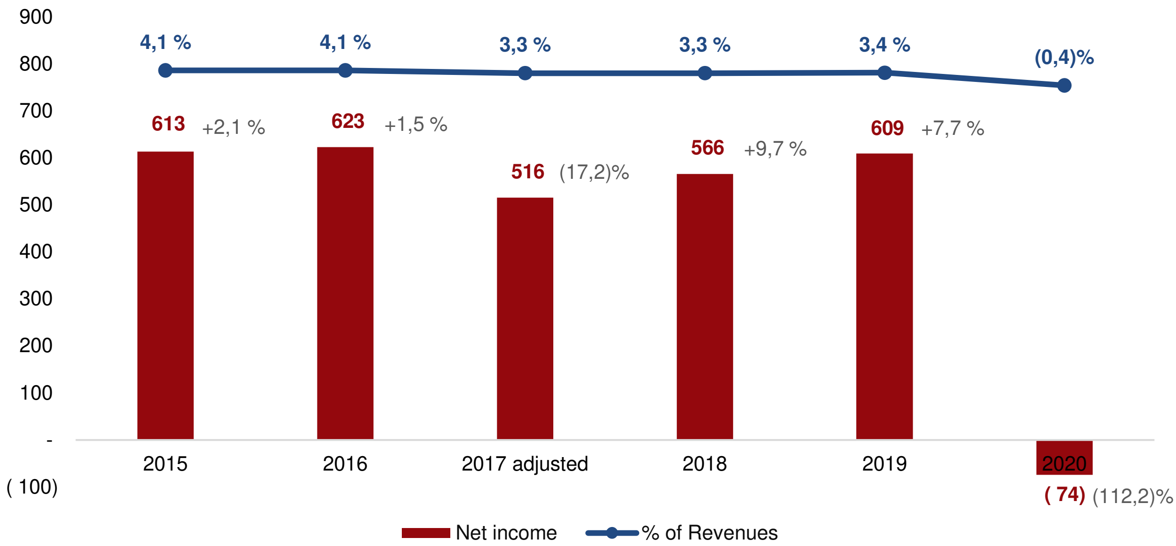
Between 2015 and 2019, the recurring operating margin rate contracted in line with EBITDA trends, with a low point of 6.3% in 2017 due to the application of IFRS15.

The improvement in operating income in 2019 (in absolute terms) was partly due to the settlement of a dispute between SUEZ and the Argentine government over the application of rate indexation clauses in water and wastewater concession contracts in Buenos Aires, resulting in a receipt of €224.1 million.

In 2020, SUEZ's current operating income decreased by -47.3% compared to 2019 to €637 million (3.7% of revenues), mainly due to the contraction in activity in the context of the health crisis.

Net income

Figure 16: Evolution of SUEZ net income since 2015 in M€.



Sources: the Company's 2019 and 2020 Universal Registration Documents and 2016 to 2018 Registration Documents.

Between 2015 and 2019, SUEZ's net income expressed as a percentage of revenues decreased to 3.4% in 2019 (compared to 4.1% in 2015).

In 2020, SUEZ generated a net loss of -74 M€, due to the decrease in current operating income (see above) and the following items

- Impairment losses (€209 million in 2020, up by €144 million compared to 2019) relating mainly to site impairments in the R&R business in connection with the Group's transformation decisions under the Shaping *Suez 2030* plan*;*
- An increase in restructuring expenses (€157 million in 2020, up +€25 million compared to 2019 and +€69 million compared to 2018) related to the implementation of the *Shaping SUEZ 2030* plan, particularly in France, Benelux and Germany;
- The impact of the disposal, as part of the implementation of the asset rotation plan, of the entire R&R business in Sweden in the second half of 2020.

4.6.2 Balance sheet

Table 4: Consolidated balance sheet of the Group (Assets)

In millions of euros	2015	2016	2017 adjusted	2018	2019[b]	2020
Intangible assets, net	4 213,6	4 223,0	4 916,3	4 982,1	4 835,7	4 464,8
Goodwill	3 479,5	3 646,9	5 142,1	5 223,8	5 322,1	4 663,7
Property, plant and equipment net	8 274,9	8 279,8	8 506,1	8 774,4	8 891,0	7 756,0
Rights of use [a]	-	-	-	-	1 405,8	1 168,0
Equity instruments	180,1	138,3	127,1	133,0	132,2	107,9
Loans and receivables carried at amortized cost	767,4	739,9	721,9	610,7	653,7	712,2
Derivative financial instruments	197,0	198,2	149,5	119,0	115,7	146,5
Investments in joint ventures	584,6	915,7	1 003,9	897,4	953,9	925,5
Investments in associates	760,4	980,8	1 023,8	1 084,3	1 070,2	1 063,4
Contracts assets	-	-	21,6	95,6	46,2	80,6
Other assets	302,9	292,2	274,5	214,0	184,8	159,7
Deferred tax assets	832,1	783,1	630,0	546,6	541,9	432,4
Total non-current assets	**19 592,5**	**20 197,9**	**22 516,8**	**22 680,9**	**24 153,2**	**21 680,7**
Loans and receivables carried at amortized cost	130,3	139,4	136,6	109,7	91,4	77,0
Derivative financial instruments	6,1	31,2	89,5	97,6	75,5	96,4
Trade and other receivables	3 966,5	4 041,4	4 709,8	4 584,0	4 670,9	4 324,3
Inventories	274,0	262,7	455,1	499,5	528,0	483,1
Contracts assets	-	-	414,9	627,2	733,8	498,4
Other assets	1 523,3	1 492,6	1 230,0	1 500,7	1 648,5	1 606,8
Financial assets measured at fair value through income	59,9	62,3	56,9	29,2	29,8	54,9
Cash and cash equivalents	2 079,0	2 924,7	3 221,3	3 424,1	3 703,0	5 319,6
Total current assets	**8 039,1**	**8 954,3**	**10 314,1**	**10 872,0**	**11 480,9**	**12 460,5**
Assets classified as held for sale	-	131,8	-	-	-	1 443,0
Total assets	**27 631,6**	**29 284,0**	**32 830,9**	**33 552,9**	**35 634,1**	**35 584,2**

(a) Items created to record the effects of the application of IFRS 16

(b) As of December 31, 2019, the data has been restated to reflect the error correction described in Note 1.3 of SUEZ's 2020 Consolidated Financial Statements

Sources: the Company's 2019 and 2020 Universal Registration Documents and 2016 to 2018 Registration Documents.

Table 5: Consolidated balance sheet of the Group (Liabilities)

In millions of euros	2015	2016	2017 adjusted	2018	2019[b]	2020
Shareholders' equity, Group share	5 419,8	5 495,9	6 510,4	6 391,8	6 408,7	5 406,6
Non-controlling interests	1 385,6	1 869,9	2 511,4	2 600,8	2 824,8	2 642,8
Total shareholders' equity	**6 805,4**	**7 365,8**	**9 021,8**	**8 992,6**	**9 233,5**	**8 049,4**
Provisions	1 458,0	1 573,7	1 579,2	1 507,6	1 500,0	1 413,9
Long-term borrowings	8 501,1	8 665,5	9 760,6	9 803,2	9 914,0	10 990,0
Lease liabilities [a]	-	-	-	-	1 159,4	975,5
Derivative financial instruments	45,1	45,6	26,4	9,5	6,7	4,9
Other financial liabilities	3,0	10,4	43,1	47,2	42,8	37,6
Contracts liabilities	-	-	268,7	287,7	267,3	196,3
Other liabilities	911,5	931,1	561,6	591,6	566,6	524,1
Deferred tax liabilities	636,6	654,5	649,6	649,4	791,1	596,2
Total non-current liabilities	**11 555,3**	**11 880,8**	**12 889,2**	**12 896,2**	**14 247,9**	**14 738,5**
Provisions	493,8	505,8	582,6	496,1	475,2	541,8
Short-term borrowings	1 853,9	2 499,8	2 169,7	2 762,1	2 609,1	2 956,6
Lease liabilities [a]	-	-	-	-	314,9	255,6
Derivative financial instruments	40,1	62,8	38,3	47,2	57,3	36,2
Trade and other payables	2 991,2	3 063,6	3 741,3	3 798,9	3 534,3	3 263,2
Contracts liabilities	-	-	1 058,8	976,5	911,3	1 176,1
Other liabilities	3 891,9	3 812,9	3 329,2	3 583,3	4 250,6	3 980,4
Total current liabilities	**9 270,9**	**9 944,9**	**10 919,9**	**11 664,1**	**12 152,7**	**12 209,9**
Liabilities related to assets classified as held for sale	-	92,5	-	-	-	586,4
Total shareholders' equity and liabilities	**27 631,6**	**29 284,0**	**32 830,9**	**33 552,9**	**35 634,1**	**35 584,2**

(a) Items created to record the effects of the application of IFRS 16

(b) As of December 31, 2019, the data has been restated to reflect the error correction described in Note 1.3 of the SUEZ 2020 Consolidated Financial Statements

Sources: the Company's 2019 and 2020 Universal Registration Documents and 2016 to 2018 Registration Documents.

- **Assets**

As of December 31, 2020, SUEZ had a total balance sheet of €35.6 billion. Its assets are mainly composed of (i) net property, plant and equipment (€7.8 billion), (ii) cash and cash equivalents (€5.3 billion), (iii) goodwill (€4.7 billion), (iv) net intangible assets (€4.5 billion), and (v) trade receivables (€4.3 billion).

Rights of use relating to the application of IFRS16 since January [1,] 2019 represent €1.2bn as of December 31, 2020.

Goodwill on acquisitions

Goodwill represents one of the main items on the Group's balance sheet in 2020. This item increased between 2015 and 2019 due to the external growth transactions carried out, in particular the acquisition of GE WATER in 2017, whose *Goodwill* (€1.7bn) represents approximately 36% of the goodwill recorded by the Group.

In 2020, goodwill decreased by 12% compared to 2019 due to the disposal of the Recycling and Recovery business in Sweden and ESSAL in Chile. SUEZ also reclassified €341.1 million of goodwill relating to the Recycling and Recovery activities in Northern Europe and the OSIS business in France to "assets classified as held for sale".

The *impairment* tests carried out by the Group in 2020 did not lead to the recognition of any impairment of goodwill.

Translation adjustments were also recorded in this item, including €199.9 million for the US dollar, €20.3 million for the Hong Kong dollar and €19.7 million for the British pound.

Intangible assets

At December 31, 2020, the Company's intangible assets were relatively stable compared with the previous year-end, and included mainly intangible rights to amortizable concession contracts (rights to bill users) amounting to €3.0 million.

This item also includes other non-amortizable intangible assets and capitalized research and development costs.

Investments in joint ventures and associates

At December 31, 2020, the Group's investments in joint ventures and associates amounted to €926 million and €1,063 million respectively.

Interests in joint ventures mainly relate to the Chinese JVs owned 50% by the Hong Kong-based SUEZ Group NWS LIMITED (€580 million) and the China-based SUYU Group (€313 million). As previously indicated, the Group acquired in early 2021 the minority interests of NWS in these two joint ventures, in which it now holds 100% of the capital.

The main associates are the ACEA Group based in Italy, in which the Group has a 23.3% stake (€624 million) and *joint ventures* of the AGBAR Group based in Spain.

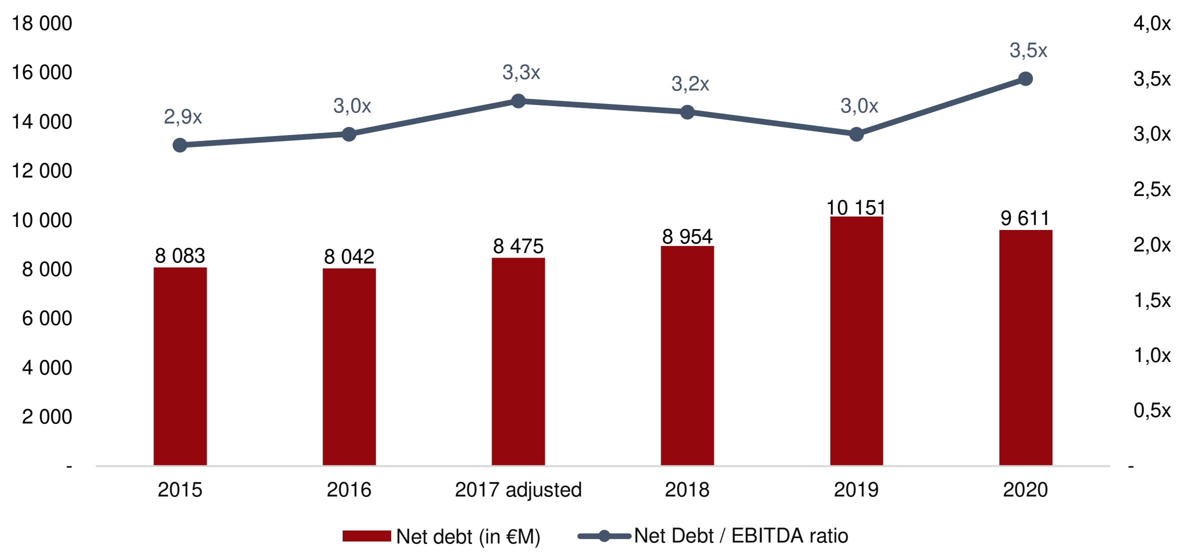
- **Liabilities**

The Group's liabilities are mainly composed of (i) non-current financial debt (€11.0bn) (€11.0 billion), (ii) equity attributable to equity holders of the parent (€5.4 billion), (iii) trade and other payables (€3.3 billion) and (iv) other current liabilities (€4.0 billion).

Net financial debt

As of December 31, 2020, the Group's net financial debt amounted to €9.6 [60]billion, representing 3.5x its EBITDA.

Figure 17: Evolution of SUEZ's net debt since 2015



Sources: the Company's 2019 and 2020 Universal Registration Documents and 2016 to 2018 Registration Documents.

Since 2016, net debt has represented between 2.9x and 3.5x EBITDA.

The increase in net financial debt in 2017 is the direct consequence of the acquisition of WTS (formerly GE WATER). The increase in 2018 is mainly due to the cash payment of dividends to SUEZ shareholders (-€401.9 million), the cash payment of dividends to minority shareholders of subsidiaries (-€231.6 million), as well as the payment of *exit fees* on GE WATER's pension plans (-€78.8 million).

The increase in net financial debt in 2019 (+€1.2bn) compared to 2018 is mainly due to the application of IFRS16. Restated for the application of this standard, net debt would have amounted to €8.7bn, down -2.7% compared to 2018.

In 2020, net financial debt decreased by €540.3m (-4.7%) compared to 2019, mainly due to asset disposals[61] for a total of €561m. The reclassification of debt from assets held for sale, as well as cash generated by the Group's operations (+€205.8m) also contributed to the decrease in the Group's net debt.

Despite the decrease in net debt in 2020, the net debt/EBITDA ratio increased to 3.5x due to the contraction of EBITDA for the reasons explained above.

[60] The financial debt presented by the Group at the end of 2020 of €9,611 million is different from that used in our valuation (€9,980 million) mainly because we do not take into account the IFRS16 rental debts (€1,231 million), but integrate the "super subordinated securities" (€1,600 million) (see §5.5.3.2).

[61] Recycling and Revalorisation activity in Sweden, ESSAL and AQUASURE.

The Group's objective under the *Shaping SUEZ 2030* plan is to reduce this ratio to between 2.8x and 3.0x EBITDA by 2023.

4.6.3 Cash flow statement

The evolution of the SUEZ cash flow statement over the last five years is summarized below:

Table 6: Group cash flow statement

In millions of euros	2015	2016	2017 adjusted	2018 (d)	2019 (d)	2020 (d)
Net income	**613,3**	**622,8**	**515,9**	**565,8**	**609,2**	**(74,4)**
Share in net income (loss) of joint ventures	(179,8)	(84,4)	(92,2)	(8,6)	(71,4)	(39,7)
Share in net income (loss) of associates	(86,6)	(94,6)	(119,4)	(184,3)	(126,9)	(105,1)
Dividends received from joint ventures and associates	102,4	91,9	140,8	144,6	131,8	121,4
Depreciation, amortization and provisions	1 120,2	1 190,5	1 109,8	1 103,7	1 474,8	1 742,7
Scope effects, other gains and losses on disposal	(11,8)	(270,2)	(111,2)	(56,8)	(36,6)	(156,3)
Other items with no cash impact	6,8	6,2	1,5	2,9	17,8	0,7
Lease contracts impact (a)	-	-	-	-	4,1	5,2
Income tax expense	173,0	243,4	157,2	244,0	340,0	154,4
Financial income	421,5	423,5	428,9	465,4	514,0	440,7
Cash flows from operations before financial income/(expense) and income tax	**2 159,0**	**2 129,1**	**2 031,3**	**2 276,7**	**2 856,8**	**2 089,6**
Tax paid including withholding tax on royalties	(153,8)	(147,7)	(192,5)	(156,9)	(253,3)	(174,9)
Change in working capital requirements	(13,7)	(68,0)	123,6	(146,4)	(153,1)	202,0
Cash flows from operating activities	**1 991,5**	**1 913,4**	**1 962,4**	**1 973,4**	**2 450,4**	**2 116,7**
Investments in property, plant and equipment and intangible assets (b)	(1 276,5)	(1 086,4)	(1 177,2)	(1 342,9)	(1 417,3)	(1 323,5)
Takeover of subsidiaries net of cash and cash equivalents acquired	(85,8)	(142,9)	(2 561,7)	(66,9)	(49,6)	13,7
Acquisitions of interests in associates and joint-ventures	(26,5)	(25,9)	(19,9)	(47,8)	(23,1)	(61,9)
Acquisitions of equity instruments	(29,2)	(26,2)	(18,8)	(31,7)	(15,9)	(7,8)
Disposals of property, plant and equipment and intangible assets	54,1	233,3	234,1	157,9	85,6	40,6
Disposals of interests in associates and joint-ventures	19,1	83,5	109,1	(5,3)	15,8	63,1
Disposals of equity instruments	11,9	48,0	3,9	4,2	8,7	0,4
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold	36,6	122,7	8,8	88,4	27,6	295,4
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold	7,6	(4,3)	(5,2)	14,1	(23,4)	9,5
Dividends received on non-current financial assets	10,7	7,8	5,0	8,5	3,6	3,0
Change in loans and financial receivables	(72,3)	(42,6)	(4,1)	(8,8)	(66,7)	92,0
Cash flows from investing activities	**(1 350,3)**	**(833,0)**	**(3 426,0)**	**(1 230,3)**	**(1 454,6)**	**(875,5)**
Free Cash-Flow	**1 047,1**	**1 004,8**	**1 004,2**	**1 023,4**	**1 094,5**	**909,8**
Capital increase/reduction (of the parent company & of non controlling interests) (c)	-	17,0	1 592,7	(23,4)	5,2	122,6
Purchase/sale of treasury shares	(0,2)	(1,7)	(47,9)	(4,9)	2,9	0,9
Change in share of interests in controlled entities	(327,8)	90,3	(61,4)	(10,8)	501,7	-
Dividends paid (to shareholders of the parent company & to non-controlling interests) (c)	(571,2)	(601,7)	(570,8)	(696,1)	(715,6)	(520,1)
Issue of undated deeply subordinated notes net of costs	494,5	-	597,7	-	497,8	-
Repayment of undated deeply subordinated notes net of costs	(457,9)	-	-	-	(363,7)	(147,9)
Increase in loans and financial debt	1 256,4	926,1	1 037,7	1 323,0	1 401,2	2 437,1
Repayment of lease liabilities (a)	-	-	-	-	(325,1)	(331,5)
Repayment of borrowings and financial debts	(789,4)	(354,6)	(1 172,2)	(766,5)	(1 448,0)	(867,9)
Change in financial assets at fair value through income	11,5	(2,0)	5,7	27,5	(0,6)	(23,8)
Financial interest on lease liabilities (a)	-	-	-	-	(29,3)	(28,8)
Other financial interest paid	(351,4)	(358,1)	(364,5)	(392,5)	(363,5)	(317,8)
Financial interest received	27,5	40,2	32,4	26,6	11,2	22,2
Flows on financial derivatives qualifying net investment hedges and compensation payments on financial derivatives	(103,1)	(28,4)	96,5	(75,9)	(34,9)	79,0
Cash flows from financing activities	**(811,1)**	**(272,9)**	**1 145,9**	**(593,0)**	**(860,7)**	**424,0**
Impact of changes in exchange rates and other	0,1	38,2	(51,6)	4,7	20,6	(113,7)
Total cash flows for the period	**(169,8)**	**845,7**	**(369,3)**	**154,8**	**155,7**	**1 551,5**
Opening cash and cash equivalents	**2 248,8**	**2 079,0**	**2 924,7**	**2 555,4**	**2 710,2**	**2 865,9**
Closing cash and cash equivalents	**2 079,0**	**2 924,7**	**2 555,4**	**2 710,2**	**2 865,9**	**4 417,4**

(a) Items created to record the effects of the application of IFRS 16
(b) Including maintenance and development investments
(c) Distinction in the accounts between "parent company" and "non-controlling interests" since 2019
(d) In accordance with IAS 7.8, bank overdrafts due on demand, which were included in borrowings in the consolidated statement of financial position, are reclassified in cash and cash equivalents in the consolidated statement of cash flows. This reclassification concerns the years 2017, 2018, 2019 and 2020 for €666 million, €714 million, €837 million and €902 million respectively.
Sources: the Company's 2019 and 2020 Universal Registration Documents and 2016 to 2018 Registration Documents.

Cash flow from operating activities

Cash flow generation from operating activities remained relatively stable between 2015 and 2018, fluctuating between €1.9 billion and €2.0 billion, and then increased significantly in 2019 to €2.5 billion in line with the increase in EBITDA.

As of December 31, 2020, the Group generated €2.1 billion in cash through its operating activities, down 13.6% compared to 2019. This decrease is mainly due to lower EBITDA as a result of the health crisis.

Cash flows from investing activities

As of December 31, 2020, the Group's investment flows amounted to -€875.5m, a contraction of 39.8% compared to 2019, in connection with receipts from asset disposals (+€295.4m) and lower investments in the context of the health crisis.

Previously, over the period from 2015 to 2019, investment flows increased with a peak at €3.4bn in 2017, linked to the acquisition of GE WATER.

The above results in a relatively stable free cash flow of between €0.9 billion and €1.1 billion between 2015 and 2020.

Cash flows from financing activities

In 2017, as part of the acquisition of GE WATER, the Group carried out a capital increase of €1.6bn, which explains the positive cash flow from financing activities of €1.1bn.

At December 31, 2019, cash flows from financing activities were -861 M€, partly explained by the repayment of a bond with a nominal value of 800 M€ issued in 2009.

In 2020, cash flow from financing activities amounted to €424 million, due to the subscription of new loans of €2.4 billion, a capital increase of €112.2 million, the deconsolidation of the debts of entities sold or in the process of being sold, as well as a decrease in the repayment of financial debts compared to the previous year.

4.6.4 1st quarter 2021 results

As of March 31, 2021, the Group's operating performance was higher than in 2020 and 2019. Revenues in Q1 2021 were €4,311 million, representing organic growth of +5.9% compared to 2020 and +6.2% compared to 2019 in the same period. This improvement is linked to developments in the businesses:

- R&R, which achieved strong organic growth (+11.8% or +€217 million) compared to Q1 2020. This was mainly driven by Europe (+13.7% or +€211 million organic growth), which was boosted by higher prices, increased volumes and improved prices for recycled raw materials;

- ETS, whose revenues amounted to €805 million, with organic growth of +2.2%, or +18 million, due to the increase in the activity of SES (+7.0% organic growth), Hazardous Waste (+4.0%) and WTS (+0.9%).

In the first 3 months of 2021, EBITDA (including the effects of IFRS16 and the results of equity affiliates) generated by the Group amounted to €768m, representing a margin of 17.8%, i.e. +1.7 points compared to 2020 and +0.9 points compared to 2019 in the same period.

As for EBIT as of March 31, 2021, it was €340 million, with organic growth of +39.0% and +16.3% compared to 2020 and 2019 respectively.

Net debt amounted to €9,783 million, representing a gearing ratio of 3.37x EBITDA over 12 months.

Following the publication of these elements, SUEZ confirmed its objectives for the year 2021 announced at the time of the publication of the 2020 annual results, namely:

- Consolidated revenues of over €16 billion;

- EBIT between €1.4 billion and €1.6 billion;

- Recurring Free Cash Flow in excess of €500 million;

- Earnings per share of € 0.80 to € 0.85.

4.7 SWOT Matrix

Strenghts

- The Group's brand and technical expertise are recognized worldwide ;
- Diversified portfolio of activities in terms of business lines and geographies with significant growth potential and synergies between business lines (WTS and water management) ;
- Good resilience of activities and visibility on future revenues and margins, in particular on municipal activity regulated or not ;
- Presence across the entire value chain for the Group's three operating businesses, enabling it to offer integrated solutions to clients ;
- Historical local roots and in-depth knowledge of customers ;
- Historical investment in Research and Innovation, which has enabled the development of competitive solutions.

Weaknesses

-High level of indebtedness (debt ratio of 121.1% at december 31, 2020) ;

-Major contribution of mature markets to Group revenues affecting overall growth prospects ;

-Cost structure mainly composed of fixed charges.

Opportunities

-Significant infrastructure investment needs to address the risks of water stress and to support urbanization in developing countries, and to optimize and renew infrastructure in mature countries that are aware of environmental issues ;

- Increasingly stringent environmental regulations that promote demand for the Group's services and constitute a barrier to entry ;
- Identification of potential significant cost savings (SPOT Plan) ;
- Innovation and technologies to improve water and waste treatment to enhance the service offering to customers and/or increase the profitability of facilities.

Threats

- Intensified competition from local players in less mature markets (notably China) ;
- Water and waste management at the heart of local political issues, leading to a return to public service management in major cities (Paris, Nice, Montpellier, Grenoble, Bordeaux, Lyon, etc.) ;
- Political will to keep the cost of water down for users.

5. Valuation of SUEZ shares

In accordance with the provisions of Article 262-1 of the AMF's General Regulations, we have performed our own multi-criteria valuation of SUEZ on a *stand-alone* basis, the methods and results of which are set out below.

5.1 Discarded valuation methods

Our work led us to reject the following methods:

5.1.1 Consolidated net book assets

Book value is generally not considered to be representative of the Company's intrinsic value. It does not take into account the prospects for growth and profitability, positive or negative, nor any capital gains on assets.

For information, SUEZ's consolidated net book value (Group share) as of December 31, 2020 was €5,406.6 million, or a value per share of €8.61[62].

5.1.2 Adjusted net book asset value

The adjusted net book asset method consists of adjusting the net book assets for unrealized capital gains or losses identified in assets, liabilities or off-balance sheet. This method, which is often used to value companies in certain sectors (*holding companies*, real estate companies), is particularly suitable for companies whose main assets have a value on a market and whose acquisitions and disposals of such assets constitute its operating process, which is not the case for SUEZ.

5.1.3 Discounting future dividends

This method, which consists of discounting future dividends, is dependent on the distribution policy decided by management and better values companies with the highest distribution rates, without taking into account the medium-term impact of trade-offs between distribution, cash flow and investment.

At the time of the presentation of its 2020 results[63], SUEZ announced to the market that it would propose to the Annual General Meeting the payment of an ordinary dividend of €0.65 per share for the 2020 financial year. In September 2020, the Company also communicated a dividend of €0.70 per share in 2022, and had previously announced maintaining the future *payout ratio* during the presentation of the *Shaping SUEZ 2030* plan in October 2019.

[62] Based on a number of 628,175,418 shares (total of 628,362,579 shares outstanding less 187,161 treasury shares) as of December 31, 2020.
[63] February 26, 2021.

However, we will not use this method insofar as it appears less relevant than the discounted cash flow ("DCF") approach and would result in a lower value per SUEZ share than the one obtained by the DCF method.

5.1.4 Comparable transactions

The comparable transactions method is based on an analysis of the multiples generated by total or partial takeovers of companies in the business sector of the entity being valued.

The implementation of this approach is limited by the difficulty of identifying transactions that are fully comparable to SUEZ in terms of size, product *mix* and geographic positioning, as well as the difficulty of obtaining complete information on the targets and terms of the transactions.

In this case, the transactions identified concern companies of significantly smaller size than SUEZ, with neither as extensive a geographical presence nor a comparable product *mix* (no presence in SUEZ's three main activities, i.e. water, waste and ETS).

For these reasons, this method has not been adopted. However, the transfer of a significant portion of the Group's assets to the consortium will be examined in the context of the related agreements (see §6).

5.1.5 Net asset value

We did not consider this method applicable as it is not relevant in a context in which only approaches based on a going concern allowing for the valuation of the SUEZ shares are to be used.

5.2 Valuation methods used

We selected a multi-criteria approach that includes the following references and valuation methods as our primary focus:

- Reference to the stock price;
- The reference to recent transactions in the capital of SUEZ;
- The sum-of-the-parts method, using a discounted cash flow approach and a stock market multiple approach.

Consequently, we have implemented the following methods:

- The intrinsic discounted cash flow ("DCF") method, using a global approach;
- The analogous valuation method is based on multiples observed for comparable listed companies, using a global approach;
- Analyst price targets published before ENGIE's July 31, 2020 strategic refocusing announcement. For information purposes, we have also analyzed analysts' stock price targets published after ENGIE's July 31, 2020 announcement.

In their review, we detail our assessment of the relevance of these criteria.

5.3 Reference data of the SUEZ Company

5.3.1 Number of shares held

Our calculations are based on the number of shares making up the share capital as of December 31, 2020 (628,362,579 shares), less the number of treasury shares held

(187,161 shares) at this date.

We have also taken into account:

- Shares issued in March 2021 in connection with the capital increase reserved for employees (Sharing 2021 plan), i.e. 10,976,645 shares;
- The matching contribution under the Sharing 2017 and Sharing 2019 plans, i.e. 138,172 and 117,618 shares to be issued as of December 31, 2020, respectively, and;
- Shares to be issued under the July 2018 performance plan, i.e. 295,129 shares.

The number of shares thus retained is 639,702,972.

5.3.2 Net financial debt

The adjustments used to convert the enterprise value to equity value were determined on the basis of the cash and financial debt items of SUEZ as shown in the Group's consolidated financial statements at December 31, 2020.

Adjusted net financial debt at December 31, 2020 was determined as follows:

Table 7: Transition from Enterprise Value to Equity Value

In millions of euros	31/12/2020
Cash and cash equivalents	5 320
Borrowings and debts	(13 947)
Financial assets measured at fair value through income	55
Debt-related derivative financial instruments in assets	217
Debt-related derivative financial instruments in liabilities	(24)
Treasury / net debt	**(8 380)**
Deeply subordinated notes	(1 600)
Trésorerie / (dette) nette ajustée	**(9 980)**
Minorities	(3 442)
After-tax provisions	(492)
Participations (joint venture and associated companies)	2 676
Plan of rotating assets	(616)
After-tax impact of performance unit plans	(45)
2021 Sharing Plan	154
Estimated impact of the shudown of the securitization programme	(290)
Tax loss carryforwards	578
Further adjustments	**(1 478)**
Bridge to equity value	**(11 458)**

Sources: Company's 2020 Universal Registration Document, Company, FINEXSI analyses

Apart from financial debts and cash, which do not call for any particular comment, we have included the following main items in net debt:

- Non-controlling interests (-3,442 M€), including in particular AGUAS ANDINAS, LYDEC, WTS, NWS and the regulated activities in the United States.

  These minority interests have been valued on the basis of the criterion deemed most relevant, in line with the asset values used elsewhere, i.e., by reference to the stock market price for AGUAS ANDINAS, to recent transactions for the regulated activities in the United States [64] and the activities in China with NWS, or according to a future cash flow approach for WTS and LYDEC;

- Provisions (-492 M€ after tax) correspond mainly to provisions for litigation, tax risks, sectoral risks and provisions for other risks and charges. Provisions for restructuring, pensions and site restoration have not been included in the calculation of net financial debt, as they are included in the business plan flows and in the aggregates considered for the analogous approaches;

- Investments in joint ventures and associates (€2,676 million) are valued on the basis of the market capitalization of the listed companies (ACEA, CHONGQING and SANFENG[65]) at May 31, 2021 (€1,625 million). The other investments were valued at book value after ensuring that there was no significant potential for revaluation (€1,051 million);

- Items relating to the asset rotation plan for a net amount of -€616 million, as the valuation takes into account changes in the scope of consolidation, including in particular:

  - Proceeds from disposals of waves 1 and 2 (€1,737 million), it being specified that for Australia, this amount only includes the disposal of post-collection assets in the Sydney region to CLEANAWAY for €305 million. The other waste management assets in Australia will remain in the Group following the Agreement in Principle signed between SUEZ and VEOLIA on April 11, 2021;

  - Disbursements relating to the acquisition of the NWS interests in the SUEZ NWS and SUYU joint ventures (approximately -€790 million);

  - The estimated amount of the acquisitions for the SES business (-€1,200m), as well as the share of the minority shareholders of the companies to be acquired (-586 M€).

- Tax losses activated and not activated as of December 31, 2020 (€578 million). These tax losses have been discounted according to their accounting horizon and then integrated into our net financial debt calculation. They are therefore not deducted from the tax charge calculated in the DCF.

64 Transaction with PGGM closed in 2019.

65 Based on the ownership ratios of the two companies after acquisition of NWS' interest in the SUYU joint venture in early 2021.

After adjustments, adjusted net financial debt was -11,458 million euros.

It should also be noted that for our various calculations and analyses, we have considered aggregates that do not take into account the application of IFRS16, insofar as (i) these aggregates before IFRS16 restatements allow for a better reflection of the Company's asset situation and actual financial performance, in particular in terms of cash generation, and (ii) the impact of this standard has been restated in the Management's business plan on which our analyses are based. As a result, the net financial debt presented above does not include the IFRS16 debt related to lease payments of €1,231 million at December 31, 2020.

5.4 Implementation of the valuation of the SUEZ company

5.4.1 Reference to the Company's share price (as a principal)

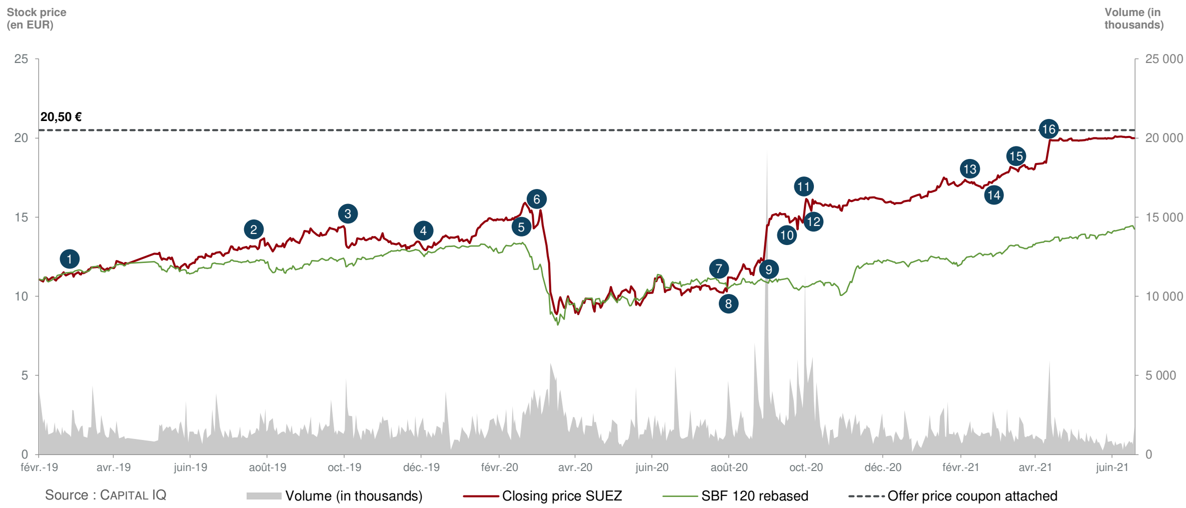
The stock market price is a measure of the price of the Company's shares, which is freely traded subject to sufficient free float and liquidity.

SUEZ shares are listed on Euronext Paris (compartment A) and Euronext Brussels (ISIN code FR0010613471). The Company's benchmark index is the SBF 120.

5.4.1.1 Evolution of the Company's share price

Since February [1,] 2019, the SUEZ share price has evolved as follows:

Figure 18: Evolution of the Company's share price since February [1,] 2019



Source : CAPITAL IQ

1. **27/02/2019:** Announcement of 2018 annual results with revenues up +3.6% organically and EBIT up +7.5% organically.
2. **26/07/2019:** Announcement of results for the first half of 2019 with revenues up +3.5% and EBIT up +4.8% organically.
3. **02/10/2019:** Announcement of the *Shaping SUEZ 2030* strategic plan, aimed at meeting the growing challenges of the ecological transition by positioning SUEZ as the world leader in environmental services.
4. **02/12/2019:** Announcement of a new organization as part of the *Shaping SUEZ 2030* plan and appointment of a new Executive Committee.
5. **21/02/2020:** Beginning of the effects of the Covid-19 pandemic health crisis.
6. **26/02/2020:** Announcement of 2019 full-year results with revenues up organically by +3.6% and EBIT up organically by +4.3%.
7. **29/07/2020:** Announcement of the results for the first half of 2020 with revenues down organically by -4.5% and EBIT at €76 million.
8. **07/31/2020:** ENGIE announces that it is studying the possibility of disposing non-strategic assets and minority interests in order to finance its investments.
9. **30/08/2020:** VEOLIA submits an offer to ENGIE to aquire 29.9% of the share capital of SUEZ at a price of €15.50 per share (coupon attached) and announces its intention to file a public offer for the remaining SUEZ shares in case of agreement by ENGIE.
10. **23/09/2020:** Announcement of the creation of a foundation under Dutch law intended to perpetuate the French water business within the SUEZ group.
11. **30/09/2020:** VEOLIA submits an improved offer to ENGIE at a price of €18.00 per share (coupon attached).
12. **05/10/2020:** VEOLIA acquires 29.9% of the capital of SUEZ at a price of €18.00 per share (coupon attached).
13. **08/02/2021:** VEOLIA files a takeover bid for the remaining 70.1% of SUEZ's capital.
14. **26/02/2021:** Announcement of 2020 annual results with revenues organically decreasing by -4.5% and EBIT at €780 million.
15. **21/03/2021:** Submission of a firm and binding offer by the ARDIAN-GIP Consortium to create a new entity.
16. **12/04/2021:** Announcement of an Agreement in Principle regarding the main terms and conditions of the combination between VEOLIA and SUEZ, including a price of €20.50 per SUEZ share (coupon attached).

Between February 1, 2019 and October 1, 2019, SUEZ's share price rose by +29.0%, from €11.06 to €14.26, and outperformed its benchmark index (+10.8% for the SBF 120 over the same period). This evolution is mainly explained by the following announcements:

- February 27, 2019, announced 2018 annual results above targets;

- On July 26, 2019, announcement of the 1st half 2019 results which had a positive impact on the share price.

On October 2, 2019, the announcement of the *Shaping SUEZ 2030* strategic plan led the share price to fall by -7.0%, from €14.26 at the close of October 1, 2019 to €13.26 at the close of October 2, 2019. The share price subsequently moved to levels below those preceding the announcement of the strategic plan until January 15, 2020.

Between January 15 and February 21, 2020, the Company's share price outperformed the SBF 120 (+11.1% and +0.4% respectively), ranging from €14.33 to €15.91 (closing price), with the latter price at the close of February 21, 2021 corresponding to a December 2017 high.

Between February 21, 2020 and March 17, 2020, the share price fell sharply, as did the financial markets as a whole, due to the Covid-19 pandemic. Over this period, the closing price fell from €15.91 to €8.86, the latter corresponding to a 5-year low.

Between March 17 and July 30, 2020, i.e. on the eve of ENGIE's announcement of its strategic refocus and possible asset disposals, SUEZ's share price showedan upward trend, in line with all financial markets. Over this period, SUEZ's share price fluctuated between €8.86 and €11.24, with a closing price of €10.32 on 30 July 2020. However, its performance (+16.4%) appears to be lower than that of its benchmark index (SBF 120), which rose by 22.8% over the same period.

On July 31, 2020, ENGIE's announcement led to a sharp increase in SUEZ'S SHARE PRICE, which rose in one session from €10.32 at the close of July 30, 2020 to €11.19 at the close of July 31, 2020 (+8.4%).

On August 31, 2020, the day after VEOLIA submitted its first offer to acquire 29.9% block from ENGIE, SUEZ'S share price rose sharply (+18.5%, from €12.24 to €14.51 at the close of August 31, 2020), with very high volumes (19,291 thousand shares traded during the August 31, 2020 session compared to 2,337 thousand during the previous session).

Between September 22 and 25, 2020, SUEZ'S share price showed contrasting trends, first downward, then upward, following the Company's announcement on September 23, 2020, to create a foundation under Dutch law aimed at preserving its water business in France.

On September 30, 2020, following VEOLIA's announcement of an increase in its offer to €18.00 per share (coupon attached) to aquire the ENGIE block, the SUEZ closing price was €15.81.

Between the announcement of the acquisition of the ENGIE block by VEOLIA on October 5, 2020 and April 12, 2021, the share price progressively increased until it reached, and then exceeded, the proposed offer price of €18.00, as the market anticipated a further increase in the offer price and possible alternative offers to that of VEOLIA (in particular from a consortium of financial investors).

On April 12, 2021, following the announcement of an Agreement in Principle on the main terms and conditions of the agreement between VEOLIA and SUEZ, including a price of €20.50 per share with coupon attached, the Company's share price reacted favorably, rising from €18.44 on April 9, 2021 to €19.87 on April 12, 2021 (+7.7%).

Since the announcement of the Agreement in Principle, SUEZ's share price has been trading at around €20.0 per share, slightly below the Offer price of €20.50 per share with coupon attached. SUEZ's share price has thus increased by 93% since July 30, 2020, the day before ENGIE's announcement.

5.4.1.2 Analysis of the liquidity of the Company's share price

Based on SUEZ's unaffected stock price as of July 30, 2020, the day before ENGIE's announcement regarding its strategic refocus and possible asset disposals, the volume-weighted average prices (hereinafter, referred to as "VWAP"), the volumes traded in the stock and the resulting turnover rates are as follows over a 24-month period:

Table 8: Analysis of the liquidity of the share price

Volum-weighted average price (VWAP)	in €/share	Volume traded (en K)		Capital traded (en K)		% of capital		% of free float	
		Average	Cumulative	Average	Cumulative	Average volume traded	Capital rotation	Average volume traded	Free float rotation
Spot (30/7/2020)	10,32	2 318	2 318	24 402	24 402	0,37 %	0,37 %	0,71 %	0,71 %
1-month VWAP	10,49	1 570	34 538	16 465	362 241	0,25 %	5,52 %	0,48 %	10,51 %
60-days VWAP	10,41	1 628	97 652	16 940	1 016 417	0,26 %	15,62 %	0,50 %	29,71 %
3-month VWAP	10,39	1 598	103 890	16 609	1 079 583	0,26 %	16,62 %	0,49 %	31,61 %
6-month VWAP	11,43	2 016	256 003	23 037	2 925 726	0,32 %	40,95 %	0,62 %	78,15 %
12-month VWAP	12,45	1 827	467 756	22 743	5 822 324	0,29 %	74,82 %	0,55 %	141,34 %
24-month VWAP	12,36	1 797	918 104	22 207	11 347 839	0,29 %	146,86 %	0,54 %	275,44 %

Sources: CAPITAL IQ and FINEXSI analysis

Over the last 60 trading days (prior to July 30, 2020), the cumulative volume of SUEZ shares traded was 97,652 thousand (i.e. approximately 1,628 thousand shares per trading day) and the free float turnover was 29.71%.

Over the last 6 months (prior to July 30, 2020), the cumulative volume of SUEZ shares traded was 256,003 thousand shares (i.e. approximately 2,016 thousand shares per day of trading). Over the same period, the free float turnover was 78.15%.

We consider that these findings demonstrate that the stock price is liquid and represents a significant and relevant reference for the valuation of the Company.

5.4.1.3 Analysis of the premiums generated by the Offer price

We present below the premiums generated by the €20.50 Offer price at different dates, to account for the Covid-19 health crisis and the various announcements that may have impacted the SUEZ share price.

Our analyses were conducted on the following dates:

- February 21, 2020: before the financial markets' fall due to the Covid-19 health crisis;
- July 30, 2020: before ENGIE announced its strategic refocus and possible asset disposals;
- August 28, 2020: before the submission of the first VEOLIA offer to ENGIE at a price of €15.50 per SUEZ share (coupon attached);
- September 29, 2020: prior to the submission of the improved offer from VEOLIA to ENGIE at a price of €18.0 per SUEZ share (coupon attached).

Table 9: VWAP analysis at different dates

Periods	21/02/2020 Before Covid		30/07/2020 Before Engie's announcement on its strategic refocusing		28/08/2020 Before the announcement of the first Veolia offer at €15.50		29/09/2020 Before the offer price was raised to €18	
Volum-weighted average price (VWAP)	€/share	Implied premium/ (discount) to Offer price 20,5€	€/share	Implied premium/ (discount) to Offer price 20,5€	€/share	Implied premium/ (discount) to Offer price 20,5€	€/share	Implied premium/ (discount) to Offer price 20,5€
Spot	15,91	+29 %	10,32	+99 %	12,24	+67 %	14,92	+37 %
1-month VWAP	15,04	+36 %	10,49	+95 %	11,73	+75 %	14,71	+39 %
60-days VWAP	14,27	+44 %	10,41	+97 %	11,05	+86 %	13,21	+55 %
3-months VWAP	14,22	+44 %	10,39	+97 %	11,02	+86 %	13,03	+57 %
6-months VWAP	13,94	+47 %	11,43	+79 %	10,78	+90 %	11,93	+72 %
12-months VWAP	13,22	+55 %	12,45	+65 %	12,31	+67 %	12,60	+63 %

Sources: CAPITAL IQ and FINEXSI analysis

We observe that the Offer Price generated premiums ranging from 29% to 99% depending on the periods analyzed and note that the Offer Price was never reached over the last 12 months prior to February 21, 2020, which is considered the most relevant date for the analysis as it excludes the effects of the health crisis.

With regard to synergies

We remind you that the control premium is generally assessed in relation to the stock market price.

The Offer price represents a control premium of €4.59 (29%) over the pre-Covid-19 *spot market* price on February 21, 2020. The provisional cost synergies estimated by VEOLIA are of €500 million per year before tax[66]. According to estimates made by various sources on the [67]basis of several parameters and scenarios, they would be in the range of €4.6 to €8.0 per SUEZ share.

These synergies, which break down into €300 million of synergies from operational optimizations and €200 million from savings in purchases by the new group, are expected to be fully realized within 4 years of the completion of the acquisition and imply estimated implementation costs of €250 million spread over the first 2 years.

VEOLIA has confirmed to us that the achievement of the announced cost synergies requires the acquisition of control and the implementation of a squeeze-out or a merger of the two companies, for an economic and legal rationalization of the structures. Otherwise, only a limited part of the cost synergies could be achieved. Furthermore, the sale of Nouveau SUEZ to the Consortium does not question the amount of estimated synergies, according to the information provided by VEOLIA.

As it stands, the Offer Price therefore conveys a control premium which is offset by the synergies expected from the transaction.

5.4.2 Reference to recent transactions in the Company's capital (as a principal)

On July 31, 2020, ENGIE, SUEZ's largest shareholder with about 32.06% of the capital, announced that it was studying a possible disposal of non-strategic assets and minority stakes to finance investments necessary for its refocus on renewables and infrastructure.

Following this announcement, on August 30, 2020, VEOLIA made a binding offer to ENGIE to acquire from Engie a block of shares representing 29.9% [68]of SUEZ's capital at a price of €15.5 per share (coupon attached).

VEOLIA then submitted an improved offer on September 30, 2020, at a price of €18.0 per SUEZ share (coupon attached).

On October 5, 2020, ENGIE's Board of Directors accepted the improved offer, and the sale of the 29.9% block occurred on October 6, 2020. On the same day, VEOLIA confirmed its intention to file a tender offer for the remaining shares of SUEZ at a price of €18.0 per share, coupon attached.

[66] It should be noted that these synergies have not been estimated on the basis of a combinedbusiness plan drawn up jointly by the bidder and the target.
[67] Analysts' notes, FINEXSI analyses, and the Company's advice.
[68] After the sale of the block, ENGIE remains a shareholder of SUEZ with approximately 1.8% of the capital (see §1.1.2).

As the largest shareholder of SUEZ, with representatives on the Board of Directors of Suez, we consider that ENGIE had full access to information about the Company, its risks and opportunities, and was therefore in a position to make an informed assessment of the proposed price of €18.0 per share, coupon attached, which was increased on April 12, 2021, by the agreement between VEOLIA and SUEZ, to a price of €20.50 per share, coupon attached.

In this respect, it is specified that ENGIE benefits from a price supplement applicable in the event of an improved offer, for any public offer filed before June 30, 2022 that is successful. The calculation formula agreed between ENGIE and VEOLIA provides, among other things, that the amount of the earn-out paid to ENGIE will be reduced by the amount of the ordinary dividend to be proposed to the Shareholders' Meeting convened to approve the 2020 financial statements, i.e. €0.65 per SUEZ share. Subject to the approval of the 2020 dividend, ENGIE will therefore receive an additional payment of 1.85 [69]per share, for a total price of €19.85 [70]per SUEZ share.

This additional price for ENGIE appears to be usual in the context of putting ENGIE in a comparable situation to that of the other shareholders with regard to the agreement reached on April 12, 2021 between SUEZ and VEOLIA. The price differential (€20.50 - €19.85) is only made up of the dividends paid in the period following the acquisition of the ENGIE block.

5.4.3 Sum-of-the-parts (as principal)

The sum-of-the-parts valuation method consists in separately valuing the various activities that make up a group to assess its global value. We believe this method is appropriate for the valuation of the SUEZ group, which operates in various businesses in many geographical areas, insofar as it allows each of the group's assets to be valued on the basis of criteria adapted to its development prospects and its specific profile and risks, assessed according to the nature of the business and its location.

We applied the sum-of-the-parts method according to two distinct criteria by considering, on the one hand, the discounted cash flow projections (DCF) of each business and, on the other hand, the multiples generated by the stock market comparables according to samples of comparables that are distinct according to the businesses evaluated.

We did not implement this method on the basis of the multiples of comparable transactions because this would be tantamount to simulating a liquidation scenario, which would then imply taking into account the related liquidation costs, which is not in line with either the Group's strategy, which must be assessed on a *standalone* basis and as a going concern, or with that of the Offeror.

[69] 19,85 € - 18,00 € = 1,85 €.
[70] 20,50 € - 0,65 € = 19,85 €.

5.4.3.1 Sum-of-the-parts - discounted cash flow forecast

The discounted cash flow method consists of determining the intrinsic value of a company by discounting the cash flows from its business plan at a rate that reflects the market's requirement for profitability with respect to the company, and accounts for an exit value at the horizon of this plan.

This method recognizes the value attributable to the Company's development prospects and seems to us to be appropriate to SUEZ's situation. It is also representative of the full value of the Company insofar as it implies having access to and control over the flows generated by the Company.

5.4.3.2 Presentation of the global business plan 2021e-2023e of the management

Management has established a global *standalone* business plan for the period 2021e-2023e, which was approved by the Board of Directors on November 24, 2020 for the period 2022e-2023e and on January 18, 2021 for the year 2021 (budget). This plan was approved by the Board of Directors on November 24, 2020 for the period 2022-2023, and on January 18, 2021 for the year 2021e (budget)[71]. This overall business plan, built using a "*bottom-up"* approach, reflects the implementation of the *Shaping SUEZ 2030* plan presented to the market in October 2019 (see §4**Erreur ! Source du renvoi introuvable.**). It includes the following main elements:

- The following asset disposals were completed or announced on the market: Recycling and Recovery activities in Sweden, Northern Europe (Germany, Poland, Luxembourg, Netherlands), OSIS, ESSAL and AQUASURE.

  Following the termination of the agreements with CLEANAWAY[72], the disposal of the Group's Recycling and Recovery activities in Australia has not been taken into account in the asset disposals, with the exception of certain post-collection assets located in the Sydney area.

  Cash receipts relating to these asset disposals, whether realized or future, have been taken into account in our calculation of net financial debt (see §55.3.2) and are therefore not included in the business plan flows.

[71] The business plan communicated to us and on the basis of which we carried out our work differs slightly from the business plan approved on November 24, 2020 and the 2021 budget approved on January 18, 2021, since lump-sum *contingencies* have been removed from this new version in 2021e and 2023e, which is favorable to the shareholder.
[72] SUEZ announced on April 6, 2021 that it had reached an agreement with CLEANAWAY for the sale of its Recycling and Recovery activities in Australia. Following the Agreement in Principle signed with VEOLIA on April 11, 2021, SUEZ has terminated the sale agreements with CLEANAWAY, which will nevertheless acquire a portfolio of post-collection assets in the Sydney area. These assets include 2 technical landfills and 5 transfer stations, which will be acquired for an amount of A$501 million (i.e. approximately €300 million based on the conversion rate in effect on April 6, 2021).

- The reinvestment of part of the proceeds from divestments, including the acquisition of minority interests in SUEZ NWS and SUYU for approximately €693 million, and the allocation of approximately €1.2 billion to external growth transactions for the SES business in 2021e, 2022e and 2023e, which are expected to generate approximately €200 million of EBITDA by 2023e. Acquisitions for the SES business are currently at a limited stage of completion, although several targets have already been identified by the Company. Acquisition CAPEX has been included in net financial debt;

- The effects of the SPOT performance plan on the profitability of the various activities, which should generate cost savings of €1.2 billion by 2023;

- Greater exposure of the Group to growth markets (China, India, Latin America, AMECA[73]) and to industrial activities, in return for a reduction in the weight of the historical regulated activities in mature markets.

However, this business plan, established over a limited time horizon, does not, in our opinion, allow us to assess the full effect of the *Shaping SUEZ 2030* plan on the value of the Company, in particular due to the expected evolution of the business mix, external growth for the SES activities, and the expected increase in margin rates beyond 2023e under the effect of the SPOT performance plan in particular.

For these reasons, the evaluation on the basis of this overall business plan of the 2021e-2023e management is presented below (see §55.4.4) as a secondary consideration.

The sum-of-the-parts method has been applied on the basis of business plans extrapolated by management for the period 2021-2030 for each of the businesses, allowing the full effect of the strategy initiated to be assessed.

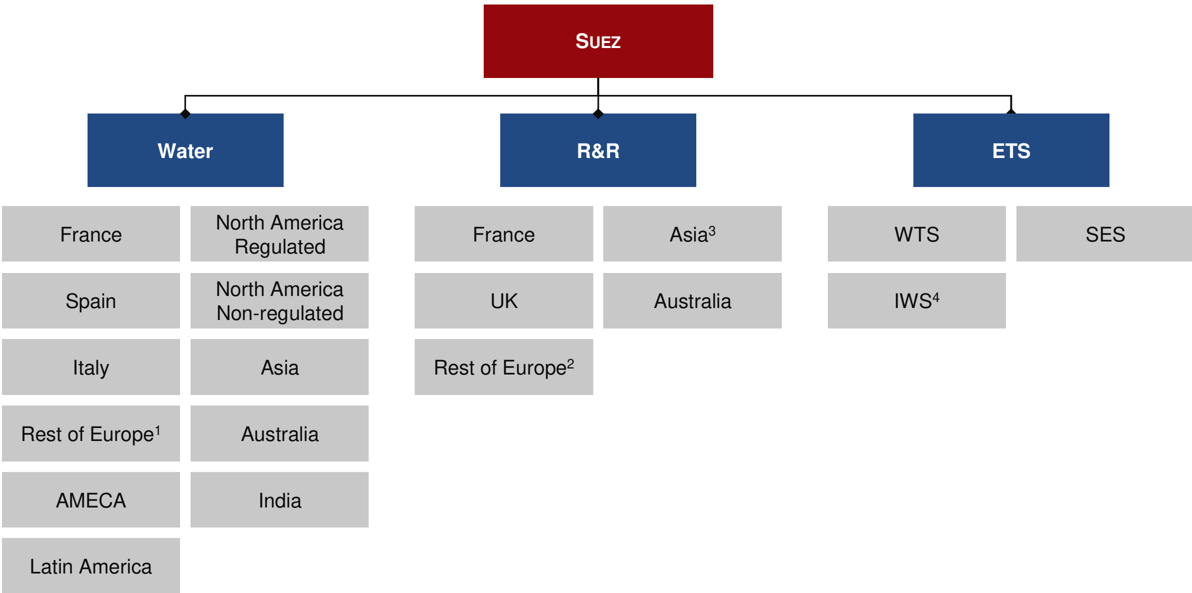
Presentation of business plans extrapolated by management

To implement the sum-of-the-parts valuation, management provided us with extrapolated business plans for the period 2021-2030 for the different activities and geographical locations of the Group. Our work was therefore conducted on the basis of 21 individual business plans [74] according to the following segmentation allowing us to understand the main differences between the assets in operational and geographical terms:

[73] Africa / Middle East / Central Asia.

[74] 1 business plan for each activity shown in Figure 19 as well as a business plan for headquarters costs.

Figure 19: Suez valuation perimeters using the sum-of-the-parts method - discounted cash flows



[1] *Mainly corresponds to the activities in the Czech Republic*

[2] *Including waste activities not distinguished in this approach due to their insignificant nature*

[3] *Mainly corresponds to activities in Hong Kong, Macao and Taiwan, excluding hazardous waste activities*

[4] *Corresponds mainly to the activities in the Czech Republic and Belgium*

In line with the calculation of the transition from enterprise value to equity value presented above, which incorporates the market value of the Group's investments and joint ventures, we have not taken into account the contribution of these entities to the cash flows of the various activities in determining the enterprise value in the context of the sum-of-the-parts. Therefore, the value of the Chinese or Italian operations does not include the contribution of the joint ventures held by NWS and SUYU or ACEA respectively.

These extrapolated business plans include the elements mentioned above for the 2021e-2023e global business plan (asset disposals, reinvestment of part of the proceeds of disposals and the SPOT performance plan) and reflect management's view of the prospects arising from the implementation of the Shaping SUEZ 2030 plan beyond 2023. These extrapolated business plans, which have not been validated by the Board of Directors of SUEZ, provide an understanding of the expected development prospects over the long term.

They also present prospects for growth and changes in EBITDA margins that are higher than those reflected in the overall business plan established for the period 2021-2023 period. This more favorable outlook is due in particular to:

- Growth in business with industrial customers and internationally, whose contribution to total Group revenues is expected to increase over the period 2021-2030, offset by a reduction in the weight of the historical regulated activities in mature markets;
- The significant growth of the SES business by 2030, in line with the ambitions, particularly in terms of external growth, set by the Group for the development of this business;
- The effects of the SPOT performance plan (cost savings of €1.2 billion per year from 2023), which contributes to the improvement in margin rates.

These extrapolated business plans show an average annual growth rate in revenues of +2.2% between 2019e and 2030e, as well as an [75] aggregate Group EBITDA margin of 20.6% at the end of the period, higher than historical records.

These forecasts reflect management's ambitions and, in our opinion, present a greater risk of failure to achieve them than the overall business plan established for the period 2021e-2023e, due to the increasing contribution of less mature markets and less resilient industrial activity, as well as the uncertainties surrounding the development of the digital activities (SES), which is based on the acquisition and integration of several companies.

Determination of cash flows

Extrapolation

In order to move towards a normative performance for each of the assets, we extrapolated each of these business plans over 3 additional years, i.e. over the period 2031e - 2033e, considering:

- A revenue growth rate that is linearly adjusted to the level of the perpetual growth rate used in the normative flow (see below);
- A linear evolution of depreciation to reach the normative investment level of 2030e; and
- A stable EBITDA margin rate, corresponding to that set by management in the last year of each business plan.

[75] EBITDA as published and defined by the Group for the purposes of comparison with historical margin rates, it being specified that the EBITDA used for the purposes of our valuation work has been restated for the impact of IFRS 16 and does not include the results of companies accounted for by the equity method.

Headquarter costs

Headquarter costs not directly attributable to the various activities have been valued separately and then reallocated to each activity in proportion to their respective enterprise values.

Corporate costs include a recurring restructuring cost, representing on average approximately 0.4% of total revenues.

IFRS16

Management's extrapolated business plans incorporate the effects of IFRS16, which means that rental expenses are not taken into account in determining cash flows.

We have restated each of the business plans in order to reintegrate the rental expenses in the determination of cash flows and have therefore not retained the debt related to leases as recognized by IFRS 16 in the calculation of net financial debt (see §55.3.2).

Corporate income tax

We have modeled corporate income tax using the theoretical tax rate applicable to each country (source KPMG). In the case of certain activities spread over several countries, we have used the weighted average rate for the Group based on the theoretical tax rates in force and the contribution of the various countries to the Group's 2030th EBIT, which amounts to 25.3%.

As indicated above, tax loss carryforwards have not been deducted from the tax charge, but are modeled separately and included in our calculation of net financial debt for their discounted amount (see §55.3.2).

Discounting of flows

We have discounted the cash flows at mid-year from January 1, 2021, the date on which the adjusted net financial debt is determined (see §55.3.2).

Normative flow

We have applied different perpetual growth rates for each business plan, depending on the growth prospects of the business, the geographies concerned and the level of maturity of the business.

The ranges of perpetual growth rates used for the Group's various activities are as follows

Table 10: Range of perpetual growth rates for the Group's various businesses

Operating segments	Min	Max
Water Assets	0,75%	3,50%
Recycling and Recovery Assets	0,75%	1,75%
Environmental Tech & Solutions Assets	0,75%	2,00%

Source: FINEXSI analyses

The normative flow is built on the basis of the EBITDA margin rate (before IFRS16 and excluding non-controlling interests) corresponding to that expected in the last year of each business plan, i.e. margin rates that are generally higher than those observed historically.

Depreciation and amortization have been set at the level of investments.

The standard tax rate corresponds to the theoretical tax rate applicable to each country. In the case of certain activities spread over several countries, the Group's weighted average theoretical tax rate of 25.3% is used.

Discount rate

As with the perpetual growth rate, we have used different discount rates depending on the growth prospects of each business, the geographies concerned and the level of maturity of the business.

Therefore, for each activity, we used the weighted average cost of capital to discount future cash flows, based on:

- A risk-free rate of -0.19% corresponding to the average OAT TEC 10 rate (one-year average, calculated on May 31, 2021, source: BANQUE DE FRANCE);
- A risk premium of 8.48% (one-year average risk premium for ASSOCIATES IN FINANCE as of May 31, 2021);
- A deleveraged beta determined from samples of comparables identified according to activities and geographical locations, or from DAMODARAN in the absence of relevant comparables (sources: CAPITAL IQ, DAMODARAN);
- A country risk premium determined by the difference between the French risk-free rate used above (-0.19%) and the risk-free rate of the various countries in which the SUEZ group operates (source: CAPITAL IQ and FINEXSI analyses);
- A limited specific risk premium of 0.5% applied to all discount rates[76], to take into account the greater risk of realization of business plans with a 2030 horizon;

[76] With the exception of the SES and Chilean activities, for which a specific risk premium of 3.0% has been applied due, respectively, to the uncertainty surrounding the development of this activity through external growth, and the geopolitical risks weighing on the activity in Chile (see §4**Erreur ! Source du renvoi introuvable.**).

- A pre-tax cost of debt of 1.9%, corresponding to the weighted average rate of Group debt at December 31, 2020, excluding IFRS16 debt and adjusted for the impact of debt contracted before 2015, the terms of which no longer reflect current market interest rates;

- A *gearing* calculated on the basis of the offer price of €20.50 and the financial debt at December 31, 2020, i.e. a debt/equity ratio of 76.1%.

The ranges of discount rates used on these bases for the Group's various activities are as follows:

Table 11: Discount rate ranges for the Group's various activities

Operating segments	Min	Max
Water Assets	5,20%	9,40%
Recycling and Recovery Assets	5,70%	8,60%
Environmental Tech & Solutions Assets	6,30%	9,70%

Source: FINEXSI analyses

In our opinion, the rates used appropriately reflect the risk of achieving the various business plans by activity in a context of sustained growth and constant improvement in margin rates up to 2030. They include a limited specific risk premium in view of the proactive nature of the forecasts used.

Evaluation results and sensitivity analyses

On this basis, the enterprise value of SUEZ IS €24,505 million. Taking into account net financial debt, the central value of shareholders' equity is €13,047 million, or €20.4 per SUEZ share.

Table 12: Summary - Sum of the Parts - Discounted Cash Flow Forecast

In millions of euros	Low	Central	High
Entreprise Value of Water Assets	12 089	12 878	13 754
Entreprise Value of R&R Assets	5 453	5 770	6 119
Entreprise Value of ETS	5 573	5 856	6 161
Total group Entreprise Value	**23 116**	**24 505**	**26 034**
Treasury / adjusted net debt	(11 458)	(11 458)	(11 458)
Equity value	**11 658**	**13 047**	**14 577**
Number of shares	640	640	640
Suez Tender Value at December 31st, 2020 - €	**18,2**	**20,4**	**22,8**

Source: FINEXSI analyses

Sensitivity analyses conducted on the business plans of each activity according to a combined variation of the discount rate (from -0.25 point to +0.25 point) and the perpetual growth rate (from -0.25 point to +0.25 point), show a value range between €18.2 and €22.8 per SUEZ share, with a central value of €20.4.

The central value of our DCF approach in sum-of- the -parts supports the Offer price. It shows a premium of 12.5% on the low end and a discount of 10.0% on the high end of our range, bearing in mind that the results of the cash flow approaches are representative of a control premium value as they assume the free disposal of all cash flows.

It should also be noted that this value range is based on individual business plans with a 2030e horizon factoring in significant growth and margin levels never achieved in the past, as well as on discount rates incorporating a limited risk premium in view of the forecasts used and their horizon. Under these conditions, we consider that the DCF extrapolates the full value of the SUEZ group in *standalone* for the shareholder.

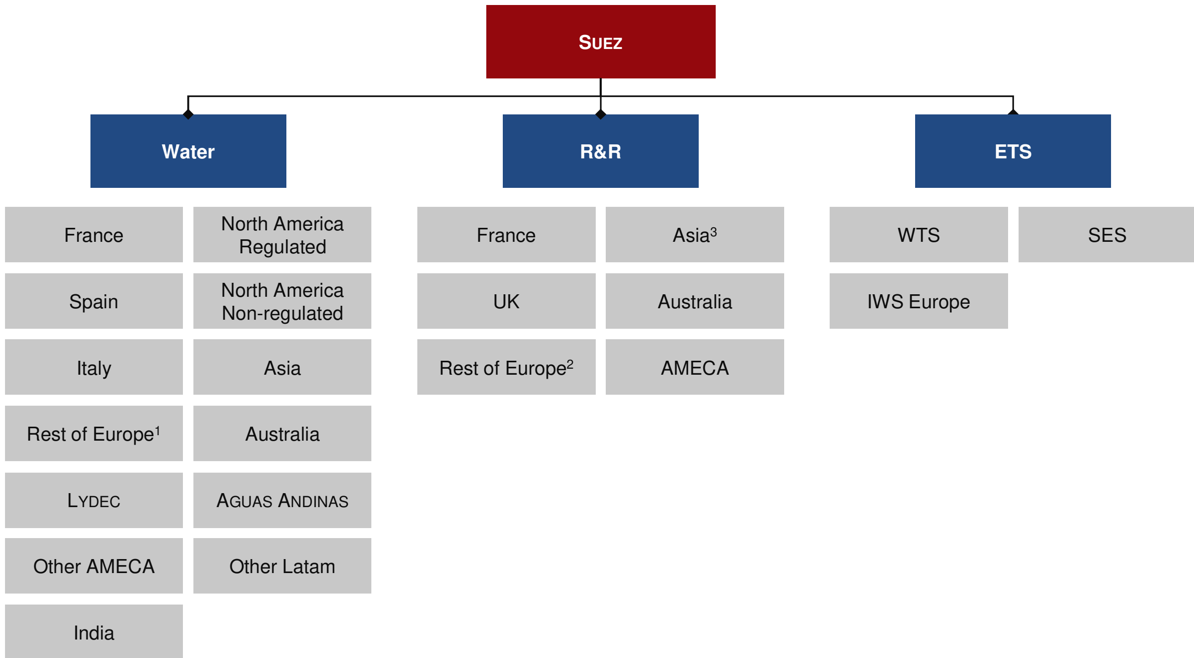
5.4.3.3 Sum-of-the-parts - stock market comparables

The market comparison method consists of determining the value of a company by applying multiples observed on a sample of other listed companies in the same sector of activity, to the aggregates deemed relevant.

For the sum-of-the-parts approach, we selected separate samples of comparables based on the activities and geographical locations of the SUEZ group, to take into account the dynamics of the different markets in which the Group operates (mature or growing markets, regulated or not).

The segmentation of activities is as follows:

Figure 20: Suez valuation perimeters using the sum-of-the-parts method - Comparables [77]



[1] Mainly corresponds to the activities in the Czech Republic

[2] Mainly corresponds to the activities in the Czech Republic and Belgium

[3] Mainly corresponds to activities in Hong Kong, Macao and Taiwan, excluding hazardous waste activities

[4] Corresponds to hazardous waste activities in Asia and AMECA

The samples of comparables used, as well as the 2021 and 2022[78] EBITDA multiples based on the stock market price as of May 31, 2021 for each activity are presented in Appendix 3.

[77] The breakdown of assets for the sum-of-the-parts approach based on stock market multiples differs from the breakdown for the DCF approach because of the direct revaluation of the listed companies in the portfolio (AGUAS ANDINAS and LYDEC) on the basis of their stock market price. In contrast to the DCF approach, which combines the valuation of AGUAS ANDINAS and the other Latin American activities with the valuation of LYDEC and the activities in the AMECA region, these two companies are revalued separately from the rest of the Group's activities in the regions concerned in the multiples approach.

[78] The EBITDA figures presented exclude IFRS16 (where applicable) and the contribution of companies accounted for by the equity method. A detailed description of each company is presented in the Appendix to this report.
We do not present a 2023rd EBITDA multiple, contrary to the global approach, as we do not have forecasts for certain samples that would allow us to implement the approach for the year 2023rd.

It should be noted that for certain activities or geographical areas, we were not able to establish relevant samples of comparables. In such cases, we have used the following valuation approaches:

- Unregulated water in the United States and Australia: application of the multiple retained for the rest of Europe;

- Latin American water: AGUAS ANDINAS (Chile), a listed company, was valued on the basis of its stock market price. The resulting valuation multiple for this company was then applied to the other Latin American operations;

- Water Africa and Middle East: LYDEC (Morocco), a listed company, was valued on the basis of its stock market price. The valuation multiple of this company was then applied to the other activities in Africa and the Middle East region;

- WTS: valuation based on the acquisition multiple externalized at the time of the purchase of the business from GE WATER in 2017, i.e. 12.5x EBITDA.

- SES: valuation on the basis of a DCF using the same parameters as those used for the sum-of-the-parts by discounted cash flows (see §55.4.3.1) to capture the strong growth of this activity by 2030. Indeedapplying the multiples to the 2021 and 2022 EBITDA would not reflect the expected value creation in this activity, as all the acquisitions will not yet have been completed or will not have produced their full-year effects. This results in relatively low EBITDA at the beginning of the plan. This approach appears favorable to the minority shareholder.

Reference EBITDA of SUEZ activities

For the forecast EBITDA of the comparables that incorporate the effects of IFRS16 (European comparables) or equivalent standards, we made adjustments to reintegrate the rents in the forecast EBITDA of the comparables so that they are consistent with the EBITDA used for the valuation of SUEZ's activities.

In addition, to be consistent with the EBITDA used for SUEZ'S[79] activities, we ensured that the EBITDA of comparable companies did not include any significant results from equity affiliates that could impact the valuation of the Group according to this criterion.

We have applied the 2021 and 2022 multiples to the EBITDA forecasts excluding IFRS16 and the results of equity affiliates for the same years as in the SUEZ business plans.

[79] The EBITDA used for the purposes of our valuation work has been restated for the impact of IFRS 16 and does not include the results of companies accounted for by the equity method.

SUEZ valuation range based on comparable company multiples

Table 13: Summary – Sum-of-the-Parts - Comparables

In millions of euros	2021E	2022E
Entreprise Value of Water Assets	14 452	15 022
Entreprise Value of R&R Assets (yc Australia)	4 564	4 479
Entreprise Value of ETS	6 275	6 972
Total group Entreprise Value	**25 290**	**26 473**
Treasury / adjusted net debt	(12 212)	(12 378)
Equity value	**13 078**	**14 095**
Number of shares	640	640
Suez Tender Value at December 31st, 2020 - €	**20,4**	**22,0**

Source: FINEXSI analyses

NB: The financial debt retained differs between 2021st and 2022nd due to the sequencing of the effects of the asset rotation plan on the financial situation of the Group, and in particular the reinvestment in the external growth of the SES business. In addition, we have adjusted the value of the minority interests according to the value of the assets derived from this approach and have not taken into account the value of the tax loss carryforwards in the multiples approach, considering that the value of the tax loss carryforwards not recognized in the balance sheet of the comparable companies was not captured in their market capitalization.

Applying the average multiples observed on the stock market comparables to the 2021 and 2022 EBITDAs, the value per SUEZ share is between €20.4 and €22.0. On this criterion, the Offer price shows a premium of 0.3% at the lower end of the range, and a discount of 7.0% at the upper end of the range.

5.4.4 Discounted cash flow forecasting - global approach (secondary)

5.4.4.1 Presentation of the management's business plan

For the overall approach, we conducted our work on the basis of the "*standalone"* 2021e-2023e business plan presented above (see § 5.4.3.2).

This business plan, established over a limited time horizon, does not, in our opinion, give the full value of the Company, which is why the valuation based on this overall business plan is presented as a secondary criterion, as it is less relevant than the sum-of-its-parts, which allows us to capture the characteristics and growth potential of each of the Group's activities or businesses.

The main structuring assumptions of this business plan are as follows:

- A CAGR of 7.1% over the period 2021e-2023e;
- An EBITDA margin rate (according to the definition of published EBITDA) that is steadily increasing, reaching 18.9% at the end of the plan, an increase of 2 points compared to 2019. The 2023 margin rate is at the top end of the range of observed historic rates;
- Capital expenditures ("CAPEX") representing between 8% and 8.9% of revenues over the plan period (excluding CAPEX related to external growth), in line with historic levels;
- No change in WCR at the end of the plan.

Revenue growth over the period 2021-2023 (CAGR of 7.1%) is supported in particular by favorable market trends (regulation, optimization of natural resources, increasing ecological awareness on behalf of municipal and industrial players) and by the Group's presence in growing markets (Asia, Africa). Contract renewals appear to be in line with historical levels and the business plan does not include significant market share gains in mature countries. Revenue growth is also based on expected acquisitions for the SES business, although the level of progress is currently limited.

The business plan forecasts also feature a 2-point improvement in the margin rate (compared with 2019), which appears realistic in view of the progress of the SPOT plan and the growing contribution of the Water businesses to the Group's revenue mix.

This plan reflects management's ambitions for the period and appears, in our opinion, to be globally well-balanced.

Determination of cash flows

IFRS16

Management's business plan incorporates the effects of IFRS16, which means that rental expenses are not taken into account in determining cash flows.

We have reintegrated rental expenses to determine cash flows and have therefore not retained the lease liability as recognized by IFRS 16 in the calculation of net financial debt.

Corporate income tax

We have modeled corporate income tax using the theoretical weighted average rate of the Group.

As indicated above, tax loss carryforwards have not been deducted from the tax charge, but are modeled separately and included in our calculation of net financial debt for their discounted amount (see §55.3.2).

Discounting of flows

We have discounted the cash flows at mid-year from January 1, 2021, the date at which the adjusted net financial debt is determined.

Reintegration of the Australian assets not sold to CLEANAWAY

As indicated above, under the April 12, 2021 Memorandum of Understanding between SUEZ and VEOLIA, only the Sydney R&R assets will be sold to CLEANAWAY, with the other Australian R&R assets remaining in the Group. In this context, we have adjusted the flows in the Management's business plan, which included the disposal of all R&R assets in Australia, only including the Sydney exit.

Normative flow

A perpetual growth rate of 1.25% has been applied to the normative cash flow, which appears to be in line with the expected long-term inflation rate and helps understand the growth potential of the SUEZ Group after 2023e linked to the development of its international and digital activities.

The normative flow is built on the basis of the EBITDA margin rate (before IFRS16 and excluding non-controlling interests) corresponding to the rate expected in 2023e.

Recurring restructuring costs that are lower than those expected over the explicit time horizon have been maintained in the normative flow.

Depreciation and amortization were set at the level of investments and the change in WCR was considered as zero.

The Group's theoretical weighted average tax rate of 25.3% has been used to calculate tax in the cash flow statement.

Discount rate

As indicated above, we have used the weighted average cost of capital of SUEZ to discount future cash flows. This cost was estimated at 5.57% based on:

- A risk-free rate of -0.19% corresponding to the average OAT TEC 10 rate (one-year average, calculated on May 31, 2021, source: BANQUE DE FRANCE);
- A risk premium of 8.48% (one-year average risk premium for ASSOCIATES IN FINANCE as of May 31, 2021);
- Of the Company's leveraged beta of 1.05 (source: CAPITAL IQ);

- A pre-tax cost of debt of 1.9%, corresponding to the Group rate excluding IFRS16 debt and adjusted for the impact of debt contracted before 2015, the terms of which no longer reflect current market interest rates;

- A *gearing* calculated on the basis of the offer price of €20.50 and the financial debt at December 31, 2020, i.e. a debt/equity ratio of 76.1%.

In our opinion, this rate of 5.57% adequately reflects the overall risk of achieving the business plan, bearing in mind, however, that the Company must develop its business mix and that the expected margin rate by 2023 is at the upper end of the range of rates historically observed.

This rate also appears to be at the bottom of the range of rates used by analysts following the SUEZ group.

Evaluation results and sensitivity analyses

On this basis, the enterprise value of SUEZ is €23,808 million, of which nearly 91% is the final value. Taking into account the net financial debt, the amount of equity is €12,351 million, or €19.3 per SUEZ share.

The sensitivities of the value of SUEZ equity per share to a combined change in the discount rate (from -0.25 points to +0.25 points) and the perpetual growth rate (from -0.25 points to +0.25 points) are presented below.

Table 14: Sensitivity Table

Perpetual growth rate (%) / WACC (%)	5,07%	5,32%	5,57%	5,82%	6,07%
1,75%	30,3	26,9	24,0	21,4	19,1
1,50%	27,1	24,1	**21,5**	19,2	17,1
1,25%	24,2	**21,6**	**19,3**	**17,2**	15,4
1,00%	21,8	19,4	**17,4**	15,5	13,8
0,75%	19,6	17,5	15,6	13,9	12,4

Source: FINEXSI analysis

Based on this analysis, we will retain a range of values between €17.2 and €21.6 per SUEZ share, with a central value of €19.3. The Offer price thus represents a premium of 18.9% on the lower end of the range and a discount of 5.2% on the upper end of the range, bearing in mind that the results of the DCF method are representative of a control value for the shareholder.

5.4.5 Stock market comparables - global approach (secondary)

The market comparison method consists of determining the value of a company by applying multiples observed on a sample of other listed companies in the same sector of activity, to the aggregates deemed relevant.

Given the specific characteristics of the SUEZ group, only VEOLIA, which is also an integrated group across the entire environmental services value chain, appears to be comparable to SUEZ. However, we have extended the sample, which is composed of 5 companies[80], to have a sufficiently large and representative panel, it being specified that this sample does not cover a spectrum of environmental services and a geographical location comparable to SUEZ. For this reason, we present this method as a secondary method.

We present below the growth and profitability prospects of the selected comparables based on analyst consensus[81]:

Table 15: Growth and profitability prospects of selected stock market comparables

Peers	Country	Revenue (mEUR)	VE (mEUR)	Revenue growth (%)			EBITDA margin (excl.IFRS16 & Associates)		
				2021e	2022e	2023e	2021e	2022e	2023e
Veolia (1)	France	26 010	26 760	4 %	3 %	3 %	13 %	13 %	14 %
ACEA	Italy	3 250	8 396	19 %	1 %	4 %	32 %	33 %	33 %
FCC	Spain	6 307	7 259	0 %	4 %	4 %	14 %	15 %	15 %
Hera	Italy	7 429	8 133	8 %	1 %	0 %	14 %	15 %	15 %
Lassila & Tikanoja	Finland	752	623	4 %	2 %	2 %	10 %	11 %	11 %
Mean				**7 %**	**2 %**	**3 %**	**17 %**	**17 %**	**18 %**
Median				**4 %**	**2 %**	**3 %**	**14 %**	**15 %**	**15 %**

Sources: CAPITAL IQ data as of May 31, 2021 for comparable companies and as of July 30, 2020 for VEOLIA, since its share price has been impacted by the various announcements made as of July 31, 2020, FINEXSI analyses

(1) Forecast data based on the consensus of analysts as of July 30, 2020 for VEOLIA

It appears that the SUEZ group's revenue growth prospects, based on its overall[82] business plan, are higher than the average of the sample of comparables for 2022 and 2023.

SUEZ's EBITDA margin rates appear to be in line with the average of its peers.

[80] A detailed description of the comparables is provided in Appendix 4.

[81] The EBITDA presented excludes IFRS16 (where applicable) and the contribution of non-controlling interests. We used the 2023rd multiples to the extent that sufficient information was available. We did not use the year 2023rd for the sum-of-the-parts approach because we did not have sufficient data for certain samples of comparables.

[82] For confidentiality reasons, we cannot disclose revenue growth rates or projected margin rates for each year.

We obtain the following multiples based on estimated aggregates from analyst consensus for 2021, 2022 and 2023 :

Table 16: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV/EBITDA Multiples [(1)] (excl.IFRS16 & Associates)		
			2021e	2022e	2023e
Veolia [(2)]	France	26 010	6,2x	5,8x	5,5x
ACEA	Italy	3 250	6,9x	6,6x	6,2x
FCC	Spain	6 307	8,0x	7,5x	7,2x
Hera	Italy	7 429	7,1x	6,8x	6,5x
Lassila & Tikanoja	Finland	752	7,8x	7,4x	7,1x
Mean			**7,2x**	**6,8x**	**6,5x**
Median			**7,1x**	**6,8x**	**6,5x**

[(1)] Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of May 31, 2011 for comparable companies and as of July 30, 2020 for VEOLIA

[(2)] Forecast data based on the consensus of analysts as of July 30, 2020 for VEOLIA

Sources: CAPITAL IQ and FINEXSI analysis

Reference EBITDA of the Company

For the forecasted EBITDA of the comparables that incorporate the effects of IFRS16 (European comparables) or equivalent standards, we reintegrated the rental income into the EBITDA so that it is consistent with the EBITDA used for the valuation of the SUEZ business.

In addition, as for the sum-of-the-parts approach based on stock market multiples, we ensured that the EBITDA of comparable companies did not include any significant results from equity affiliates, which could affect the valuation of the Group according to this criterion and which should be included in the calculation of adjusted net financial debt.

We have therefore applied the 2021, 2022 and 2023 multiples to the EBITDA forecasts excluding IFRS16 and results of equity affiliates for the same years derived from SUEZ's global business plan.

SUEZ valuation range based on comparable company multiples

Table 17: Summary of the values obtained

In euros per share	Min	Max
Value per share of Suez - Mean of peer multiples	**13,7**	**15,8**
Value per share of Suez - Median of peer multiples	13,3	15,9

Sources: CAPITAL IQ and FINEXSI analysis

Applying the average multiples observed on the stock market comparables to the 2021, 2022 and 2023 EBITDAs, the value per SUEZ share is between €13.7 and €15.8. On this criterion, the Offer price shows a premium of 49.9% on the lower end of the range and a premium of 29.8% on the upper end of the range.

5.4.6 Analyst price targets (secondary)

The analysis of financial analysts' price targets does not represent a valuation method as such, but synthesizes opinions that constitute value references. This reference consists of observing the value of a company on the basis of the price targets published by financial analysts.

Suez shares are regularly monitored by a significant number of analysts.

Our analysis focused on the last reports published after the announcement of Suez's results for the first half of 2020 and before Engie's announcement concerning its strategic refocus, insofar as this communication led to speculation on Suez shares, i.e. between July 29 and July 31, 2020.

Table 18: Analysis of analyst notes published between July 29 and July 31, 2020

Periods	Date	Broker	Target price (€)	Recommandation	Last closing price before the issuance of the note	Implied premium/ (discount) induced by the Offer price of €20,50
Between 29/07 and 31/07/20	29/7/20	Bank of America	8,9	Under-performance	10,5	130 %
	29/7/20	Morgan Stanley	12,0	Equal-weight	10,5	71 %
	30/7/20	Barclays	11,0	Equal-weight	10,5	86 %
	30/7/20	Deutsche Bank	9,0	Sell	10,4	128 %
	30/7/20	Exane	11,0	Neutral	10,5	86 %
	30/7/20	ODDO BHF	13,0	Buy	10,5	58 %
	30/7/20	J.P. Morgan	12,0	Overweight	10,5	71 %
	30/7/20	Jefferies	10,5	Hold	10,5	95 %
	30/7/20	Société Générale	13,4	Buy	10,4	53 %
	30/7/20	Morningstar	10,0		10,5	105 %
	31/7/20	Goldman Sachs	12,1	Neutral	10,3	69 %
Min			**8,9**			**130,3 %**
Mean			**11,2**			**83,5 %**
Median			**11,0**			**86,4 %**
Max			**13,4**			**53,0 %**

Sources: Analysts' notes

Note : It is noted that the banks Bank of America, Morgan Stanley, Deutsche Bank, J.P. Morgan, Société Générale, Goldman Sachs intervened as advisory banks of one of the parties to the operation.

The latest price targets published by analysts for this period range from €8.9 to €13.4, with an average target price of €11.2.

At this date, analysts are aware of the *Shaping Suez 2030* plan presented to the market in October 2019, but their price targets do not include speculation about a possible transaction in Suez's capital. These price targets are based on a *standalone* view of Suez, but may include effects of the health crisis, in a proportion that cannot be quantified.

On this basis, the Offer price of €20.50 represents a premium of 130.3% at the lower end of the range and a premium of 53.0% at the upper end.

For information purposes, we present below the evolution of the price targets published after the ENGIE communication, the successive increases of the Offer price by VEOLIA, as well as the communications of the Company regarding the *Shaping SUEZ 2030* plan and its financial performance until April 30, 2021[83], it being specified that the advising banks involved in the transaction have not published any notes after August 28, 2020

We have distinguished the following 4 periods:

- Between August 1, 2020 and August 29, 2020, i.e. between the announcement of ENGIE's strategic refocus and the announcement of VEOLIA's Offer at a price of €15.50 with coupon attached;
- Between August 30, 2020 and October 5, 2020, i.e. between VEOLIA's first offer to acquire the ENGIE block at a price of €15.50 per share (with coupon attached) and the announcement of the acquisition of this block at a price of €18.0 per share (with coupon attached);
- Between October 6, 2020 and April 11, 2021, i.e. after the announcement of the acquisition of the block from ENGIE at a price of €18.0 per share (coupon attached), and before the announcement of the Agreement in Principle between SUEZ and VEOLIA which led to an increase in the Offer price to €20.50 per share (coupon attached);
- From April 12, 2021, i.e. after the announcement of the Agreement in Principle between SUEZ and VEOLIA and the increase of the Offer price to €20.50 per share (coupon attached).

[83] To the best of our knowledge, no analyst's report has been published between April 30, 2021 and the date of issue of this report.

Table 19: Analysis of analyst notes published as of August 1, 2020

Periods	Date	Broker	Target price (€)	Recommandation	Last closing price before the issuance of the note	Implied premium/ (discount) induced by the Offer price of €20,50
Between 1/08 and 29/08	5/8/20	J.P. Morgan	14,0	Overweight	11,1	46 %
	10/8/20	Morningstar	10,0	*N/A*	11,6	105 %
	10/8/20	ODDO BHF	13,0	Buy	11,1	58 %
	18/8/20	Jefferies	10,5	Hold	11,7	95 %
	18/8/20	Barclays	11,0	Equal-weight / Positive	11,7	86 %
	19/8/20	HSBC	12,0	Hold	11,7	71 %
	27/8/20	Société Générale	14,0	Buy	12,1	46%
30/08 - 05/10/20	1/9/20	Berenberg	9,3	Hold	14,5	120%
	23/9/20	ODDO BHF	15,5	Buy	15,0	32%
	30/9/20	Jefferies	10,5	Hold	14,9	95%
	30/9/20	Morningstar	15,5	*N/A*	14,9	32%
Between 06/10/20 and 11/04/21	29/10/20	Barclays	11,0	Equal-weight	15,5	86%
	29/10/20	Jefferies	10,5	Hold	15,5	95%
	29/10/20	ODDO BHF	13,0	Neutral	15,5	58%
	29/10/20	Bryan Garnier	10,0	Sell	15,5	105%
	29/10/20	Exane	17,0	Neutral	15,5	21%
	29/10/20	Kepler	16,5	Hold	15,5	24%
	5/11/20	Morningstar	16,7	*N/A*	16,0	23%
	22/12/20	Barclays	18,0	Equal-weight	16,1	14%
	13/1/21	ODDO BHF	16,3	Neutral	16,7	26%
	15/1/21	Exane*	18,7	Neutral	17,0	10%
	18/1/21	Kepler	16,5	Hold	17,0	24%
	18/1/21	ODDO BHF	16,3	Neutral	17,0	26%
	20/1/21	Exane*	18,7	Neutral	17,4	10%
	25/1/21	Barclays	18,0	Equal-weight / Positive	17,0	14%
	25/1/21	Jefferies	10,5	Hold	17,0	95%
	25/1/21	Kepler	16,5	Hold	17,0	24%
	15/2/21	Berenberg	18,0	Hold	17,0	14%
	1/3/21	Exane	18,0	Neutral	17,3	14%
	1/3/21	ODDO BHF	16,3	Neutral	17,3	26%
	22/3/21	Barclays	18,0	Equal-weight / Positive	18,1	14%
	22/3/21	Jefferies	17,8	Hold	18,1	15%
	22/3/21	Kepler	18,0	Hold	18,1	14%
	22/3/21	Exane	18,0	*N/A*	NC	14%
	22/3/21	ODDO BHF	16,3	Neutral	18,1	26%
From 12/04/21	12/4/21	Barclays	18,0	Equal-weight / Positive	18,4	14%
	12/4/21	Jefferies	17,8	Hold	18,4	15%
	12/4/21	Kepler	18,0	Hold	18,4	14%
	16/4/21	Exane	20,5	Neutral	19,9	0%
	29/4/21	ODDO BHF	16,3	Neutral	20,0	26%
	29/4/21	Barclays	20,0	Equal-weight / Positive	20,0	2%
	29/4/21	Exane	20,5	Neutral	NC	0%
	29/4/21	Jefferies	17,8	Hold	20,0	15%
	29/4/21	Kepler	18,0	Hold	20,0	14%
	30/4/21	ODDO BHF	20,5	Neutral	20,0	0%

In its notes dated January 15, 2021 and January 20, 2021, EXANE anticipates that Veolia could increase the offer price by including the ordinary dividend of €0.65 per share

Sources: Analysts' notes, FINEXSI analyses

It appears that after the announcement of the acquisition of the block from ENGIE on October 5, 2020, analysts did not immediately align their price targets with the €18.0 price. The increase in price targets occurred gradually, so that from the beginning of 2021, the majority of price targets were close to the €18.0 price.

The same is true for the price targets published after the announcement of the Agreement in Principle between SUEZ and VEOLIA on April 12, 2021, which were generally not aligned (with the exception of EXANE and ODDO BHF) on the increased Offer price of 20.50 per share (with coupon attached). Over this period and until the date of this report, the analysts' target prices, which we present for information purposes, range between €16.3 and €20.5.

6. Related and other agreements that may have a material effect on the Offer price

6.1 Share Purchase Agreement between VEOLIA and ENGIE

We have been provided with the Share Purchase Agreement by which VEOLIA acquired off-market on October 6, 2020, a block of SUEZ shares representing approximately 29.9% of SUEZ's capital from ENGIE at a price of €18.0 per share paid in cash.

This agreement provides for the payment of a top-up to ENGIE in the event of an improved offer compared to the €18.0 price paid, for any successful public offer[84] filed before June 30, 2022. This top-up will be determined by the difference between the Offer price after overbid and the purchase price of €18.0, less, if applicable, the amount of ordinary dividends for the 2020 and 2021 financial years that would be distributed before the settlement of the Offer.

In this context, assuming settlement of the Enhanced Offer before the end of 2021 (i.e. before the ex-dividend date for the 2021 financial year, which is expected to occur in the first half of 2022) and subject to the approval by the General Shareholders' Meeting of the 2020 dividend of €0.65 per share, ENGIE will therefore receive an additional price of €1.85[85] per share, thus a total price of €19.85[86] per SUEZ share.

It is noted that ENGIE does not benefit, in connection with the shares sold[87], from the ordinary dividends that may be paid to SUEZ shareholders, which correspond, for the latter, to the return attached to the detention of SUEZ shares until the settlement-delivery of the Offer.

Thus, the provisions of this top-up do not, in our opinion, result in a more favorable treatment for ENGIE, even though the latter benefited from the payment of part of the price of its shares in October 2020 while the shareholders contributing to the Offer will benefit from the payment of this price at a later date, as ENGIE will not benefit from the return attached to the detention of the transferred shares until the end of the Offer, contrary to the other shareholders of the Company.

Furthermore, we have not identified any other clauses that could lead to a differential treatment in favor of ENGIE and have obtained confirmation from VEOLIA that there is no other agreement with ENGIE than the Share Purchase Agreement of October 5, 2020.

Therefore, the provisions of the Share Purchase Agreement are not, in our opinion, likely to question the fairness of the Offer Price.

[84] With the exception of a squeeze-out offer or takeover bid following the aforementioned offers and overbids aimed at reaching the threshold for implementing a squeeze-out offer or a squeeze-out.

[85] 19,85 € - 18,0 € = 1,85 €.

[86] 20,50 € - 0,65 € = 19,85 €.

[87] After the sale of the block, ENGIE remains a shareholder of SUEZ with approximately 1.8% of the capital (see §1.1.2) and will therefore receive the dividend attached to these shares.

6.2 Agreement in Principle and Combination Agreement between SUEZ and VEOLIA

The Agreement in Principle dated April 11, 2021 and the Combination Agreement dated May 14, 2021 have been made available to us by SUEZ and VEOLIA.

The provisions of these two agreements are not, in our opinion, likely to question the fairness of the Offer price.

6.3 *Memorandum of Understanding,* offer to acquire New SUEZ and *Put Option Agreement*

We have had access to the *Memorandum of Understanding* concluded on May 14, 2021 between VEOLIA, SUEZ and the Consortium setting out the terms of the negotiations for the acquisition by the Consortium of the assets of the New SUEZ perimeter.

On June 27, 2021, the Consortium submitted a Final Offer (hereinafter the "Consortium Offer") valuing New SUEZ between €9.5 billion and €9.8 billion in enterprise value[88], depending on the earn-out payment of up to €300 million that may be paid depending on the level of EBITDA that will be achieved by the New SUEZ perimeter at the end of the 2021 fiscal year, and between €8.8 billion and €9.1 billion in equity value.

We have examined the terms of the *Memorandum of Understanding* as well as those of the Consortium's Final Offer and the *Put Option Agreement*[89] to compare the value proposed by the Consortium for the New SUEZ perimeter with the value of these assets resulting from our valuation work by the sum of the parts. On this basis, it appears that the enterprise value proposed by the Consortium for the New SUEZ assets is overall lower than the value retained for this same perimeter in the context of our work to assess the Offer Price of €20.50.

We have also had an exchange with representatives of the Consortium to obtain details of the valuation of New SUEZ retained in the final pre-bid dated June 12, 2021, it being specified that the valuation appearing in the final bid of June 27, 2021 is in line with that of the final pre-bid.

On this basis, it appears that the sale of the New SUEZ perimeter to the Consortium will not result in a capital gain for the Offeror from which the SUEZ shareholder would not benefit.

We specify that this observation is limited to the disposal of the New SUEZ perimeter for which a contractually determinable value exists to date. From our perspective, we do not have to apprehend any execution risk, even if this is inherent to this type of transaction. Similarly, we do not include any potential disposals that the Offeror may be required to make in the context of obtaining regulatory approvals from the Antitrust Authorities under merger control, insofar as the assets concerned by such potential disposals have not yet been identified and the financial terms of such disposals are unknown at this time.

[88] Enterprise value excluding liabilities related to IFRS16.

[89] We have had access to the agreements relating to the sale of New SUEZ, and in particular to the draft *Share and Asset Purchase Agreement* and its annexes. We did not audit these documents, but we assessed their main terms in the context of our assignment.

Furthermore, these remarks and assessments assume that the agreements with the Consortium are not modified and are executed in accordance with their provisions, in particular those concerning the compensation mechanisms provided for in the event of the impossibility of transferring certain assets or contracts to the corresponding perimeter (VEOLIA'S perimeter or the Consortium's New SUEZ perimeter), whereby an industrially and economically equivalent solution should be proposed for VEOLIA or the Consortium, as the case may be.

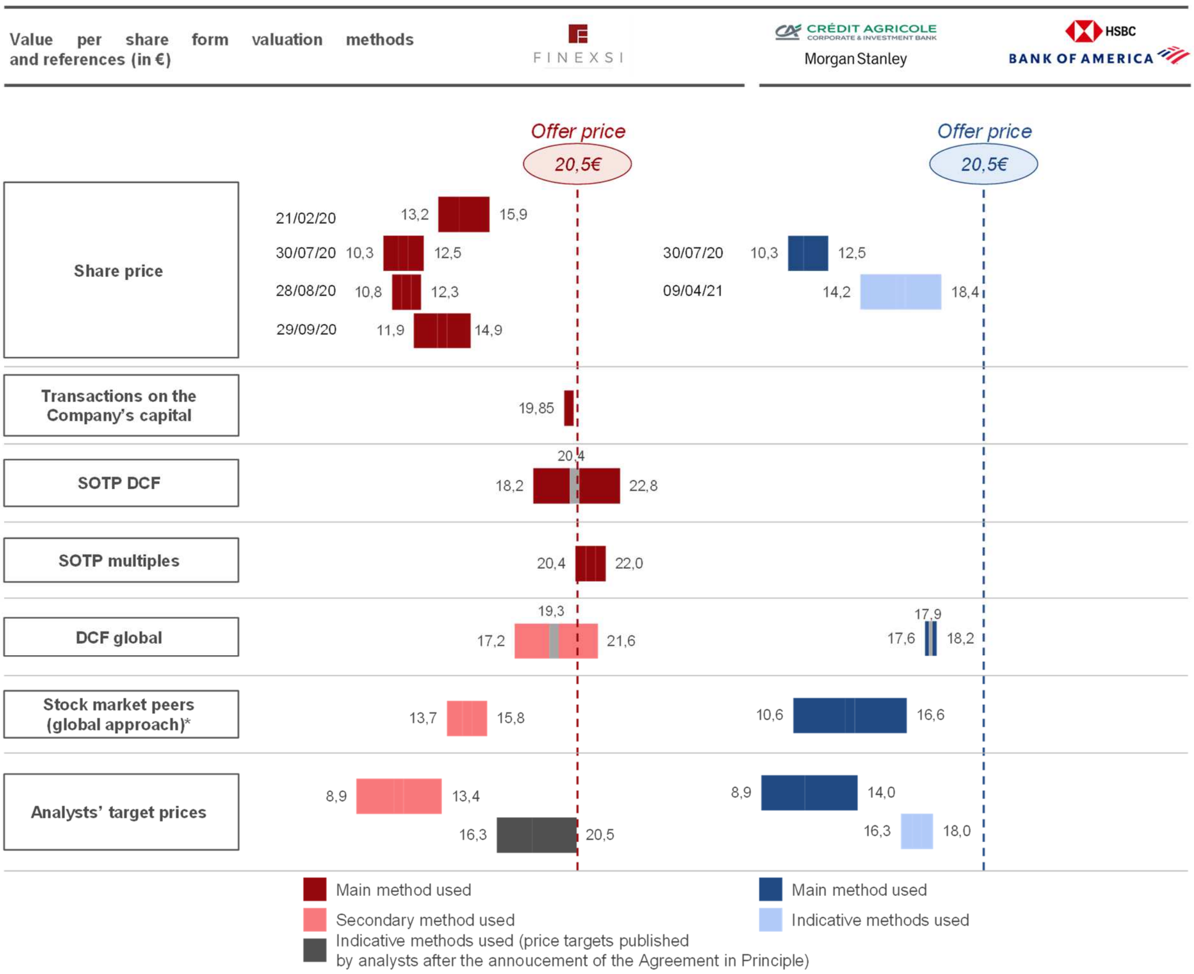
7. Analysis of the price appreciation elements as established by the presenting institutions

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HSBC, MORGAN STANLEY and BANK OF AMERICA (hereinafter "the Presenting Institutions"), acting as presenting institutions for the Offer, have prepared the elements of assessment of the Offer price set out in Section 3 of the draft offer document dated June 28, 2021.

We analyzed these elements and met with representatives of the presenting institutions in charge of the evaluation to discuss the evaluation methods and criteria used.

The results of our respective work are summarized below:

Figure 21: Summary of the work of FINEXSI and the presenting institutions



For the implementation of the market comparison method, we use EBITDA multiples for our analysis, whereas the reporting institutions base their analysis on EBITDA and PER multiples.

7.1 Choice of valuation criteria

For the valuation of SUEZ, the presenting institutions have used the following methods and references: analysis of the stock market price, discounted free cash flow, analyst price targets and the market comparison method.

We have considered all the methods and references used by the presenting institutions, and had access to detailed information by activity, we also present a sum of the parts based on the discounted free cash flow and the comparable stock market method, as well as the reference to the transaction between ENGIE and VEOLIA.

The reporting institutions, like us, have rejected the comparable transactions, book value, net asset value and dividend discounting methods.

The implementation of the different criteria calls for several remarks on our part.

7.2 Implementation of the different criteria

Financial data

Adjustments and transition from enterprise value to equity value

The presenting institutions have retained a transition from enterprise value to equity value, for the discounted free cash flow method, of a total amount of €-12,503 million based on the consolidated accounts at December 31, 2020 and excluding the impact of IFRS16, whereas we retain an amount of €-11,458 million. The main differences are due to:

- The inclusion of the asset rotation plan (€616 million) which is included in our adjusted net debt calculation, whereas these items are included in the DCF flows by the presenting institutions;
- The inclusion, by the presenting institutions, of provisions for the reconstitution of sites recorded as of December 31, 2020 (€541 million) as well as provisions for pension commitments (€708 million) in the calculation of net debt. As these provisions are included in the business plan flows communicated by Management, we have not considered them in the net debt;
- The recognition by the reporting institutions of net deferred taxes (-€164 million), while we only consider deferred tax assets related to tax loss carryforwards for their discounted amount (€578 million).

The reporting institutions have used a different conversion from enterprise value to equity value for the market comparison method, amounting to -€12,002 million.

The differences with the change from enterprise value to equity value used for the discounted free cash flow method concern the inclusion of (i) lease liabilities (€1,231 million) and (ii) the net impact of disposals relating to wave 1 of the asset rotation program (€1,732 million).

Number of shares held

Like us, the reporting institutions have used an estimated number of diluted shares of 639,702,982.

Stock price analysis

The presenting institutions use weighted average stock market prices as of July 30, 2020 (as the main date), which we have also used, and April 9, 2021, as a secondary date which we did not used in our analyses.

The analysis of the share price carried out by the presenting institutions does not call for any particular comment on our part.

We also performed this analysis on February 21, 2021, i.e. before the fall of the financial markets linked to the Covid-19 health crisis, as well as on September 29, 2020, i.e. before the submission of the improved offer from VEOLIA to ENGIE at a price of €18.0 per SUEZ share.

Discounting future cash flows

Concerning the forecasts considered

The presenting institutions referred to the analyst consensus to construct an overall business plan for the period 2021e-2023e and then extrapolated to 2028e. The presenting institutions indicated to us that they were not able to implement a sum-of-the-parts approach due to an insufficient level of information in the analyst reports on the outlook for the various activities of the SUEZ Group.

For our part, we have implemented this method both on the basis of the Group's overall business plan to 2023e and on the basis of individual business plans extrapolated by management to 2030 for the Company's various activities (sum-of-the-parts approach).

With regard to global approaches, the following main elements emerge[90]:

Concerning the normative margin rate

With regard to margin assumptions, the presenting institutions have used a [91]normative EBITDA margin rate of 14.8% in their terminal value. For our part, using the same definition of EBITDA, the normative margin rate would be 16.2%.

[90] In the absence of implementation of a sum-of-the-parts based on the DCF by the presenting institutions, there is no need to comment on this approach.

[91] Excluding the application of IFRS 16, the results of companies accounted for by the equity method and expenditure on the renewal of concessions.

Concerning the financial assumptions

We use a perpetual growth rate for the normative flow of 1.25%. The presenting institutions use a rate of 1.00%.

Concerning the discount rate, we use a rate of 5.57% for the overall DCF, while the presenting institutions use a rate of 5.6%.

Results

On the basis of the discounted cash flow method, the presenting institutions have determined a value ranging between €17.58 and €18.19.

We retain a value range of €17.2 to €21.6 based on the global DCF approach and usingthe consolidated business plan of the SUEZ Group 2021e-2023e.

Stock market comparables

To apply global approach[92] method, we considered the same stock market comparables as the presenting institutions, with the exception of BIFFA, which we did not retain because this company is specialized in the waste treatment market and only operates in the United Kingdom. Moreover, the presenting institutions have constituted two distinct samples by separating VEOLIA from the other comparable companies, whereas we have integrated it into our average multiples[93].

Like us, the reporting institutions base their analysis on EBITDA multiples. They also use P/E multiples (*Price Earning Ratio*), which we have excluded as these multiples are affected by the financial structure (cost of debt, tax rate, etc.) of the companies in the sample.

The reporting institutions apply their multiples to the Group's 2021 and 2022 EBITDA forecasts, whereas we also use the 2023 forecasts which, in our opinion, allow us to partially capture the improvement in the Group's performance linked to the *Shaping SUEZ 2030* plan.

In addition, we have restated the impact of IFRS16 for the multiples of comparable companies by excluding, for consistency, the IFRS16 debt in the transition from enterprise value to equity value of SUEZ, as well as in the EBITDA forecasts used. The reporting institutions apply this method after taking into account the impact of IFRS16.

[92] In the absence of the implementation of a sum-of-the-parts based on stock market multiples by the presenting institutions, there is no need to comment on this approach.

[93] As a reminder, we have determined the valuation multiples of VEOLIA on the basis of data as of July 30, 2021 (stock price, analysts' consensus) in order to limit the impact of potential speculation on its stock price following the ENGIE announcements of July 31, 2020. The presenting institutions have determined the valuation multiples of VEOLIA as of April 9, 2021, before the announcement of the Agreement in Principle between SUEZ and VEOLIA.

Based on VEOLIA's EBITDA multiples, the presenting institutions determine a value range between €10.60 and €10.77 per SUEZ share, and a value range between €16.25 and €16.61 per SUEZ share based on the sample of comparable companies excluding VEOLIA. We determine a value range between €13.7 and €15.8 per share based on the overall approach of stock market comparables.

On the basis of the P/E multiples, the presenting institutions estimate a value ranging between €12.42 and €15.06 per SUEZ share based on VEOLIA's multiples, and a value ranging between €12.27 and €15.54 based on the sample of other comparable companies excluding VEOLIA.

Analyst price targets

The presenting institutions use the analyst price targets published after the announcement of the results for the first half of 2020 and before VEOLIA's first offer for the acquisition of the ENGIE block, i.e. between July 29, 2020 and August 28, 2020.

For our part, we retain the reports published after the announcement of the results for the first half of 2020 and before ENGIE's announcement concerning its strategic refocusing because of the speculation on SUEZ shares that followed this communication, i.e. between July 29 and July 31, 2020.

For information purposes, we have also presented the analysts' price targets published for the following periods:

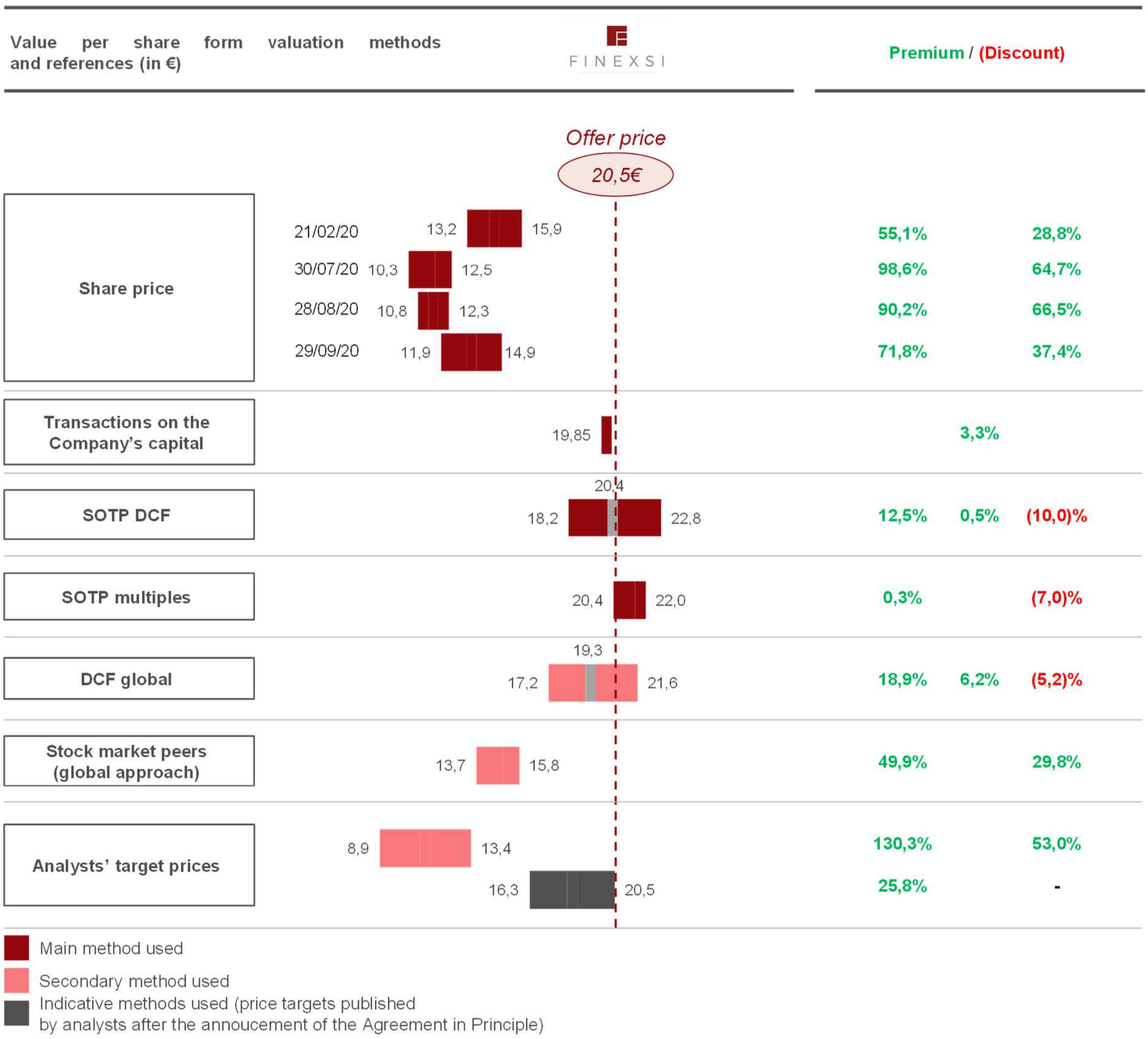
- Between August [1,] 2020 and August 29, 2020, i.e. between the announcement of ENGIE's strategic refocus and the announcement of VEOLIA'S Offer;
- Between August 30, 2020 and October 5, 2020, i.e. between VEOLIA's first offer to acquire the block from ENGIE at a price of €15.5 per share (with coupon attached) and the announcement of the acquisition of this block at a price of €18.0 per share (with coupon attached);
- Between October 6, 2020 and April 11, 2021, i.e. after the announcement of the acquisition of the block from ENGIE at a price of €18.0 per share (coupon attached), and before the announcement of the Agreement in Principle between SUEZ and VEOLIA which led to an increase in the Offer price to €20.50 per share (coupon attached);
- From April 12, 2021, i.e. after the announcement of the Agreement in Principle between SUEZ and VEOLIA and the increase of the Offer price to €20.50 per share (coupon attached).

8. Summary of our work and assessment of the fairness of the Offer price

8.1 Summary of our work on the valuation of SUEZ

At the end of our work, we note that the Offer price shows the following premiums and discounts to the values resulting from the methods we considered relevant.

Figure 22: Summary of our valuation work



8.2 Fairness Opinion on the Offer Price

With respect to the shareholder of SUEZ

This Tender Offer follows the acquisition on October 6, 2020 of a block of SUEZ shares representing 29.9% of the Company's capital by VEOLIA from ENGIE at a price of €18.0 per SUEZ share. This price was subsequently increased to €20.50 per share (with coupon attached) as part of the Agreement in Principle entered between SUEZ and VEOLIA on April 11, 2021, an increase which will also benefit to ENGIE pursuant to a top-up clause provided for in the Share Purchase Agreement signed between the latter and VEOLIA, as we will discuss below.

This Offer provides immediate access to liquidity for SUEZ shareholders, with a 29% premium over the last unaffected share price by the health crisis as of February 21, 2020, and a 44% premium over the average stock market price for the 60 days preceding that date. This control premium includes a significant portion of the synergies expected from the combination.

The Offer price is close to the central value of €20.4 derived from the sum of the parts based on the future cash flows to 2030e, which allows to apprehend the potential of each activity according to its own characteristics, in *standalone*. On this basis, the Offer price immunizes the shareholder from the risk of realizing each of the 2030e business plans, which, as already mentioned, factor in the strategic orientations and ambitions of Management in terms of revenue growth and margin improvement, and therefore allow the full value of the Group to be assessed. It should also be remembered that the results of the cash flow approach are representative of a control value insofar as they assume that all cash flows from the business will be captured.

This result is corroborated by the sum of the part approach based on comparable multiples applied to the forecast aggregates of the Group's various activities, taking into account the recovery of activity following the health crisis, the development of international activities and the benefit of cost optimization programs, particularly with regard to the Group's headquarter costs.

Based on the global valuation approaches of SUEZ retained as secondary methods, the Offer Price shows a premium of 6% on the central value resulting from the global DCF approach, premiums of 50% and 30% respectively on the low and high bounds of the global approach using peer multiples, as well as premiums of 130% and 53% on the range of financial analysts' price targets published between July 29 and July 31, 2020.

With respect to related agreements

With respect to the Share Purchase Agreement between VEOLIA and ENGIE, the price paid for the acquisition of the block after application of the top-up clause will amount to €19.85 per SUEZ share, subject to the approval by the General Meeting of the 2020 dividend of €0.65 per share.

This price is strictly equal to the price that will be received by SUEZ shareholders after detachment of the €0.65 coupon per share, being noted that ENGIE does not benefit from the ordinary dividends that may be paid to SUEZ shareholders on the shares transferred to VEOLIA. These ordinary dividends correspond to the return attached to the holding of SUEZ shares until the settlement of the Offer, expected in 2021.

On this basis, we consider that the Share Purchase Agreement is not such as to question the fairness of the Offer Price.

With respect to the sale of the New SUEZ perimeter by VEOLIA to a Consortium of investors at the same time as the present Offer, it appears to us, on the basis of a review of the legal and financial documentation relating to the said sale[94] and an exchange with the members and advisors of the Consortium, that the enterprise value of €9.5 billion (€9.8 billion including the earn-out) proposed by the Consortium is lower than our own estimates of the value of the said assets in the context of the assessment of the Offer Price, in particular regarding the central approach of the sum of the parts based on DCF. Therefore, the sale price to the Consortium does not represent a capital gain for the Offeror that would not benefit the SUEZ shareholder. Consequently, this sale does not appear to question the fairness of the Offer for the SUEZ shareholder.

The same applies to the Agreement in Principle and the Combination Agreement, the provisions of which are not such as to question the fairness of the Offer price from a financial view.

The comments and assessments in this report assume that the agreements with the Consortium are not substantially modified and are being performed in accordance with their terms, and that the scope of consolidation is not affected by future decisions of the Competition Authorities.

At the date of this report, we consider that the Offer Price of €20.50 per share is fair from a financial point of view for the SUEZ shareholder.

Paris, June 29, 2021

FINEXSI EXPERT & CONSEIL FINANCIER

Lucas ROBIN
Partner

Olivier PERONNET
Partner

[94] *Memorandum of Understanding* of May 14, 2021, Final Offer of June 27, 2021, and *Put Option Agreement* of June 29, 2021.

Appendix 1: Presentation of FINEXSI, and progress of the mission

Presentation of FINEXSI EXPERT & CONSEIL FINANCIER

FINEXSI EXPERT ET CONSEIL FINANCIER'S (FINEXSI) activity falls within the business lines regulated by the Ordre des Experts Comptables and the Compagnie Nationale des Commissaires aux Comptes. It mainly includes the following activities:

- Statutory audit ;
- Acquisitions and disposals of businesses;
- Contributions and mergers ;
- Valuation and independent expertise;
- Litigation assistance.

To carry out these assignments, the firm employs staff with a high level of experience and expertise in each of these specialties.

FINEXSI is an independent firm and does not belong to any group or network.

List of independent appraisals performed by FINEXSI OVER THE last 18 months

Date	Target	Initiator	Presenting bank(s)	Operation	Advisory bank(s) [(1)]
mar.-20	April	Andromeda Investissements	Deutsche Bank, Lazard, Natixis	Public buyout offer followed by a squeeze-out	-
jul.-20	Antalis	KPP	Oddo BHF	Simplified tender offer	-
jul.-20	SoLocal Group	N/A	N/A	Capital increase reserved for creditors	Rothschild & Co
jul.-20	Technicolor	N/A	N/A	Capital increase without deletion of preferential subscription rights and capital increase reserved for certain creditors	Rothschild & Co
sept.-20	Devoteam	Castillon SAS	Crédit Agricole CIB	Tender offer (by the Founders)	-
oct.-20	Sodifrance	Sopra Steria	Bryan Garnier & Co	Simplified tender offer followed by a squeeze-out	
nov.-20	Bourbon	N/A	N/A	Capital increase reserved for creditors	Lazard
dec.-20	Europcar Mobility Group	N/A	N/A	Capital increase without deletion of preferential subscription rights and capital increase reserved for certain creditors	Rothschild & Co
jan.-21	Dalet	Dalet Holding	Alantra Capital Markets	Simplified tender offer	-
mar.-21	Vallourec	N/A	N/A	Proposed rights issue and capital increase reserved for certain creditors	Rothschild & Co

[(1)] : if different from the Presenting Bank(s)

Membership in a professional association recognized by the Autorité des Marchés Financiers (French Financial Markets Authority)

FINEXSI EXPERT & CONSEIL FINANCIER is a member of the APEI (Association Professionnelle des Experts Indépendants), a professional association recognized by the Autorité des Marchés Financiers in application of article 263-1 of its General Regulations.

In addition, FINEXSI EXPERT & CONSEIL FINANCIER applies procedures aimed at protecting the independence of the firm, avoiding situations of conflict of interest and controlling the quality of the work carried out and the reports before they are issued.

Amount of remuneration received

Our remuneration for this mission amounts to €1,500,000, excluding taxes, fees and disbursements.

The time actually spent on this engagement was of the order of 4,000 hours.

Description of the work performed

We implemented the following work programme:

1 - Become familiar with the Transaction and accept the engagement

2 - Identify the risks and direction of the engagement

3 - Gathering of information and data necessary for the mission: review of the sector analysis notes, the analysis notes on the Company's comparables and the analysis notes on the comparable transactions.

4 - Assess the specific context of the Bid:

- Discussions with the Company's management
- Discussions with the Company's financial and legal advisors.

5 - Analysis of the transaction and the related legal documentation (in particular that relating to related agreements).

6 - Review of the Company's accounting and financial documentation.

7 - Analysis the SUEZ'S share price:

- Analysis of the evolution of the share price
- Analysis of the free float and liquidity

8 - Analysis of recent transactions involving the Company's capital.

9 - Review of the Company's management business plan (overall business plan and business plans by activity and geographic location).

10 - Perfom a valuation using the discounted cash flow method, using a global approach and sum-of-the-parts approach, and sensitivity analysis.

11 - Implementation of a valuation using the analogical method of stock market comparables, according to a global approach and by the sum of the parts.

12 - Implement methods based on market data:

- Spot prices and volume-weighted average prices ;
- Analysts' price targets.

13 - Analysis of the draft offer document, and in particular the agreements and related transactions likely to have an impact on the assessment of the Offer price

14 - Analysis of the draft note in reply.

15 - Obtain letters of affirmation from the Target Company Representative and the Offeror.

16 - Independent review.

17 - Write the report.

Study schedule

September 21, 2020	Pre-appointment of FINEXSI as independent expert by the SUEZ ad hoc committee
Between September 21, 2020 and February 24, 2021	First contacts with SUEZ management on the conditions of our intervention
February 24, 2021	Appointment of FINEXSI as independent expert by the Board of Directors of SUEZ
February 25, 2021	Conference call with the AMF (Autorité des Marchés Financiers)
February - March 2021	Collection of available public information Identification and collection of data on stock market comparables from our financial databases CAPITAL IQ and MERGERMARKET in particular
March - May 2021	Implementation of the multi-criteria evaluation of SUEZ shares
March 10, 2021	Conference call with BREDIN PRAT and DARROIS
March 11, 2021	Conference call with SUEZ's advisory banks (ROTHSCHILD & CO AND Goldman SACHS) on the valuation work
From March 15 to 23, 2021	Several working meetings with SUEZ management to present the Group's different activities and their specificities according to geographical locations (including in particular Eau France, R&R France, R&R UK, Eau Latam, Eau and R&R Asia, Eau USA, R&R Australia, WTS, IWS, SES, SPOT plan, etc.), as well as on the Group's strategy
March 22, 2021	Meeting with management on the firm offer submitted by ARDIAN and GIP
March 22, 2021	Conference call with SUEZ advisory banks
March 26, 2021	Conference call with the Ad Hoc Committee - first progress report
March 31, 2021	Conference call with SUEZ advisory banks
April [1,] 2021	Conference call with SUEZ Investor Relations Department
April 2, 2021	Conference call with SUEZ Finance Department
April 2, 2021	First working meeting with the Initiator
April 6, 2021	Conference call with SUEZ advisory banks
April 7, 2021	Conference call with the AMF
April 7, 2021	Conference call with SUEZ management on external growth prospects
April 8, 2021	Conference call with presenting institutions on their evaluation work
April 8, 2021	Conference call with certain SUEZ directors
April 9, 2021	Conference call with LEDOUBLE on their evaluation work
April 9, 2021	Conference call with the Ad Hoc Committee - second progress update
April 14, 2021	Conference call with the Offeror

April 19, 2021	Conference call with SUEZ Finance Department
April 19, 2021	Conference call with the AMF
April 29, 2021	Conference call with the Offeror
April 29, 2021	Conference call with SUEZ Finance Department
May 7, 2021	Conference call with the Offeror
May 7, 2021	Conference call with SUEZ Finance Department
May 11, 2021	Conference call with the Ad Hoc Committee - third progress update
May 17, 2021	Conference call with the Offeror
May 20, 2021	Conference call with SUEZ advisory banks
May 21, 2021	Conference call with SUEZ Finance Department
May 25, 2021	Conference call with the Offeror
May 28, 2021	Conference call with SUEZ Finance Department
May 31, 2021	Conference call with the Offeror
June 2021	Writing the valuation report
June 4, 2021	Conference call with SUEZ Finance Department
June 10, 2021	Conference call with the Offeror
June 10, 2021	Conference call with SUEZ Finance Department
June 14, 2021	Conference call with the Offeror
June 14, 2021	Conference call with the Ad Hoc Committee - fourth progress update
June 15, 2021	Conference call with the Board of Directors of SUEZ
June 16, 2021	Conference call with the Offeror
June 21, 2021	Conference call with the Offeror
June 21, 2021	Conference call with SUEZ Finance Department
June 22, 2021	Conference call with Consortium members
June 23, 2021	Conference call with the AMF
June 24 to 28, 2021	Independent review of the FINEXSI report
June 24, 2021	Conference call with SUEZ Finance Department
June 28, 2021	Conference call with the Ad Hoc Committee
June 29, 2021	Conference call with the Board of Directors of SUEZ
June 29, 2021	Receipt of letters of affirmation signed by SUEZ and VEOLIA
June 29, 2021	Submission of the valuation report

List of the main people met or contacted

SUEZ

- Mr. Julian WALDRON, Deputy General Manager in charge of Finance;
- Ms. Diane GALBE, Executive Vice President in charge of the Smart & Environmental Solutions Global Business Unit and Strategy;
- Mr. Willem MENTZ, Senior VP Group Controlling;
- Ms. Alice RAULT, Group Chief Transformation Officer;
- Mr. Guillaume CAMPARO, Director of Financial Planning and Analysis;
- Mr. Morade BENAHMED, Head of M&A and Project Finance.

VEOLIA

- Mr. Claude LARUELLE, Deputy Director General in charge of finance;
- Mr. Hubert SUEUR, Director of Development and Financial Operations;
- Mr. Eric HAZA, Group Legal Director;
- Ms. Pascale ABDELLI, Director of Corporate and Securities Law.

GOLDMAN SACHS, advisor to SUEZ

- Mr. Gilberto POZZI, Managing Director;
- Mrs. Giulia LEWANDOWSKI, Managing Director;
- Mr. Baptiste PAVEN, Associate;
- Mr. Charles CATTENOZ, Associate;
- Ms. Anne-Cécile LASNIER-CONFOLANT, Analyst.

ROTHSCHILD & CO, advisor to SUEZ

- Mr. Grégoire CHERTOK, Managing Partner;
- Mr. Emmanuel GUILLEMET, Manager;
- Mr. Mathieu PERRIN, Vice-President;
- Mr. Charles BRAULT, Associate;
- Mr. Joud BENSAID, Associate.

PJT PARTNERS, advisor to SUEZ

- Mr. Emmanuel GUEROULT, Partner.
- Mr. Pierre BOURDERYE, Partner.

DARROIS VILLEY, counsel to SUEZ

- Mr. Bertrand CARDI, Lawyer;
- Mr. Christophe VINSONNEAU, Lawyer;
- Mrs. Cécile DE NARP, Lawyer;
- Mrs. Gersende RENARD, Lawyer.

BREDIN PRAT, counsel to SUEZ

- Mr. Benjamin KANOVITCH, Lawyer;
- Mr. Jérôme VINCENT, Lawyer;
- Mr. Adrien SIMON, Lawyer;
- Mrs. Laura GABAY, Lawyer.

VIGUIÉ SCHMIDT & ASSOCIÉS, counsel to SUEZ

- Mr. Yves SCHMIDT, Lawyer ;
- Mr. Tanguy GRIMALD, Lawyer.

CLEARY GOTTLIEB, counsel to VEOLIA

- Mr Pierre-Yves CHABERT, Lawyer.

PERELLA WEINBERG PARTNERS, advisor to VEOLIA

- Mr. Uel MIGAN, Managing Director.

MESSIER & ASSOCIES, counsel to VEOLIA

- Mr. Alexis POLLET, Partner.

Presenting institutions

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK

- Mr. Thibaut VERDIER, Managing Director.

HSBC

- Mr. Romain DOMANGE, Managing Director.

MORGAN STANLEY

- Mr. Thomas CONTENAY, Executive Director.

BANK OF AMERICA

- Mr. Jérôme MORISSEAU, Managing Director;
- Mr. Guillaume HAMARD, Director.

Consortium

GIP

- Mr. Antoine KERRENNEUR, Principal;
- Mr. Alaric SALUDO, Vice-President.

MERIDIAM

- Mr. Julien TOUATI, Director.

CDC

- Mr. Guillaume CHOLLET, Director.

Consortium - Consulting

CENTERVIEW PARTNERS

- Mr. Grégoire HEUZE, Partner;
- Mr. Godefroy HARIKA, Principal.

LAZARD

- Mr. Thomas PICARD, Managing Director;
- Mr. Alexis ALFONSI.

NOMURA

- Mr. Pacôme DERINCQUESEN, Vice-President.

- **Sources of information used**

Main information provided by the various stakeholders

- Overall business plan for the period 2021e-2023e and extrapolated business plans by activity and geographic area for the period 2021e-2030e ;
- Financial and strategic *due diligence* reports ;
- Minutes of Boards held from 2019 to 2021 ;
- Legal documentation relating to the Transaction (combination agreement, MoU, SAPA) ;
- Legal documentation relating to the acquisition of the ENGIE block (share purchase agreement between VEOLIA and ENGIE) ;
- SUEZ evaluation report prepared by the presenting institutions ;
- Draft Information Memorandum and Reply Memorandum ;
- Offers of the Consortium of Investors for the acquisition of New SUEZ ;
- Letters of affirmation from the Company and the Initiator.

Market information

- SUEZ financial communication (Universal Registration Documents and half-yearly financial reports) for the years 2015 to 2021 ;
- Communication by SUEZ regarding the Transaction (press releases, investor presentations, etc.) ;
- Stock market prices, stock market comparables, market consensus: CAPITAL IQ, MERGERMARKET, EPSILON, etc. ;
- Market data (risk-free rate, risk premium, beta, etc.): CAPITAL IQ, ASSOCIES en Finance, DAMODARAN, BANQUE DE FRANCE;
- Others: XERFI studies.

Staff involved in the assignment

The signatories, Olivier PERONNET (Partner, 35 years of experience) and LUCAS ROBIN (Partner, 25 years of experience), were assisted by Maxime ROGEON (Senior Manager, 11 years of experience), Georges WINDSOR (Manager) and Salah-Eddine BENABDERRAZIK (Senior Analyst).

The independent review was carried out by Olivier COURAU, Partner of the firm specializing in financial valuation, who was not involved in the valuation work.

Mr Courau was appointed at the beginning of the mission and was kept informed of any points of attention or difficulties identified during the mission until the report was issued. His role is to ensure that the quality of the work and good valuation practices are respected. His work consisted mainly of:

- Reviewing the engagement acceptance procedure and evaluating the firm's independence ;
- Reviewing the valuation work carried out by the team and the conclusions drawn from this work ;
- Reviewing the documents on which the opinion of the signatory partners is based and evaluating the format and conclusion of the report.

His work was formalized in writing and discussed with the signatory partners.

Appendix 2: Mission letter of the Independent Expert

FINEXSI
À l'attention de Messieurs Olivier PERONNET et Lucas ROBIN
14, rue de Bassano
75116 PARIS

Paris, le 24 février 2021

Messieurs,

SUEZ est un groupe international, leader dans les services de la gestion de l'eau, de l'assainissement, de la collecte et de la valorisation des déchets.

VEOLIA a annoncé le 30 août 2020 avoir remis à ENGIE une offre ferme pour l'acquisition auprès de cette dernière d'un bloc d'actions représentant 29,9% du capital de SUEZ au prix de 15,50 € par action (coupon attaché), et son intention de déposer ultérieurement une offre publique d'acquisition volontaire du solde des actions de SUEZ. La proposition de Veolia à Engie incluait un engagement d'apport par Engie à l'offre publique de ses 1,8 % restant dans Suez. Cette offre de Veolia ENGIE n'a pas été acceptée par ENGIE. Le 30 septembre 2020 VEOLIA a remis à ENGIE une offre améliorée d'acquisition de 29,9% du capital au prix de 18 € par action SUEZ (coupon attaché).

La cession du bloc d'actions représentant 29,9% du capital de SUEZ est intervenue le 5 octobre 2020. Le même jour, VEOLIA a confirmé son intention de déposer une offre publique d'achat sur le solde du capital de SUEZ.

Le 3 novembre 2020, VEOLIA s'est engagée à déposer une offre publique d'acquisition au prix de 18€ par action (coupon attaché) sur l'ensemble du capital de SUEZ dès que le conseil d'administration de SUEZ aura émis un avis favorable sur ce projet.

Le 7 janvier 2021, Veolia a adressé au conseil d'administration de SUEZ une proposition d'offre publique, au prix de 18 euros par action (coupon attaché).

A la suite des annonces de VEOLIA, SUEZ a entrepris la recherche de solutions alternatives au projet de VEOLIA. Le 17 janvier 2021 SUEZ a annoncé avoir reçu une lettre d'intention des fonds ARDIAN et GLOBAL INFRASTRUCTURE PARTNERS (GIP) « visant à permettre une solution amicale et rapide à la situation créée par l'intention d'offre de Veolia ». Cette solution alternative a été accueillie favorablement par le Conseil d'administration de SUEZ.

Le 7 février 2021, VEOLIA a annoncé le dépôt d'un projet d'offre publique d'achat sur le solde du capital de Suez, au prix de 18 € par action, coupon attaché. VEOLIA a indiqué envisager de mettre en œuvre un retrait obligatoire à l'issue de l'offre publique si la condition du seuil de détention (90%) était remplie (l'Offre »). Ce projet d'offre publique d'achat a fait l'objet d'un avis de dépôt par l'AMF le 8 février 2021. Le Conseil d'administration de SUEZ a décidé à l'unanimité, lors de sa réunion du 24 février 2021, que les conditions n'étaient pas réunies pour accueillir favorablement le projet d'Offre.

Dans le cadre du projet annoncé par VEOLIA, un Comité ad hoc a été constitué au sein du Conseil d'administration de Suez le 31 août 2020 en vue de préparer les travaux du Conseil d'administration relatifs au projet annoncé par Veolia le 30 août 2020, et avec notamment pour mission, en cas de dépôt formel d'une offre visant les actions Suez, de participer à la sélection de tout expert indépendant ainsi qu'à la définition de sa mission et de superviser ses travaux, en vue d'émettre une attestation d'équité au sens du règlement général de l'AMF. Le 21 septembre 2020, le Comité ad hoc a proposé la sélection du cabinet Finexsi au Conseil d'administration qui vous a désigné le 24 février 2021 en qualité d'expert indépendant chargé d'apprécier les conditions financières de du projet d'offre pour les actionnaires de Suez / ou toute autre opération ou accord connexe susceptible d'intervenir.

C'est dans ces conditions que nous vous faisons parvenir cette lettre de mission dont le contenu a été validé par le Comité ad hoc.

Objectifs et cadre réglementaire de votre mission

Votre mission consistera en la remise d'un rapport d'expertise indépendante, qui comprendra en conclusion une attestation d'équité sur les conditions financières de l'Offre et répondant aux dispositions de l'article 262-1 du règlement général de l'AMF, des instructions d'application n°2006-07 et n°2006-08 relatives respectivement aux offres publiques d'acquisition et à l'expertise indépendante, ainsi que la recommandation AMF n°2006-15 relative à l'expertise indépendante dans le cadre d'opérations financières (la « Mission »).

Cette expertise indépendante vise à apprécier le prix des tires SUEZ qui sera proposé aux actionnaires de SUEZ et à vous prononcer sur l'équité des conditions financières de l'Offre. Il devra permettre au conseil d'administration de SUEZ d'apprécier les conditions financières de l'Offre afin de rendre un avis motivé.

Plus précisément, votre intervention est requise au titre de l'article 261-1 I, 4° du règlement général de l'AMF en raison notamment de l'existence d'accords connexes au projet d'offre (en particulier la cession de l'ensemble des activités de SUEZ Eau France et de ses filiales à MERIDIAM pour laquelle SUEZ ne dispose que du peu d'informations rendues publiques par VEOLIA et les accords de VEOLIA et ENGIE portant notamment sur le complément de prix dont bénéficie ENGIE), susceptibles d'avoir un impact significatif sur le prix ou le cas échéant la parité de l'Offre.

Nous avons compris de nos échanges que vous disposiez des ressources nécessaires pour accomplir cette mission dans les délais impartis, étant précisé que l'article 262-1 II du Règlement général de l'AMF prévoit qu'une fois désigné, l'expert doit disposer d'un délai suffisant pour élaborer son rapport en fonction de la complexité de l'opération et de la qualité de l'information mise à sa disposition et que ce délai ne peut être inférieur à vingt jours de négociation.

Ce délai minium s'entend à compter de la réception de l'ensemble de la documentation nécessaire à l'élaboration de votre rapport. Le calendrier envisagé est conforme à ce délai.

Diligences à effectuer

Les diligences qui seront mises en œuvre par FINEXSI dans le cadre de la Mission comprendront notamment, conformément aux dispositions du règlement général de l'AMF susvisé et de son instruction d'application n°2006-08 du 25 juillet 2006 relative à l'expertise indépendante, elle-même complétée des recommandations de l'AMF en date du 28 septembre 2006, modifiées les 19 octobre 2006, 27 juillet 2010 et 10 février 2020 :

- Des entretiens réguliers avec le management de la Société et le Comité ad hoc ;
- La détermination et la mise en œuvre d'une approche d'évaluation multicritères de la Société (analyse du cours de bourse, DCF (*discounted cash flow*), SOTP (sum of the parts), comparables boursiers, transactions comparables, objectifs de cours des analystes, transactions récentes sur le capital de la Société…) ;
- L'analyse critique du rapport d'évaluation préparé par les établissements présentateurs de l'Offre ;
- L'examen de l'incidence des accords et opérations connexes sur l'appréciation des termes de l'Offre, conformément à l'alinéa 4 de l'article 261-1 I du règlement général précité ;
- L'établissement d'un rapport dont la conclusion sera présentée sous forme d'une attestation d'équité ; et
- La gestion des potentiels échanges que vous pourriez avoir avec les actionnaires minoritaires et l'AMF.

Conflit d'intérêt

Sur la base des informations portées à notre connaissance, nous comprenons que le cabinet FINEXSI, ainsi que ses associés sont indépendants au sens des articles 261-1 et suivants du règlement général de l'AMF et ne se trouvent notamment dans aucun des cas de conflit d'intérêts visés à l'article 1 de l'instruction AMF 2006-08 relative à l'expertise indépendante.

Veuillez agréer, Messieurs, l'expression de nos salutations distinguées.

Philippe VARIN

Président du Conseil d'administration

FINEXSI
À l'attention de Messieurs Olivier PERONNET et Lucas ROBIN
14, rue de Bassano
75116 PARIS

Paris, le 17 mai 2021

Messieurs,

Nous faisons notamment référence à notre lettre du 24 février 2021.

Le Conseil d'administration de SUEZ vous a désigné le 24 février 2021 au titre de l'article 261-1 I, 4° du règlement général de l'AMF en raison notamment de l'existence d'accords connexes au projet d'offre publique d'acquisition de VEOLIA portant sur l'intégralité du capital de SUEZ (en particulier la cession de l'ensemble des activités de SUEZ Eau France et de ses filiales à MERIDIAM pour laquelle la Société dispose à ce stade de très peu d'informations et le complément de prix dont bénéficie ENGIE), susceptibles d'avoir un impact significatif sur le prix ou le cas échéant la parité de l'offre publique.

À la suite de la conclusion d'un accord de rapprochement entre SUEZ et VEOLIA et à la signature d'un *Memorandum of Understanding* (« MoU ») entre SUEZ, VEOLIA et un consortium d'investisseurs composé de MERIDIAM, GIP, CDC et CNP (le « Consortium »), la cession d'actifs de Suez se ferait au bénéfice du Consortium et non plus au seul bénéfice de MERIDIAM.

Votre intervention est donc également requise au titre des accords conclus entre SUEZ et VEOLIA d'une part et entre SUEZ et le Consortium pour la cession d'actifs au Consortium en vue de la création du nouveau SUEZ et du complément de prix dont bénéficie ENGIE.

Les autres dispositions prévues dans la lettre qui vous a été adressée le 24 février 2021 restent inchangées.

Veuillez agréer, Messieurs, l'expression de nos salutations distinguées.

Philippe VARIN

Président du Conseil d'administration

Appendix 3: Description of the stock market comparables used for the implementation of the SOTP approach

Water Europe

- PENNON GROUP PLC[95] is a British company specialized in environmental services including drinking water distribution and wastewater treatment, which represented 74% of its revenues as of March 31, 2021. PENNON GROUP PLC generates all its revenues in the United Kingdom. As of March 31, 2021, the company had revenues of £623 million (approximately €731 million) from continuing operations and EBITDA of £277 million (approximately €325 million);

- SEVERN TRENT PLC is a UK water and wastewater company with 6,864 employees. The company generates all its revenues in the United Kingdom. The water business represented 91% of its revenues in the year ended March 31, 2021, and services 9%. As of March 31, 2021, SEVERN TRENT PLC had revenues of £1,827 million (approximately €2,145 million) and EBITDA of £809 million (approximately €950 million);

- UNITED UTILITIES is specialized in the distribution of drinking water and in wastewater treatment. This British company has employees 5,000 people and generates all its revenues in the United Kingdom. Its wastewater treatment business accounted for 52% of its revenue in the year ended March 31, 2021, and its water distribution business for 42%. As of March 31, 2021, UNITED UTILITIES had revenues of £1,808 million (approximately €2,122 million) and EBITDA of £1,043 million (approximately €1,224 million).

Table 20: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
Pennon	UK	731	6 143	9,6x	9,4x
Severn Trent	UK	2 145	14 743	12,5x	12,1x
United Utilities	UK	2 122	16 750	13,5x	13,1x
Mean				**11,9x**	**11,5x**
Median				**12,5x**	**12,1x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

[95] The sales and EBITDA figures in this appendix are from CAPITAL IQ

Water rest of Europe

- PENNON GROUP PLC, SEVERN TRENT PLC and UNITED UTILITIES described above;
- ACEA is an Italian company operating in several fields, the main ones being electrical energy services (52% of revenues), water management (35%) and waste management (4%). It has employees 7,650and generated revenues of €3.3 billion in 2020 with an EBITDA of €900 million. The Group is the leader in the water distribution sector in Italy (9 million people) and is a major national operator in energy infrastructure;
- HERA is an Italian company that mainly provides energy services (electricity generation and gas transmission), which accounted for 72% of its revenues in 2020, waste management (15%) and water (11%). The Company conducts all its business in Italy and generated revenues of €7.4 billion for an EBITDA of €949 million in 2020.

Table 21: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
Pennon	UK	731	6 143	9,6x	9,4x
Severn Trent	UK	2 145	14 743	12,5x	12,1x
United Utilities	UK	2 122	16 750	13,5x	13,1x
ACEA	Italy	3 250	8 686	6,9x	6,6x
Hera	Italy	7 429	8 535	7,1x	6,8x
Mean				**9,9x**	**9,6x**
Median				**9,6x**	**9,4x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

Regulated water in the United States

- AMERICAN WATER WORKS COMPANY is an American water and wastewater treatment company. Regulated activities accounted for 84% of its revenues in 2020. As of December 31, 2020, AMERICAN WATER WORKS COMPANY generated revenues of $3,777 million (approximately €3,088 million) and EBITDA of $1,901 million (approximately €1,554 million);
- CALIFORNIA WATER SERVICE GROUP offers water production, storage and distribution services as well as wastewater treatment. The company conducts all so its business in the United States. As of December 31, 2020, it generated revenues of $794 million (approximately €649 million) and EBITDA of $244 million (approximately €199 million);

- SJW GROUP is a U.S. water services company. The company only operates in the United States and 99% of its 2020 revenue comes from regulated activities. As of December 31, 2020, the company had revenues of 565 million (approximately €462 million) and an EBITDA of $209 million (approximately €171million).

Table 22: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
American Water Works	United-States	3 088	31 813	18,1x	16,8x
California Water Service	United-States	649	3 293	14,7x	13,6x
SJW	United-States	462	2 789	15,3x	13,6x
Mean				**16,0x**	**14,7x**
Median				**15,3x**	**13,6x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

Water Asia

- BEIJING ENTERPRISES WATER GROUP LIMITED is a Chinese company whose main activities are wastewater and reclaimed water treatment (77% of its 2020 revenue) and drinking water distribution (11%). The company generates 94% of its revenues in mainland China. As of December 31, 2020, its revenues amounted to 25,361 million (approximately €2,674 million) and its EBITDA was HK$7,657 million (approximately €807 million);

- SIIC ENVIRONMENT HOLDINGS LTD offers wastewater treatment, water supply and waste incineration services. The Chinese company operates exclusively in China and employs over 6,000 people. Its main business is wastewater and sludge treatment (including construction and maintenance of such infrastructure), which accounted for 82% of its revenue in 2020. It generated revenues of SG$1,266 million (approximately €783 million) and EBITDA of 401 million (approximately €250 million) in 2020;

- BEIJING ORIGINWATER TECHNOLOGY CO. LTD. is specialized in providing recycling and wastewater treatment services in China. As of December 31, 2020, the company had revenues of ¥9,618 million (approximately €1,204 million) and EBITDA of 2,486 million (approximately €311 million).

Table 23: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
Beijing Enterprises Water	Hong Kong	2 674	11 513	11,1x	10,4x
SIIC Environment	Singapour	783	2 549	9,2x	8,5x
Beijing Originwater Technology	Chine	1 204	6 150	13,7x	12,0x
Mean				**11,3x**	**10,3x**
Median				**11,1x**	**10,4x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

Recycling and Recovery Europe

- RENEWI PLC is a UK company specialized in waste management. It is engaged in the commercial waste management segment (72% of revenues for the year ended March 31, 2021), the management of contaminated materials such as minerals and water (11% of revenues) and specialized recycling (17% of revenues). As of March 31, 2021, RENEWI had 6,800 employees. At the same date, its revenues amounted to £1,443 million (approximately €1,694 million) and its EBITDA to £129 million (approximately €152 million);

- BIFFA PLC is a British company specialized in waste management. Its business is divided into two segments: waste collection, management and treatment (74% of revenues for the fiscal year ending March 2021) and recycling and energy production services (26% of revenues). The company generates all its revenues in the UK and employs approximately 8,200 people. BIFFA PLC generated revenues of £1,042 million (approximately €1,219 million) in the fiscal year ended March 2021. 1,042 million (approximately €1,219 million) and EBITDA of £31 million (approximately €36 million);

- LASSILA & TIKANOJA OYJ is a Finnish company involved in environmental management and maintenance services. The company's main activities are (i) environmental services (38% of revenues in 2020), (ii) cleaning and facility support services (49%) and (ii) industry services (14%). It operates almost exclusively in Finland (80% of its 2020 revenue) and Sweden (18%). The company has 8,139 employees. LASSILA & TIKANOJA OYJ had revenues of €752m as of December 31, 2020 and EBITDA of €68m.

Table 24: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
Renewi	UK	1 694	1 163	5,4x	5,1x
Biffa	UK	1 219	1 425	8,3x	6,9x
Lassila & Tikanoja	Finland	752	687	7,8x	7,4x
Mean				**7,1x**	**6,5x**
Median				**7,8x**	**6,9x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

Recycling and Recovery Asia

- ZHEJIANG WEIMING ENVIRONMENT PROTECTION CO. LTD is a Chinese company offering solid waste collection, treatment and disposal services. The company is also involved in the construction of solid waste treatment infrastructure projects, such as incineration facilities. As of December 31, 2020, its revenues amounted to ¥3,123 million (approximately €391 million) with an EBITDA of ¥1,707 million (approximately €214 million). The company employs more than 2,000 employees;

- WANGNENG ENVIRONMENT CO. LTD is a Chinese company that builds and operates solid waste treatment facilities. As of December 31, 2020, it had revenues of ¥1,698 million (approximately €213 million) and EBITDA of ¥1,148 million (approximately €144 million). The company employs more than 1,000 employees;

- DYNAGREEN ENVIRONMENTAL PROTECTION GROUP CO. LTD is a Chinese company specializing in the construction, operation and maintenance of municipal waste processing plants in China. The company also contributes to technology research in the waste sector. As of December 31, 2020, it had a turnover of HK$2,705 million (approximately €285 million) and an EBITDA of HK$1,614 million (approximately €170 million);

- DONGJIANG ENVIRONMENTAL COMPANY LIMITED is a Chinese company specializing in industrial and municipal waste recycling, treatment and disposal, and also in renewable energy. As of December 31, 2020, its revenues amounted to HK$3,937 million (approximately €415 million) and its EBITDA to HK$1,190 million (approximately €125 million);

- CHINA EVERBRIGHT ENVIRONMENT GROUP LTD is a Chinese environmental solutions company. The company's main activities are (i) the construction and operation of waste treatment and energy recovery solutions (61% of revenues in 2020), (ii) the construction and operation of so-called *greentech* projects focused on biomass, renewable energy and hazardous waste treatment (23%), (iii) the construction and operation of wastewater treatment projects (13%), as well as (iv) other activities (3%). The company generates more than 98% of its revenue in China. As of December 31, 2020, its revenues amounted to HK$42,926 million (approximately €4,526 million) with an EBITDA of HK$12,895 million (approximately €1,360 million). The company has approximately 12,700 employees.

Table 25: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
Zhejiang Weiming	China	391	3 948	12,8x	10,5x
Wangneng	China	213	1 453	8,0x	6,7x
Dynagreen	China	285	2 420	8,1x	6,6x
Dongjiang	China	415	1 248	6,6x	5,9x
China Everbright Environment	Hong Kong	4 526	10 884	7,1x	6,5x
Mean				**8,5x**	**7,2x**
Median				**8,0x**	**6,6x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

We excluded CAPITAL ENVIRONMENT HOLDINGS LIMITED (CEHL) and SANFENG from the sample because there are no EBITDA forecasts for these companies.

Recycling and Recovery Australia

- COVANTA is an American company specialized in waste treatment and recycling (76% of its 2020 revenue), energy services (19%) and metals recycling (5%). It is mainly present in the United States, which represented approximately 96% of its business in 2020. As of December 31, 2020, its revenues amounted to $1,904 million (approximately €1,557 million) and its EBITDA to $310 million (approximately €253 million);

- REPUBLIC SERVICES is an American company specialized in waste management. It operates through collection (75% of its 2020 revenue), landfill (13%), transfer (6%), waste recycling (3%) and other activities (3%). It operates mainly in the United States. As of December 31, 2020, its revenues amounted to $10,154 million (approximately €8,301 million) and its EBITDA to $2,951 million (approximately €2,412 million);

- WASTE MANAGEMENT is an American company specialized in waste management. It is specialized in collection (54% of its 2020 revenues), landfill (20%), transfer (10%) and recycling activities (6%), the other activites represent 10% of its. It operates mainly in the United States, which will account for approximately 95% of its 2020 revenues. As of December 31, 2020, its revenues amounted to $15,218 million (approximately €12,441 million) and its EBITDA to $4,299 million (approximately €3,514 million) ;

- CLEANAWAY is an Australian company specialized in waste treatment. It operates in the solid waste segment (66% of its revenues as of June 30, 2020), industrial waste (13%) and liquid and healthcare waste (21%). As of June 30, 2020, the company generated 2,332 MAUD (approximately €1,431 million) in revenues and an EBITDA of 395 MAUD (approximately €242 million).

Table 26: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
Covanta	United-States	1 557	3 700	9,2x	8,6x
Republic Services	United-States	8 301	35 890	12,7x	12,0x
Waste Management	United-States	12 441	59 215	13,5x	12,8x
Cleanaway Waste Management	Australia	1 431	4 235	12,0x	11,1x
Mean				**11,8x**	**11,1x**
Median				**12,3x**	**11,5x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

IWS

- US ECOLOGY is an American company specialized in the transportation, treatment and recycling of hazardous and non-hazardous waste (49% of its 2020 revenue), it is also specialized in waste management directly on the clients' site (51% of its 2020 revenue). It is mainly present in the United States, which represented approximately 89% of its business in 2020. As of December 31, 2020, its revenues amounted to $934 million (approximately €763 million) and its EBITDA to $157 million (approximately €129 million) ;

- CLEAN HARBOURS INC is an American company providing environmental and industrial services. The company deals in particular with hazardous waste. It has 13,500 employees and operates mainly in the United States (87% of revenues in 2020). As of December 31, 2020, the company had revenues of $3,144 million (approximately €2,570 million) and an EBITDA of $502 million (approximately €410 million);

- BEFESA SA is a German company specialized in the collection and recycling of steel dust (54% of its sales in 2020) and aluminum residues and salts (46%). It operates mainly in Europe (77% of its 2020 sales), Japan (7%) and South Korea (4%). BEFESA has achieved a turnover of €604 million and an EBITDA of €117 million in 2020 ;

- SÉCHÉ ENVIRONNEMENT SA is a French company involved in the recovery and treatment of waste. SÉCHÉ ENVIRONNEMENT generates most of its sales in France. The company operates in the hazardous waste segment (61% of its turnover in 2020) and non-hazardous waste (39%). As of December 31, 2020, the company generated revenues of €673 million and EBITDA of €107 million.

Table 27: EBITDA multiples of selected stock market comparables

Peers	Country	Revenue (mEUR)	EV (mEUR)	EV/EBITDA Multiples (excl.IFRS16 & Associates)	
				2021e	2022e
US Ecology	United-States	763	1 645	11,1x	9,9x
Clean Harbors	United-States	2 570	5 101	10,1x	9,5x
Befesa	Luxembourg	604	2 442	13,3x	11,8x
Séché	France	673	848	5,8x	5,3x
Mean				**10,1x**	**9,1x**
Median				**10,6x**	**9,7x**

Multiples induced by an enterprise value calculated on the basis of the 3-month WACC and an average number of shares over 3 months as of 05/31/21

Sources: CAPITAL IQ and FINEXSI analysis

We excluded DERICHEBOURG from the sample because it operates only in France and specializes in a specific segment of the recycling industry that depends on trends and determinants of the metals market.

Appendix 4: Description of the stock market comparables used for the implementation of the global approach

- VEOLIA is a French group offering energy services (21% of 2020 revenue), water management (42%) and waste management (37%) throughout the world. Its business is 57% in Europe (of which 21% in France) and 43% outside Europe. The Company had 178,894 employees on December 31, 2020. The Group generated revenues of €26.0 billion (€27.2 billion in 2019) and an EBITDA margin of 10.0% (11.4% in 2019) in 2020;

- ACEA is an Italian company operating in several fields, the main ones being electrical energy services (52% of revenues), water management (35%) and waste management (4%). It employs 7,650 people and generated revenues of €3.3 billion with an EBITDA of €900 million in 2020. The Group is the leader in the water distribution sector in Italy (9 million people) and is a major national operator in energy infrastructure;

- FCC is a Spanish company mainly operating in the environmental services sector (waste collection, management and treatment), which accounted for 46% of its 2020 revenues, water management (19%) and construction (26%). The Company is particularly present in Spain (60%), the United Kingdom (11%) and the rest of Europe (13%). As of December 31, 2020, the Company had more than 60,000 employees and generated revenues of €6.3 billion with an EBITDA margin of 15.6%;

- HERA is an Italian company mainly providing energy services (electricity generation and gas transmission), which accounted for 72% of its revenues in 2020, waste management (15%) and water (11%). The Company carries out all its business in Italy and generated revenues of €7.4 billion for an EBITDA of €949 million in 2020;

- LASSILA & TIKANOJA OYJ is a Finnish company involved in environmental management and maintenance services. The company's main activities are environmental services (38% of turnover in 2020), cleaning and facility support services (49%) and industry services (14%). It operates almost exclusively in Finland (80% of its 2020 revenue) and Sweden (18%). The company has 8,139 employees. LASSILA & TIKANOJA OYJ had revenues of €752m and EBITDA of €68m as of December 31, 2020.