

Press release

Paris, Avril 6, 2021

In contradiction with its communication and to the detriment of its shareholders, Suez still seems to want to do everything possible to make it impossible to reach an agreement with Veolia

In a succession of press releases characteristic of the last few weeks and without taking into account the evolution of the situation, Suez announced this morning that it wished to reach a negotiated solution with Veolia, while confirming that it had signed an agreement with the Australian operator Cleanaway Waste Management Ltd. for the sale of its waste activities in Australia, which had been clearly identified as strategic by Veolia as soon as its industrial project was announced and in the offer filed with the AMF (French Stock Exchange Authority) on February 8.

This new disposal, which would automatically reduce the scope of the activities intended to be combined with the Veolia Group, is clearly incompatible with the objective allegedly sought by Suez of increasing the value of the company and reaching an agreement quickly. It constitutes an additional obstacle to the realization of the offer supported by Veolia, aggravating a defense mechanism that has been deemed contrary to the rules and guidelines applicable to public offers by the AMF. It is part of the same strategy, aimed on the one hand at making believe that credible alternatives exist, on the basis of agreements subject to so many conditions that they become artificial, and on the other hand at enabling Suez to impose the terms of its public offer on Veolia.

Moreover, this sale is being made on terms that are contrary to the interests of Suez, which is depriving itself of a profitable asset in an attractive region, and to the interests of its shareholders, as the sale can only have a negative impact on Veolia's offer. This sale, whose reversibility is surprising and irregular, since Veolia would have to fall within the framework set by the Suez Board of Directors on March 21, 2021, and which has been denounced by the AMF, contains only one certain provision, namely the transfer to Cleanaway of a number of significant and very profitable assets, without any competition, and at a knock-down price of A\$ 501 million (6.8x the normalized EBITDA published by Cleanaway).

Veolia continues to use all legal means to prevent the sale of these strategic assets and, if necessary, to have them cancelled. It also reserves the right to request a management assessment of this agreement, which is abnormally advantageous for a foreign operator competing with Suez and Veolia.

In spite of the stubbornness of Suez's management, which continues to resort to procedures that make neither industrial nor financial sense, and this despite a call to order from the AMF and the hand extended by Veolia, the Group continues to propose to Suez to discuss its project calmly, and for this to stop its own dismantling and to deactivate the Dutch foundation.

Veolia group is the global leader in optimized resource management. With nearly 179,000 employees worldwide, the Group designs and provides water, waste and energy management solutions which contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2019, the Veolia group supplied 98 million people with drinking water and 67 million people with wastewater service, produced nearly 45 million megawatt hours of energy and treated 50 million metric tons of waste. Veolia Environnement (*listed on Paris Euronext: VIE*) recorded consolidated revenue of €27.189 billion in 2019 (USD 29.9 billion). www.veolia.com.

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