KEY TERMS OF VEOLIA'S DRAFT OFFER DOCUMENT

This press release does not constitute an offer to acquire securities
The offer described below may only be opened once it has been declared compliant by the Autorité des marchés financiers

PRESS RELEASE DATED JUNE 29, 2021

FILING OF THE PROPOSED CASH TENDER OFFER

for the shares of:

initiated by:

presented by:

Advising and presenting Bank and Guarantor

Advising and presenting Bank and Guarantor

Advising and presenting Bank

Advising and presenting Bank

Veolia is also advised by:

This press release does not constitute an offer to acquire securities
The offer described below may only be opened once it has been declared compliant by the Autorité des marchés financiers.

TERMS OF THE OFFER

€20.50 per Suez share (*cum* dividend)[1]

OFFER PERIOD

The timetable for the Offer will be set out by the AMF in accordance with its General Regulation

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This news release was prepared and released in accordance with the provisions of Article 231-16 of the AMF General Regulation

THE OFFER AND THE DRAFT OFFER DOCUMENT REMAIN SUBJECT TO REVIEW BY THE AMF

IMPORTANT NOTICE

In the event the number of shares not tendered in the Offer by the minority shareholders of Suez does not represent, following the Offer, or, if applicable, of the Reopened Offer, more than 10% of the share capital and voting rights of Suez, Veolia intends, within a period of ten (10) trading days from the publication of the notice announcing the result of the Offer or, if applicable, at the latest within three (3) months following the closing of the Reopened Offer, in accordance with Article L. 433-4 II of the French Monetary and Financial Code and Articles 232-4 and 237-1 to 237-10 of the AMF General Regulation, to implement a squeeze-out to acquire the Suez shares not tendered in the Offer in exchange for compensation equal to the Offer price, after adjustments, where applicable.

The Draft Offer Document must be read together with all other documents published in relation to the Offer. In particular, in accordance with Article 231-28 of the AMF General Regulation, a description of the legal, financial and accounting characteristics of Veolia will be made available to the public no later than the day preceding the opening of the Offer. A press release will be issued to inform the public of the manner in which the information will be made available.

This Draft Offer Document is available on the websites of the AMF (www.amf-france.org) and Veolia (www.veolia.com) and may be obtained free of charge from:

[1] In the event that the dividend of 0.65 euro per share, which will be submitted to the vote of Suez shareholders at the general meeting to be held on June 30, 2021, is approved, the Offer price will be reduced by an amount of 0.65 euro per share from the ex-dividend date (see paragraph 2.2 of this news release).

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Veolia Environnement

21, rue La Boétie
75008 Paris
France

or

30, rue Madeleine Vionnet
93300 Aubervilliers
France

Crédit Agricole Corporate and Investment Bank
12, place des États-Unis
CS 70052, 92547 Montrouge Cedex
France

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

Morgan Stanley Europe SE
61, rue de Monceau
75008 Paris
France

Bank of America Europe DAC (Branch in France)
51, rue La Boétie
75008 Paris
France

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1. DESCRIPTION OF THE OFFER

Pursuant to Title III of Book II and more specifically Articles 231-13 and 232-1 *et seq*. of the General Regulation of the *Autorité des marchés financiers* (the "**AMF**"), Veolia Environnement, a limited liability corporation with a board of directors (*société anonyme à conseil d'administration*), having its registered office at 21, rue La Boétie, 75008 Paris, France, registered with the Paris Trade and Companies Register under number 403 210 032, the shares of which are traded on the Euronext regulated market in Paris ("**Euronext Paris**") under ISIN Code FR0000124141 (ticker symbol "VIE") ("**Veolia** " or the "**Offeror**"), makes an irrevocable offer to the holders of shares of Suez, a limited liability corporation with a board of directors (*société anonyme à conseil d'adminisration*) having its registered office at Tour CB21, 16, place de l'lris, 92040 Paris La Defense Cedex, France, registered with the Nanterre Trade and Companies Register under number 433 466 570, the shares of which are traded on Euronext Paris (compartment A) and Euronext in Brussels ("**Euronext Brussels**") under ISIN Code FR0010613471 (ticker symbol "SEV" on Euronext Paris and "SEVB" on Euronext Brussels) ("**Suez**" or the "**Company**"), to acquire all of their Suez shares in the context of a tender offer, the terms and conditions of which are set forth in the draft offer document (the "**Draft Offer Document**"), and which may be followed by a squeeze-out, if applicable, in accordance with the provisions of Articles 237-1 to 237-10 of the AMF General Regulation (the "**Offer**").

The Offer price is €20.50 per share (*cum* dividend)[2]. The Offer price has been increased from the initial price of €18 per share (*cum* dividend) that appeared in Veolia's press release of October 5, 2020 regarding its intention to file the proposed Offer,[3] which was filed with the AMF on February 8, 2021 by the Presenting Banks, acting on behalf of the Offeror[4], as described in paragraphs 1.1.1, 2.1 and 2.7 of this news release.

The Offer is for all Suez shares not held by the Offeror[5]:

(i) that are currently issued and outstanding, i.e., to the Offeror's best knowledge as of the date of the Draft Offer Document, a maximum number of 451,529,224 Suez Shares,[6] 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 the Draft Offer Document, a maximum of 550,919 new Suez shares,[7]

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

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2 It being specified that a 0.65 euro dividend per share will be submitted to the vote of Suez shareholders at the next annual general meeting of the Company to be held on June 30, 2021. The ex-dividend date would be July 6, 2021 and the payment date would be July 8, 2021. In the event that such dividend is approved by said general meeting, the Offer price will be reduced by an amount of 0.65 euro per share as from the ex-dividend date.

3 Press release marking the start of the pre-bid period (see paragraph 1.1.1).

4 AMF notice no. 220C4173 of October 8, 2020 available on the AMF website (www.amf-france.org).

5 As of the date of the Draft Offer Document, the Offeror holds 187,810,000 Suez Shares (see paragraph 1.1.2) out of a total of 639,339,224 issued and outstanding shares.

6 On the basis of the information published by the Company on its website as at 31 May 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.

7 See paragraph 2.4.

It is specified that the tender of American Depository Receipts under ISIN Code US8646912092 ("**Suez ADR**") will not be accepted in the Offer or the Reopened Offer, and that the holders of Suez ADRs who wish to tender their securities to the Offer or the Reopened Offer will be first required to exchange them for Suez shares, as indicated in paragraph 2.5 below.

To the Offeror's best knowledge, there are no other equity securities, or other financial instruments issued by the Company or rights granted by the Company that could give access, either immediately or in the future, to the share capital or voting rights of the Company.

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 Regulation (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.

The Offer is subject to the validity threshold referred to in Article 231-9, I of the AMF General Regulation, as described in more detail in paragraph 2.6.1 of this news release.

In addition, as of the date of the Draft Offer Document, the Offer is subject to the condition precedent (as described in paragraph 2.6.2 of this news release) 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.

As Suez shares are admitted to negotiation on Euronext Brussels, pursuant to the provisions of Article 4,§4 of the Belgian statute dated April 1, 2007 regarding tender offers in Belgium (*loi belge du 1er avril 2007 relative aux offres publiques d'acquisition*), the Offer will be opened in Belgium. In that regard, the Offeror will request the recognition of the offer document by the Belgian financial services and markets authority (*autorité belge des services et marchés financiers)* pursuant to the provisions of Article 20 of the aforementioned Belgian statute.

1.1 Background and Reasons for the Offer

1.1.1 Background

Following the announcement by Engie on July 31, 2020 of the launch of a strategic review including its stake in Suez, Veolia made a firm 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 (*cum* dividend), was increased by Veolia on September 30, 2020 to a price of €18 per share (*cum* dividend). The initial offer and the improved offer were each the subject of a Veolia press release, respectively on August 30 and September 30, 2020, available on the Veolia website (www.veolia.com).

On October 5, 2020, the Board of Directors of Engie accepted Veolia's improved offer and, prior to the announcement of the 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 (*cum* dividend) (**the** "**Block Acquisition**"), as described in paragraph 1.1.3 below. In a press release published on the same day, also available on Veolia's website (www.veolia.com), Veolia confirmed its intention to file the Offer at the price of €18 per share (*cum* dividend), as a result of which the AMF noted the start of the pre-offer period.[8] In the context of the Block Acquisition, Veolia has also made the required declarations of intent and threshold crossing to the AMF and the Company, as described in paragraph 1.1.4 below. At that date, the filing of the Offer was expected to take place at the latest upon receipt of the necessary regulatory clearances, within 12 to 18 months, subject to the proposed combination being favorably received by the Suez Board of Directors.

On November 3, 2020, Veolia publicly indicated that this filing would take place as soon as Suez's board of directors had issued a favorable opinion on the proposed combination and deactivated the mechanism ensuring the inalienability of Suez's water business in France set up through a foundation under Dutch law. This information, which was intended to accelerate the timetable for filing the Offer, was also the subject of a Veolia press release available on its website (www.veolia.com).

On January 7, 2021, Veolia formally sent its Offer proposal, at a price of €18 per share (*cum* dividend), to Suez's Board of Directors. This proposal described in particular all the aspects of the industrial project, the social proposal and the financial conditions proposed by Veolia. The letter addressed to the Suez Board of Directors and the preliminary draft offer document prepared in this context were the subject of a press release by Veolia, available on its website (www.veolia.com), and were made available to the public.

On February 7, 2021, Veolia's Board of Directors decided to modify the declaration of intent made in the context of the Block Acquisition, by no longer conditioning the filing of the Offer on a favorable response from Suez's Board of Directors, in accordance with applicable regulations (as described in paragraph 1.1.4 below), and to file the Offer with the AMF accordingly.

The Offer, which at the time proposed a price of €18 per share (*cum* dividend), and the corresponding draft offer document were filed with the AMF on February 8, 2021 by the Presenting Banks, acting on behalf of Veolia, in accordance with the provisions of Article 231-13 of the AMF General Regulation. This filing was the subject of a filing notice from the AMF[9] and the corresponding draft offer document was made available to the public in accordance with Article 231-16 of the AMF General Regulation.

On April 12, 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. This announcement was made via a joint press release from Veolia and Suez, available on their respective websites (www.veolia.com and www.suez.com).

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

(i) the increase of the Offer price from €18 per share (*cum* dividend) to €20.50 per share (*cum* dividend);

(ii) the reiteration of Veolia's social commitments for a period of four years from the closing of the Offer;

(iii) the recommendation of the Offer by the Board of Directors of Suez, subject to obtaining a fairness opinion in accordance with the regulations in force;

[8] AMF notice no. 220C4093 of October 6, 2020 available on the AMF website (www.amf-france.org).

[9] AMF notice no. 221C0312 of February 8, 2021 available on the AMF website (www.amf-france.org).

(iv) the creation of a "New Suez", which would have nearly €7 billion in revenue, made up of assets forming a coherent and sustainable industrial and social entity with real growth potential;

(v) the full cooperation of Suez, Veolia and the "New Suez" takeover consortium in obtaining the necessary clearances;

(vi) 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 litigations; and

(vii) the conclusion of the final agreements reflecting the said Agreement in Principle by May 14, 2021 at the latest.

On May 14, 2021, Veolia and Suez entered into a combination agreement (the "**Combination Agreement**") and a Memorandum of Understanding *(*the "**MOU**") with Meridiam, Caisse des dépôts et consignations, CNP Assurances and Global Infrastructure Partners (the "**Consortium**").

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 Suez Board of Directors also welcomed the proposed combination of the two groups.

The signing of the Combination Agreement and the Memorandum of Understanding was the subject of a joint press release issued by Veolia and Suez on the same day and available on their respective websites (www.veolia.com and www.suez.com).

The Combination Agreement 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 of its Water and Waste businesses (excluding hazardous waste) in France and certain international assets (the "**Perimeter Divestment**"). The Combination Agreement contains:

(i) the terms and conditions of the Offer, as set out in the Draft Offer Document;

(ii) the undertaking by Veolia to increase the Offer price from €18 per share (cum dividend) to €20.50 per share (cum dividend) and the filing of the Draft Offer Document, subject to, and concurrently with,the notification of the delivery by the Suez Board of Directors of a reasoned opinion in favor of the Offer, in accordance with Article 231-19 of the AMF General Regulation;

(iii) 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;

(iv) the reiteration of Veolia's social commitments for a period of four years from the first settlement-delivery date of the Offer;

(v) 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;

(vi) the guiding principles and draft Memorandum of Understanding in accordance with which the Perimeter Divestment must be prepared and implemented;

(vii) Veolia and Suez's commitment to cooperate fully in the preparation and completion of the Perimeter Divestment;

(viii) the conditions for the deactivation of the Dutch foundation by Suez, and Veolia and Suez' withdrawal of the ongoing litigation;

(ix) a customary exclusivity undertaking by Suez in favor of Veolia; and

(x) a customary undertaking made by Suez concerning 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 Disposal of the Perimeter have not occurred by June 30, 2022.

For the purposes of their cooperation in accordance with the terms of the Combination Agreement, Veolia and Suez have also organized an exchange of limited information concerning them through a "data room" procedure, in accordance with the applicable regulations (including the recommendations of the AMF on data room procedures set out in the guide to permanent information and the management of privileged information[10]).

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.

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 operations (excluding hazardous waste) in France, (ii) Suez's global "Smart & Environmental Solutions" business unit (excluding "SES Spain", "SES Aguas Andinas" and part of "SES Colombia"), (iii) Suez's Municipal Water operations in Italy, as well as its stake in ACEA, (iv) Suez's Municipal Water operations in the Czech Republic, (v) Suez's Municipal Water and Waste (except hazardous waste) activities in Africa, as well as its stake in Lydec, (vi) Suez's Municipal Water activities in India, Bangladesh and Sri Lanka, (vii) Suez's Municipal Water, Industrial Water and Infrastructure Design and Construction activities in China as well as all of the activities of the Suyu group and two industrial incinerators in Shanghai and Suzhou,

[10] AMF – DOC-2016-08 available on the AMF website (www.amf-france.org).

(viii) Suez's Municipal Water activities in Australia, and (ix) Suez's activities in Uzbekistan, Azerbaijan, Turkmenistan and Kazakhstan.

The Consortium's offer values the Perimeter Divestment at between €9.5 billion and €9.8 billion in enterprise value, resulting in an equity value of between €8.8 billion and €9.1 billion, based on an earn-out amounting to a maximum of 300 million determined according to the level of EBITDA achieved by the divested business at the end of the 2021 financial year, and taking into account the amount of 578 million euros recognized as of December 31, 2020 under IFRS 16. The sale price may also be subject to adjustments, upwards or downwards, as usually determined on the basis of financial statements prepared as of the completion date or linked to possible changes in the scope of the divested perimeter until the completion date.

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

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 share and asset purchase agreement and pursuant to which the Consortium Acquisition Vehicle has granted a promise to purchase 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 are completed.

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.

On June 29, 2021, in accordance with Article 231-19 of the AMF General Regulation, and having acknowledged the opinion of the Suez Group Committee on the Offer dated June 21, 2021 and the report of the independent expert, Finexsi, on the financial terms of the Offer dated June 29, 2021, the Board of Directors of Suez considered that the Offer was in the interest of Suez, its shareholders and its employees and recommended to the shareholders to tender their Suez shares to the Offer. It being specified that the report of the independent expert concluded that the Offer price is fair from a financial standpoint for Suez's shareholders.

In accordance with the terms of the Combination Agreement, Veolia consequently decided to increase the Offer price from €18 per share (*cum* dividend) to €20.50 per share (*cum* dividend) and has instructed the Presenting Banks, acting on behalf of the Offeror, to inform the AMF of the said price increase and to file the Draft Offer Document.

1.1.2 Suez Shares held by the Offeror

As at the date of the Draft Offer Document, the Offeror holds 187,810,000 shares and voting rights in the Company, representing, to the best of the Offeror's knowledge, 29.38% of the share capital and voting rights of the Company.[11]

These shares were acquired as follows:

[11] In accordance with the provisions of 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 such as treasury shares, i.e., as at May 31, 2021, a total of 639,339,224 theoretical voting rights, on the basis of the information published by the Company on its website in accordance with Article 223-16 of the AMF General Regulation.

- 100 shares were acquired on the market on January 28, 2016 at a price of €17.01 per share (*cum* dividend);

- 9,900 shares were acquired on the market on March 26, 2019 at a price of €11.70 per share (*cum* dividend); and

- 187,800,000 shares were acquired off-market on October 6, 2020 in the context of the Block Acquisition described in paragraphs 1.1.1 and 1.1.3.

1.1.3 Acquisition of the Block of Suez Shares by the Offeror

On October 5, 2020, prior to the announcement of the Offer, Veolia and Engie entered into share purchase agreement pursuant to which Veolia acquired 187,800,000 Suez shares from Engie. The effective completion of the Block Acquisition, entailing the transfer of ownership of the Suez shares to Veolia, occurred on October 6, 2020. The Block Acquisition was disclosed through required threshold crossing notifications and declarations of intents to the AMF and the Company, as specified in paragraph 1.1.4 below.

The Block Acquisition was made at a price of €18 per share (*cum* dividend). Under the terms of the share purchase agreement, Engie benefits from a top-up right in the event that the market receives an improved offer from Veolia, thus allowing Engie to benefit from the increase of the Offer price to €20.50 euros (*cum* dividend). This additional top-up right would be equal, for each share sold in the context of the Block Acquisition, to the difference between the price per share paid in the Offer and the price per share paid in the context of the Block Acquisition. The payment would take place, subject to the successful completion of the Offer, within five (5) business days following the settlement-delivery of the Offer.

The Block Acquisition was financed out of Veolia's group own resources.

1.1.4 Shareholding threshold crossing notifications and related declarations of intent

In accordance with Article L. 233-7 of the French Commercial Code, by letters sent to the AMF and the Company on October 7 and 8, 2020, the Offeror disclosed the upwards crossing of the 5%, 10%, 15%, 20%, and 25% legal thresholds of the share capital and the theoretical voting rights of the Company, as well as its intents, following the Block Acquisition. The Offeror has also declared to the AMF the purchases made during a public offer in accordance with Article 231-46 of AMF General Regulation. These declarations were reported in a notice by the AMF on October 8, 2020.[12]

In accordance with Article 7.4 of Suez' by-laws, by letter sent to the Company on October 7, 2020, the Offeror also disclosed the upwards crossing of the thresholds, set forth in the Company's bylaws, of between 1% and 29% (inclusive) of the share capital and the theoretical voting rights of the Company (i.e., the 1% threshold and all multiples of 1% between 1% and 29% (inclusive)).

By letters sent on February 7, 2021, the Offeror declared to the AMF and the Company the change of intention described in paragraph 1.1.1, in accordance with Article L. 233-7 VII of the French Commercial Code. This new declaration of intent was the subject of an AMF notice on February 8, 2021.[13]

12 AMF notice no. 220C4173 of October 8, 2020 available on the AMF website (www.amf-france.org).

13 AMF notice no. 221C0311 of February 8, 2021 available on the AMF website (www.amf-france.org).

1.1.5 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.

This industrial project, which has a very high environmental impact, will create substantial value:

- for the planet and future generations, the success of the new group means accelerating the definition and implementation of environmental solutions: circular economy, treatment of difficult pollution, fight against global warming, etc.;

- for Suez shareholders, a significant premium is offered over the company's unaffected share price, and for Veolia's shareholders, operating synergies make it possible to forecast a significant accretion in net earnings per share;

- for the employees of both companies, who will be engaged in an exciting project to build a new leading group in ecological transformation, with French and European roots. Prospects for personal development and mobility will be strengthened in this new, fast-growing, larger and even more international company. However, this does not mean sacrificing the French roots of both groups, and employment in France is subject to firm and specific guarantees.

- for the territories. For the French territories, this project guarantees that it is in France that we will maintain and develop a sector of excellence of ecological transformation. It is in France that most of the research and development resources will be based, that the industrial pilots will be installed, that tomorrow's talents will be trained; in short, that the "French school" of ecological transformation will be located, capable of then leading the export of a value chain of French suppliers and startups. These talents and technologies have indeed become a sovereignty issue clearly identified as such by China and the United States. In Europe, and beyond, the new entity will operate in a very multi-local mode, in which territorial anchoring and partnerships with local authorities are key, as the history of the two groups shows. The new ecological transformation solutions will create local service jobs, which cannot be relocated, in all the geographies in which the businesses will operate.

- for clients, the new entity extends the range of environmental solutions that can be offered to them, over an even larger geographic footprint, and increases efficiency by pooling know-how and expertise.

This project is fully in line with the *raisons d'être* of Veolia and Suez. It ideally positions the new group to meet the main challenge of the century: ecological transformation.

1.1.5.1 Consolidation of expertise, know-how and commercial offer

Suez and Veolia's strategies are quite comparable in the water (operations, technologies, construction) and waste (solid and hazardous) businesses, with Veolia also having additional activities in energy efficiency and local energy loops (these activities have historically been carried out by Engie and not Suez).

The merger of the two companies will make it possible to accelerate these strategic plans, building on strong complementarities, and to create a new group for which each of its business components (water, waste, energy, for local communities as well as industrial and tertiary customers) is essential. Brought together under the same brand and supported by teams united by the same values, they will offer a complete range of skills and solutions at a time when their customers are seeking to make their activities cleaner, more sober and more virtuous.

The complementarities between the two groups cover a number of areas:

- geographical complementarity. The geographic footprints of the two groups are almost perfectly complementary, with the exception of France and, to a lesser extent, the United Kingdom and Australia. When Veolia and Suez have a significant presence in the same country, it is usually in a different business. For example, in Spain, Suez is number 1 in municipal water, notably through Agbar, while Veolia is mainly present in energy and services for industrial and tertiary clients; in water technologies, "Suez Water Technologies & Solutions" has a strong presence in North and Latin America, while "Veolia Water Technologies" is more present in Europe and Africa and the Middle East.

- complementary client portfolio. Veolia and Suez have each developed a highly complementary portfolio of major industrial accounts (Veolia with Shell, Danone, Unilever, Arcelor Mittal, Sinopec, PSA, Suez with Exxon Mobil, BASF or BP), all of which benefit from the broad range of services developed by Veolia through on-site services for industrial clients (Total Waste

Management, industrial utilities including energy, etc.). The combination of the two highly complementary commercial networks will give rise to an unparalleled set of references and strategic partnerships in terms of reducing the environmental footprint.

- complementarity of offerings. First and foremost, Veolia's presence in the energy efficiency, local energy loops and industrial energy segments are major assets that will benefit Suez' current clients seeking to reduce their carbon footprint. Furthermore, in water and waste, each of the groups has a number of specific features: in waste, Suez has developed the recycling of plastics such as LDPE and PVC, as well as recycled/virgin hybrid plastics, while Veolia has stepped up the pace in "food-grade" plastics particularly PET and HDPE; in water, Suez has historically developed excellent skills in wastewater treatment and the reuse of water, and Veolia in sludge recovery.

- know-how complementarity. The know-how acquired locally by the Suez and Veolia teams is perfectly complementary. In waste (the waste sector), Veolia has succeeded in optimizing the production of energy from incineration plants or landfills, as well as the sale of electricity on the open market and through flexibility mechanisms. This know-how put at the service of Suez's assets is a strong leverage for productivity and operational synergies. In the water industry, the digital tools developed in particular by Suez in Spain, are among the best on the market.

- technological complementarity. The combination of Suez's and Veolia's portfolios of proprietary patented technologies for treating industrial water is perfect for conceiving new solutions, such as treating new pollution or improving clients' performance. As for municipal water treatment technologies, they will be included in the "New Suez" with the CIRSEE and Lyre Research & Development centers.

1.1.5.2 Increased capacity for investment and innovation

In a particularly fragmented volume market, innovation is fundamental to invent and develop the technologies that are still missing to fully succeed the ecological transformation. However, the margins generated by environmental services are limited, and managing large volumes allows to finance the investments needed to deploy the infrastructure essential to the ecological transformation. The same is true for research expenditure, which is necessary to develop breakthrough innovations without which it will be difficult to meet the goals set to limit global warming. Bringing Veolia and Suez together will guarantee the productivity of these investments and the emergence of new solutions.

The six major innovation themes identified in Veolia's Impact 2023 strategic program (health and new pollutants, adaptation to climate change, new material loops, the food chain, new energy services and new digital offerings) will combine harmoniously with the innovation areas chosen by Suez.

The combination of talents and research skills would accelerate the development of these solutions for the future and allow a better return on the necessary investments. This enhanced innovation capacity will be able to lean on innovative French SMEs in the fields of ecological transformation, through a support fund supported by the new entity.

Numerous acceleration opportunities have already been identified in terms of innovation.

On air quality, Veolia has entered into a research partnership with Airlab and has developed a range of indoor air quality services. The ambition of the merger of the two groups will be to develop and deploy financially affordable solutions enabling people to live in a healthy environment inside and outside buildings.

Concerning micropollutants in water, Veolia has developed treatment technologies adapted to a wide range of constraints and is involved in major partnerships for monitoring and research on micropollutants. "Suez Water Technologies & Solutions" has developed advanced treatment using membrane technologies and an ozonation technology that complements Veolia's activated carbon technology for the treatment of new pollutants in water. The ambition will be to take advantage of changes in regulatory standards by increasing knowledge of the effects of micropollutants on health and inventing new solutions to detect and treat micropollutants.

In the area of flood prevention and management, Veolia has excellent references, has developed services to diagnose local vulnerabilities, has positioned itself on innovative business models and has a mobile solutions offer, mainly in Europe. Suez, for its part, has innovative digital solutions and has a mobile solutions offer in North and Latin America. The ambition will be to develop an innovative global offer to assist territories and their various stakeholders in the prevention of shocks linked to climate change and rapid recovery following extreme weather events.

In water resource management and drought control, Veolia is now offering technologies and solutions and has developed an *irrigation as a service* offer, covering the financing of the necessary equipment. Suez, for its part, has advanced expertise in smart agriculture. The ambition will be to accelerate the development of the reuse of treated wastewater to serve the ecological transformation of agriculture, making it possible to secure and improve yields in the agricultural sector.

On CO_2 capture and use, Veolia has expertise and numerous references in the decarbonation of industries and has invested in R&D in CO_2 capture, storage and recovery. Suez is developing partnerships with industry and local authorities (project with BP for carbon capture and storage from energy coming from waste in the United Kingdom). The ambition will be to develop efficient service offers for CO_2 capture at an attractive cost.

The recycling of electric vehicle batteries could be accelerated. While the number of end-of-life vehicle batteries is estimated at 1.1 million units by 2030, Veolia has developed an innovative and differentiating hydrometallurgy process that can recover up to 95% of the metals present in the cathode. In addition, Veolia has developed a partnership with Solvay on the production of high-purity metal salts and has developed upstream knowledge, in particular on battery diagnostics.. The ambition is to become a champion in electric vehicle battery recycling in France and Europe, targeting a 20% market share, and to be a significant player in China.

The recovery of organic materials for agriculture could also be accelerated. While the Farm to Fork strategy aims to reduce soil nutrient losses by 50% and reduce the use of inorganic fertilizers by 30% by 2030, natural and organic fertilizers represent only 5% of the market. Veolia has expertise in agricultural fertilizers, is broadening and accelerating its organic fertilizer offer, is working on deploying fertigation and reuse offers, and is supporting startups that are pioneers in bioconversion. For its part, Suez has state-of-the-art technologies for reusing water for agricultural purposes. The ambition will be to contribute to the ecological transformation of agriculture by offering a whole range of services: organic fertilizers, securing water needs, insect-based animal feed, using soil as a carbon well, etc.

1.1.5.3 Strengthened geographical positions

As a result of the geographical complementarities of the two groups and the consolidation of the key geographies where both groups are present, the international footprint of the new group would be strengthened, with a significantly increased share in fast-growing regions of the world.

The combination will enable Veolia to significantly increase its size: on the basis of the 2019 figures published pro forma of the completed Shaping Suez 2030 disposals, the creation of the "new Suez" and additional disposals in Australia in particular, Veolia's revenue would increase from €27 billion to €37 billion.

The new group will be much more international, with France accounting for about 16% of the new group, Europe excluding France for about 37%, the rest of the world for about 28% and the world's speciality companies (water treatment technologies and construction) for about 18%.

In France, even after the creation of the "New Suez", which includes all of Suez's Municipal Water and Solid Waste activities as well as the Smart & Environmental Solutions business, revenues are expected to be nearly €6 billion.

In the United Kingdom, Veolia is a major player in waste management, operating in the municipal sector as well as in the tertiary and industrial sectors. It is also present in municipal water (non-regulated), energy services to buildings and services to industry. Suez has a portfolio of around ten private finance initiative (PFI) or public-private partnership (PPP) contracts in waste, comparable to that of Veolia but geographically complementary, and a significant presence in the collection of ordinary industrial waste (OIW), again complementary to that of Veolia. The potential for value creation through operating synergies (internalization, plant availability rates, electricity sales, etc.) resulting from these geographical complementarities is significant.

In Northern Europe, Veolia is present in Germany (waste, energy, municipal water), Belgium (energy services to buildings and industries, Brussels wastewater treatment plant), the Netherlands (waste, plastic recycling, energy services to buildings) and the Nordic countries (recycling, energy services to buildings and industries). Following the sale of activities to the Schwarz group, Suez will remain present in Belgium (solid waste), the Netherlands (plastic recycling) and Germany (waste sorting and plastic trade/recycling). Potential synergies exist in the packaging recycling sector in the latter country, where the two groups have complementary positions.

In Central and Eastern Europe, Veolia has a strong and diversified presence in heating systems (Poland, Czech Republic, Hungary, Romania), municipal water (Czech Republic, Poland, Romania, Armenia) and, to a lesser extent, waste. Suez is less present, with its activities, post-disposal of the "new Suez" perimeter, concentrated mainly in solid and hazardous waste in the Czech Republic, waste in Serbia and water in Slovenia, Croatia, Romania and Denmark. The addition of Suez's solid recovered fuel (SRF) production capacity will accelerate the substitution of coal in Veolia's heating networks in this region. The development of a hazardous waste activity could be an interesting opportunity.

In Southern Europe, Veolia is mainly present in energy services to buildings (Spain, Italy, Portugal) and possesses a number of solid waste operations, including plastic recycling (Spain). Suez, with its subsidiary Sociedad General de Aguas de Barcelona (Agbar), is a major private water operator in Spain, where it has also developed some hazardous waste operations. In Greece, it also has a minority stake in the Thessaloniki water company.

In North America, Veolia is mainly active in hazardous waste (United States, Canada) and industrial services (United States) and has an unregulated municipal water business (operators of public infrastructure under an operation and maintenance contract or, more rarely, a concession, a low capital-intensive activity with low margins) and in energy services to buildings (United States). Suez is present in the regulated (stable and low risk but capital intensive) and unregulated water sector in the United States and has a small organic and hazardous waste management business in Canada. In the United States, the complementary technologies and solutions of "Suez Water Technologies & Solutions" should accelerate development in industrial water, and in Canada, complementarities should be found in industrial services and hazardous waste.

In Latin America, the two company's positions are highly complementary and offer development opportunities. Veolia has a balanced presence in terms of geography and business. It is present in water (concessions) in Ecuador, Colombia and Mexico and to a lesser extent (services) in Peru, in solid and hazardous waste (collection and treatment) in Argentina, Colombia, Brazil, Chile and Mexico, in energy, and in Argentina, Chile (building services) and Colombia (industry). On the subcontinent, Suez is mainly present in water and wastewater treatment through Agbar and especially Aguas Andinas in Chile. However, it is also present in industrial water (via "Suez Water Technologies & Solutions") and, to a more limited extent, in solid and hazardous waste. The complementary positions of the two groups in water and waste offer opportunities for development.

In Asia, Veolia has a strong presence in China and Hong Kong (municipal and industrial water, solid and hazardous waste, municipal and industrial heating systems, biomass power plants, energy services to buildings), Japan and Korea (municipal and industrial water, plastic recycling, hazardous waste, biomass power plants and services to buildings), and Southeast Asia (plastic recycling in Indonesia, bioconversion in Malaysia, hazardous waste in Singapore, municipal water and industrial services in India). Suez is notably present in the solid and hazardous waste market in China, Hong Kong and Taiwan (waste incineration, landfills, collection), and in plastic recycling in Thailand. The complementary geographic positions of the two groups in hazardous waste around the main industrial zones should enable them to continue to develop at a high pace in a high-potential market. The joint development of innovative activities (bioconversion, recycling of electric vehicle batteries) should help to accelerate them.

Suez and Veolia's positions are highly complementary in Africa and offer opportunities for acceleration in the Near East and Middle East. Veolia distributes water and electricity in Rabat and Tangiers in Morocco, and has operations in Niger (water) and South Africa (water and waste). It is present in the major water markets (Saudi Arabia, United Arab Emirates), is growing in industrial services (United Arab Emirates), has recently made an entry in hazardous waste (Saudi Arabia) and is present in energy efficiency (United Arab Emirates). Suez is present in Oman in municipal waste, in the United Arab Emirates in waste collection and has recently entered the hazardous waste sector in Saudi Arabia. In the Middle East, complementarities are expected to accelerate in hazardous waste in Saudi Arabia and the United Arab Emirates and in water, desalination and municipal and industrial waste in Oman and Qatar.

In Australia and New Zealand, Suez and Veolia present strong complementarities in a rapidly changing geography in sustainable waste management. The two groups have highly complementary positions in waste (activities and geographic locations, except for the Sydney region where both groups have a strong presence). The potential for operational synergies (internalization of metric tons and rationalization of OIW collection in waste) is significant.

In summary, the main areas of complementarity are geographic, in the United Kingdom, Australia, Africa and China (hazardous waste), and relate to business lines in Spain, Belgium, Latin America, the Near and Middle East and the United States.

1.1.5.4 Dynamics of team building

Suez and Veolia have much in common.

They share a common culture of technical excellence, entrepreneurial determination, customer focus, a taste for innovation, service to the environment, and a culture of French engineers and entrepreneurs who have successfully deployed their expertise internationally.

Their corporate purposes, developed using very similar methods, feature significantly convergent content, with a common reference to historical know-how, an identical promise in terms of customer benefits (public health, quality of life, essential services, resources, territories) and a strong emphasis on innovation.

Their respective values (responsibility, solidarity, respect, innovation and customer focus for Veolia, passion for the environment, customer priority, respect and team spirit for Suez) are extremely similar.

Their structures are currently very similar, with a focus on geographic management that favors local roots and proximity to customers and cross-functional support functions (finance, human resources, operational performance, strategy and innovation, etc.).

The reorganizations carried out in recent years by the two groups make them more compatible and complementary than ever. Their new strategic plans, *Shaping 2030* for Suez and *Impact 2023* for Veolia, are highly convergent and both radically focused on markets and technologies with high growth and potential for innovation.

1.2 Benefits of the Offer for the Offeror, the Company and their shareholders

Suez shareholders who tender their shares in the Offer will receive immediate liquidity and a premium of:

(i) 98.7% over the closing price of the Suez share immediately prior to Engie's announcement of its strategic review including its investment in Suez on July 30, 2020;

(ii) 95.5% over the volume-weighted average price for the last month preceding Engie's announcement of its strategic review including its investment in Suez on July 30, 2020;

(iii) 97.3% over the volume-weighted average price for the last three months preceding Engie's announcement of its strategic review including its investment in Suez on July 30, 2020; and

(iv) 79.7% over the average analyst consensus target price as of August 28, 2020.

A synthesis of the valuation criteria used to determine the Offer price are presented in Section 3 of this news release.

Veolia believes that the Offer is in the interest of the Company, given the intentions indicated in the reasons for the Offer (see paragraph 1.1.5 above).

The advantages for the Offeror and its shareholders resulting from such a transaction are detailed in the reasons for the Offer (see paragraph 1.1.5 above).

1.3 The Offeror's intentions for the next twelve months

1.3.1 Industrial, commercial and financial strategy and policy

The Offeror's intentions with regard to industrial, commercial and financial strategy and policies are described in the reasons for the Offer (see paragraph 1.1.5 above).

1.3.2 Synergies – Economic gains

The transaction would create value for Veolia's shareholders as early as the first year, thanks in particular to operational and purchasing synergies estimated at €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 described in paragraph 1.3.4.

The aforementioned geographical, technological, expertise and know-how complementarities of the two groups constitute a source of strong value creation for the benefit of all stakeholders of the new group. They will allow a cross-fertilization encouraging each business segment in each country to gain in productivity and operational efficiency.

By way of illustration, the operational synergies will include, *inter alia*, rationalization of waste collection, internalization of the treatment of collected waste streams, optimization of the availability rate and efficiency of the various plants operated by the two groups, energy performances etc.

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.

1.3.3 Composition of the management bodies of Suez

Subject to the success of the Offer, the Offeror intends to request, at the Company's general shareholders' meeting, the appointment of its representatives to the Board of Directors of the Company, in order to reflect the new composition of the shareholding, as well as the renewal or the appointment of directors unrelated to the Veolia group, for a period at least equal to the period during which the shares of the Company will remain listed on Euronext Paris.

It is specified that, for the purposes of the implementation of the Perimeter Divestment in accordance with the terms of the Combination Agreement and the Put Option Agreement, in the event that the first settlement of the Offer occurs prior to the completion of the Perimeter Divestment, the board of directors of Suez will include three independent directors appointed by Suez until the date of completion of the Perimeter Divestment.

1.3.4 Employment policy

The Offer is part of a development strategy for the group formed by the combination of Veolia and Suez. This development strategy is allowing Veolia to make the commitments described below.

The integration of personnel will be the subject of analyses and integration processes specific to each country, to take into account the issues and legislation in force.

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 in the normal course of business. The status of operational activity operators will also be maintained.

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

As regards 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. In this spirit, Veolia undertakes to have the candidates for the main management positions in the new group (country managers, heads of central functional departments and their main employees) independently assessed, i.e. around 100 positions. This evaluation may be extended to key managers in the major countries in which the Group has a joint presence (e.g., the United Kingdom, the United States, Australia, Spain, Belgium, China, and global businesses). The aim is to allocate responsibilities in an objective manner between professionals from both companies. Following this objective evaluation process, Veolia could include four or five executives from Suez in its executive committee out of the dozen or so members that make up the body.

In addition, 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 that of Suez. To this end, in each of the countries of the new group where the number of employees justifies it, representatives from Suez will be welcomed in the various social dialogue bodies in accordance with the social democracy rules in force. Veolia also intends to pursue its policy of developing employee shareholding.

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 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 New Suez. The remaining employees at Suez headquarters correspond, in part, to positions that Veolia absolutely needs. In addition, 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.

The development ambition of the new entity resulting from the merger of Veolia and Suez, in key business lines, as well as the very specific nature of the activities, services that cannot be relocated, confirm that these commitments are entirely compatible with the pursuit of operational synergies as mentioned above.

1.3.5 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", as described in paragraph 1.1.1 above.

In addition, the Offeror reserves the right to examine the possibility of 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.

1.3.6 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.

In that event, the squeeze-out will relate to the Suez shares other than those held by the Offeror and the treasury shares of the Company. The affected shareholders would receive compensation at the Offer price (as adjusted, if applicable, in accordance with paragraph 2.2 of this news release). The implementation of this procedure will entail delisting of Suez shares from Euronext Paris and Euronext Brussels.

The Offeror reserves the right, in the event that it should subsequently hold, directly or indirectly, alone or in concert, at least 90% of the share capital and voting rights of the Company, and a squeeze-out has not been implemented as described above, to file a buyout offer with the AMF, followed by a squeeze-out of the shares of the Company that it does not hold directly or indirectly, alone or in concert, on that date, under the conditions of Articles 237-1 *et seq*. of the AMF General Regulation. The squeeze-out will be subject to review by the AMF, if applicable, which shall rule on the squeeze-out's compliance with its General Regulation, in particular in light of the report of the independent expert appointed in accordance with Article 261-1 I and II of the AMF General Regulation.

1.3.7 Dividend Distribution Policy

The table below shows the amount of dividends paid by the Company over the last five years:

General Meeting	Dividend per share
May 12, 2020	€0.45
May 14, 2019	€0.65
May 17, 2018	€0.65
May 10, 2017	€0.65
April 28, 2016	€0.65

The shareholders of the Company will also vote on the distribution of a dividend of 0.65 euro per share at the General Meeting of Shareholders scheduled for June 30, 2021.

The Offeror reserves the right to modify the Company's dividend distribution policy following the Offer. Any change in the Company's distribution policy will be decided by its corporate bodies, in accordance with applicable laws and the Company's by-laws, based in particular on its distribution capacity and financing needs, and taking into account the constraints of the current economic environment.

In addition, the Offeror reserves the right to cease distributing dividends in order to reserve further funds to finance the Company's development and debt reduction.

To date, no decision has been made in this regard.

1.4 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, as described in paragraphs 1.1.1 and 1.1.3, the Offeror is not aware of any other agreements that could have an impact on the assessment of the Offer or its outcome.

2. CHARACTERISTICS OF THE OFFER

2.1 Terms of the Offer

Pursuant to the provisions of Article 231-13 of the AMF General Regulation, Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, Bank of America Europe DAC (Branch in France) and Morgan Stanley Europe SE as Presenting Banks, acting on behalf of the Offeror, filed the draft

Offer with the AMF on February 8, 2021 in the form of a voluntary public tender offer at a price of €18 per share (*cum* dividend). The price offered in the draft Offer, as filed on February 8, 2021, was €18 per share (*cum* dividend). On June 29, 2021, the Presenting Banks, acting on behalf of the Offeror, informed the AMF of the increase of the Offer price from €18 per share (*cum* dividend) to €20.50 per share (*cum* dividend) and filed the Draft Offer Document with the AMF. It is specified that only Crédit Agricole Corporate and Investment Bank and HSBC Continental Europe guarantee the content and the irrevocable nature of the commitments made by the Offeror in the context of the Offer.

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.

The Offer and the Draft Offer Document remain subject to review by the AMF.

The Offeror irrevocably undertakes to acquire from the shareholders of Suez all shares of the Company included in the Offer, which will be tendered in the Offer, at a price of €20.50 per share (*cum* dividend)[14] subject to adjustments, as discussed in paragraph 2.2 of this news release, for a minimum period of twenty-five (25) trading days.

2.2 Adjustment of the terms of the Offer

If Suez were to proceed with a Distribution (as such term is defined below), in any form whatsoever, for which the reference date on which one must be a shareholder in order to receive the Distribution would be set no later than the settlement date of the Offer (included) or, as the case may be, the Reopened Offer (included), the offered price per share under the Offer will be adjusted to take such Distribution into account, it being specified that in the event that the transaction takes place between the settlement date of the Offer (excluded) and the settlement date of the Reopened Offer (included), only the price of the Reopened Offer will be adjusted.

For the purposes of this paragraph, a "**Distribution**" means the amount per share of any distribution in any form whatsoever (in cash or in kind), including (i) any distribution of a dividend, interim dividend, reserves or premiums or (ii) any capital amortization or capital decrease by Suez, or any acquisition or buy-back by Suez of its own shares, in any case at a date prior to the settlement of the Offer or, as the case may be, the Reopened Offer.

Similarly, in the event of transactions affecting the share capital of the Company (in particular merger, spinoff, stock split, reverse stock split, distribution of free shares for existing shares through the capitalization of profits or reserves) decided during the same period, and for which the reference date on which one must be a shareholder in order to receive the Distribution is set no later than the settlement date of the Offer (included) or, as the case may be, of the Reopened Offer (included), the offered price per share will be mechanically adjusted to take into account the effect of such transactions.

Any adjustment of the price per share will be announced by the publication of a press release and subject to the AMF prior approval.

It is specified that a 0.65 euro dividend per share will be submitted to the vote of Suez shareholders at the next annual general meeting of the Company to be held on June 30, 2021. The ex-dividend date would be July 6, 2021 and the payment date would be July 8, 2021. In the event that such dividend is approved by the said general meeting, the Offer price will be reduced by an amount of 0.65 euro per share as from the ex-dividend date.

[14] In the event that the dividend of 0.65 euro per share, which will be submitted to the vote of Suez shareholders at the general meeting to be held on June 30, 2021, is approved, the Offer price will be reduced by an amount of 0.65 euro per share from the ex-dividend date (see paragraph 2.2).

2.3 Number and type of shares included in the Offer

The Offer is for all the Suez shares not held by the Offeror[15]:

(i) that are currently issued and outstanding, i.e., to the Offeror's best knowledge as of the date of the Draft Offer Document, a maximum number of 451,529,224 Suez Shares,[16] and

(ii) that may be issued prior to the closing of the Offer or the Reopened Offer, as a result of the vesting of the Free Shares, i.e., to the Offeror's best knowledge as of the date of the Draft Offer Document, a maximum of 550,919 new Suez shares,[17]

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

To the best of the Offeror's knowledge, there are no other equity securities, or other financial instruments issued by the Company or rights granted by the Company that could give access, either immediately or in the future, to the share capital or voting rights of the Company.

2.4 Situation of the beneficiaries of rights to receive Free Shares

To the best of the Offeror's knowledge, the Company put in place several Free Shares allocation plans, the vesting periods of which are still ongoing as of the date of the Draft Offer Document.

The beneficiaries of rights to receive Free Shares may tender such Free Shares in the Offer or in the Reopened Offer, provided they are fully vested and transferable[18].

The table below summarizes the main characteristics of the Company's free share allocation plans outstanding as of the date of the Draft Offer Document, to the best of the Offeror's knowledge based on the information provided by the Company.

	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 general meeting	May 10, 2017	May 17, 2018	May 14, 2019
Vesting 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

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15 As of the date of the Draft Offer Document, the Offeror holds 187,810,000 Suez Shares (see Section 1.1.2) out of a total of 639,339,224 issued shares.

16 Based on the information published by the Company on its website as at May 31, 2021 in accordance with Article 223-16 of the AMF General Regulation. 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.

17 See paragraph 2.4.

18 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).

	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 »)**
Number of shares that may be acquired	138,172	295,129	117,618

To the best knowledge of the Offeror, the Board of Directors of the Company on June 29, 2021 amended the terms and conditions of the 2017 Sharing Plan and the 2019 Sharing Plan in order to shorten their respective vesting periods.

It was thus 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 will be eligible to be tendered to the Offer.

It has also been decided that the vesting period of the 2019 Sharing Plan will expire 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 expiry of the vesting period of the Free Shares is subsequent to the closing of the Offer or, if applicable, the Reopened Offer, notably in the context of the 2019 Sharing Plan, the Offeror will offer to the beneficiaries of rights to receive Free Shares, who will not be able to tender such Free Shares 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 acquisition period, via the implementation of a liquidity mechanism in accordance with market practices applicable to similar transactions and which will be offered at the latest at the closing of the Offer or, if applicable, the Reopened Offer, if any. The purchase price of the said Free Shares will be equal to the price per share paid under the Offer, adjusted, if applicable, in accordance with paragraph 2.2, by the amount of any Distribution that has occurred between the closing of the Reopened Offer and the request for redemption of the Free Shares[19]. 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.

2.5 Situation of Suez ADR holders

It is specified that the tender of Suez ADRs will not be accepted in the Offer or the Reopened Offer, and that the holders of Suez ADRs who wish to tender their shares to the Offer or the Reopened Offer will be first required to exchange them for Suez shares. The process of exchanging Suez ADRs for underlying ordinary shares may take some time. The holders of Suez ADRs are encouraged to request cancellation of their Suez ADRs as soon as possible in order to ensure that they are able to subsequently tender the existing Suez shares to be delivered to them in connection with the cancellation of the Suez ADRs in the Offer or the Reopened Offer. Holders of Suez ADRs should contact their broker or

[19] In the event that the dividend of 0.65 euro per share, which will be submitted to the vote of Suez shareholders at the general meeting to be held on June 30, 2021, is approved, the Offer price will be reduced by an amount of 0.65 euro per share from the ex-dividend date (see paragraph 2.2).

Deutsche Bank Trust Company Americas (the "**Depositary**") through Deutsche Bank ADR broker services desks (by telephone in New York: Tel +1 212 250 9100 or in London: +44 207 547 6500 or by e-mail at adr@db.com) if they have questions in relation to the cancellation of Suez ADRs. It is the responsibility of holders of Suez ADRs to verify the potential application of any tax, governmental charges or cancellation fee for their Suez ADRs, which amount will be borne by such holders.

2.6 Conditions of the Offer

2.6.1 Validity threshold

In accordance with Article 231-9, I of the AMF General Regulation, the Offer will lapse if, at its closing date, the Offeror, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code,[20] does not hold a number of shares representing a fraction of the share capital or voting rights of the Company greater than 50% (this threshold being hereinafter referred to as the "**Validity Threshold**").

It will not be known whether or not the Validity Threshold has been met until the AMF publishes the final, or, if applicable, provisional result of the Offer.

If the Validity Threshold is not reached, the Offer will not have a positive outcome and the shares tendered in the Offer will be returned to their holders within three (3) trading days following the publication of the result notice informing of the expiry of the Offer, without any interest, indemnity or other payment of any kind whatsoever being due to the said holders.

2.6.2 Merger control clearances

In accordance with Article 231-11 of the AMF General Regulation, as of the date of the Draft Offer Document, the Offer is subject to the condition precedent of obtaining merger control clearance 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, after prior consultation (without right of veto) with Suez.

The AMF will set the closing date of the Offer as soon as the abovementioned authorization by the European Commission or confirmation that there is no objection to such authorization has been received or, as the case may be, as soon as the Offeror has exercised its rights to waive this condition precedent.

In accordance with Article 231-11 of the AMF General Regulation, the Offer will automatically lapse if the combination is the subject of the European Commission procedure provided in Article 6.1.c) of EC Regulation No. 139/2004 of January 20, 2004, unless the Offeror has previously exercised its right to waive the aforementioned condition precedent.

The transaction has already received merger control clearance in the United States, Canada, Colombia, Ecuador, South Korea, and Saudi Arabia.

2.7 Terms of the Offer

It should be noted that the draft Offer was filed with the AMF on February 8, 2021 and that, on that date, the Offer price was €18 per share (*cum* dividend). The filing of the draft Offer, thus formulated, and the corresponding draft offer document were the subject of a filing notice by the AMF,[21] and the

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[20] It is specified that Veolia is not acting in concert with anyone.

[21] AMF notice no. 221C0312 of February 8, 2021 available on the AMF website.

draft offer document was made available to the public in accordance with Article 231-16 of the AMF General Regulation.

On June 29, 2021, the Presenting Banks, acting on behalf of the Offeror, informed the AMF of the increase of the Offer price from €18 per share (*cum* dividend) to €20.50 per share (*cum* dividend) and filed the Draft Offer Document with the AMF accordingly. A notice has been published by the AMF on its website (www.amf-france.org) in this context.

A press release containing the main elements of the Draft Offer Document was issued by the Offeror on June 29, 2021 and remains available on its website (www.veolia.com).

In accordance with Article 231-16 of the AMF General Regulation, this Draft Offer Document, as filed with the AMF, is available to the public free of charge at the registered offices of the Offeror and each of the Presenting Banks, as well as online on the websites of the AMF (www.amf-france.org) and Veolia (www.veolia.com).

The AMF will publish on its website a reasoned clearance decision with respect to the Offer after having verified that the Offer complies with applicable laws and regulations. Such clearance decision will entail approval ("*visa*") of the offer document. The offer document approved by the AMF as well as the information relating in particular to the legal, financial and accounting characteristics of the Offeror, will be made available to the public, in accordance with Article 231-28 of the AMF General Regulation, by the Offeror and each of the Presenting Banks, no later than the day preceding the opening of the Offer. Such documents will also be available on the websites of the AMF (www.amf-france.org) and Veolia (www.veolia.com).

A press release indicating how such documents will be made available will be issued no later than the day preceding the opening of the Offer.

As Suez shares are admitted to negotiation on Euronext Brussels, pursuant to the provisions of Article 4,§4 of the Belgian statute dated April 1, 2007 regarding tender offers in Belgium (*loi belge du 1er avril 2007 relative aux offres publiques d'acquisition*), the Offer will be opened in Belgium. In that regard, the Offeror will request the recognition of the offer document by the Belgian financial services and markets authority (*autorité belge des services et marchés financiers)* pursuant to the provisions of Article 20 of the aforementioned Belgian statute.

Prior to the opening of the Offer, the AMF will publish a notice of opening, and Euronext Paris and Euronext Brussels will publish a notice announcing the terms and opening of the Offer.

2.8 Procedure for tendering in the Offer

Shares tendered in the Offer (and, if applicable, in the Reopened Offer) must be freely tradeable and free of all liens, pledges or other sureties or restrictions of any nature whatsoever restricting the free transfer of their ownership. The Offeror reserves the right to reject any tendered share that does not comply with this condition.

The shareholders of the Company whose shares are held through a financial intermediary (credit institution, investment company, etc.) and who wish to tender their shares in the Offer must deliver to their financial intermediary, no later than the closing date of the Offer, a tender order in the form made available to them by their intermediary.

Holders of shares are invited to contact their intermediaries to verify the applicable terms and conditions. In accordance with Article 232-2 of the AMF General Regulation, orders to tender shares in the Offer may be revoked at any time until the closing date of the Offer (included). After that date, orders will be irrevocable.

Shareholders whose shares are recorded in "pure" registered form ("*nominatif pur*") in the account register of the Company, held by CACEIS Corporate Trust (Service Assemblées Générales, 14 rue Rouget de Lisle 92862 Issy-les-Moulineaux Cedex 9), may request that their shares be converted into "administrative" registered form ("*nominatif administré*") in order to tender their shares in the Offer, unless they have already requested their conversion to bearer form ("*au porteur*"). The Offeror reminds shareholders that any shareholder who expressly requests conversion into bearer form will lose the advantages of holding shares in registered form if the Offer does not succeed.

The Offer (and, if applicable, the Reopened Offer) and all of its related agreements are governed by French law. Any dispute or conflict, whatever its purpose or grounds, relating to the Offer (and, if applicable, the Reopened Offer) will be brought before the competent courts.

No commission will be paid by the Offeror to the financial intermediaries through whom the shareholders tender their shares in the Offer.

2.9 Centralization of orders to tender in the offer

Each financial intermediary and the registrar that holds the registered accounts for the shares of the Company will, on the date indicated on the notice published by Euronext Paris and Euronext Brussels, transfer to Euronext Paris the shares for which it has received order to tender in the Offer.

Following receipt by Euronext Paris of all orders to tender in the Offer in accordance with the above terms, Euronext Paris will centralize all of the orders and determine the outcome of the Offer.

2.10 Publication of the results and settlement of the Offer

Pursuant to Article 232-3 of its General Regulation, the AMF will announce the final result of the Offer no later than nine (9) trading days after the closing of the Offer. If the AMF observes the Offer is successful, Euronext Paris and Euronext Brussels will indicate in a notice the date and procedures for shares and payment delivery.

No interest will be due for the period running from the date of tendering shares in the Offer through the date of settlement of the Offer.

On the settlement date of the Offer (and, if applicable, the Reopened Offer), the tendered Suez shares and all of the rights attached thereto will be transferred to the Offeror. Intermediaries will credit the account of their clients who have tendered their shares to the Offer (or, if applicable, to the Reopened Offer) as from the settlement date of the Offer (and, if applicable, of the Reopened Offer).

2.11 Tentative timetable for the Offer

Prior to the opening of the Offer, the AMF will publish a notice of opening and timetable, and Euronext Paris and Euronext Brussels will publish a notice announcing the terms and timetable of the Offer. The notice setting out the closing date of the Offer will be published by the AMF upon receipt of the competition clearance described in paragraph 2.6.2 above or of the confirmation of the absence of opposition to such clearance or, as the case may be, of the waiver by Veolia of such clearance.

A tentative timetable is set forth below:

Dates	Main steps of the Offer
February 8, 2021	- Offer filed with the AMF at a price of €18 per share (*cum* dividend), along with the corresponding draft offer document, and said draft offer document made available to the public

Dates	Main steps of the Offer
May 14, 2021	- Veolia and Suez enter into the Combination Agreement
June 29, 2021	- Offer price increased from €18 per share (*cum* dividend) to €20.50 per share (*cum* dividend) and Offeror's Draft Offer Document filed with the AMF - Offeror's Draft Offer Document posted on the websites of the Offeror (www.veolia.com) and of the AMF (www.amf-france.org) and made available to the public at the registered offices of the Offeror and of the Presenting Banks - Publication of the **p**ress release containing the main elements of the Offeror's Draft Information Memorandum and specifying the terms and conditions for making it available
	- Company's draft reply document filed with the AMF, including the reasoned opinion of the Board of Directors, the independent expert's report and the opinion of the competent employee representative body - Company's draft reply document posted on the websites of the Company (www.suez.com) and of the AMF (www.amf-france.org) and made available to the public at the Company's registered office - Publication of press release announcing the filing and the availability of the Company's draft reply document
[July 6, 2021; July 20, 2021]	- AMF's clearance decision with respect to the Offer, which entails approval ("*visa*") of the Offeror's offer document - Offeror's approved offer document posted on the websites of the Offeror (www.veolia.com) and of the AMF (www.amf-france.org) and made available to the public at the registered offices of the Offeror and of the Presenting Banks - Publication of the press release announcing the availability of the information notice
	- AMF's approval ("*visa*") of the Company's reply document - Offeror's approved offer document posted on the websites of the Company (www.suez.com) and of the AMF (www.amf-france.org) and made available to the public at the registered offices of the Company - Publication of the press release announcing the availability of the Company's approved offer document
[July 7, 2021; July 21, 2021]	- Information relating to the Offeror, in particular to its legal, financial and accounting characteristics, posted on the websites of the Offeror (www.veolia.com) and of the AMF (www.amf-france.org) and made available to the public at the registered offices of the Offeror and of the Presenting Banks - Publication of the press release announcing the availability of the information relating to the Offeror, in particular to its legal, financial and accounting characteristics
	- Information relating in particular to the legal, financial and accounting characteristics of the Company posted on the websites of the Company (www.suez.com) and of the AMF (www.amf-france.org) and made available to the public at the registered office of the Company - Publication of the press release announcing the availability of the information relating to the Company, in particular to its legal, financial and accounting characteristics

Dates	Main steps of the Offer
	- Determination by the AMF of the Offer timetable - Publication by the AMF of the notice announcing the opening of the Offer - Publication by Euronext Paris of the notice relating to the Offer and its terms
[July 8, 2021; July 22, 2021]	- Opening of the Offer
[November 15], 2021	- Obtaining the approval with regard to merger control from the European Commission
[November 16], 2021	- Determination by the AMF of the closing of the Offer - Publication by the AMF of the notice announcing the closing of the Offer - Publication by Euronext of the notice announcing the closing of the Offer
[November 29], 2021	- Closing of the Offer
[December 3], 2021	- Notice announcing the result of the Offer published by the AMF
[December 6], 2021	- In the event the Offer is successful, opening of the Reopened Offer
[December 10], 2021	- In the event the Offer is successful, settlement of the Offer
[December 20], 2021	- Closing of the Reopened Offer
[December 24], 2021	- Notice announcing the result of the Reopened Offer published by the AMF
[December 31], 2021	- Settlement-delivery of the Reopened Offer

2.12 Possibility of withdrawing the Offer

In accordance with Article 232-11 of the AMF General Regulation, the Offeror may withdraw its Offer within five (5) trading days following the publication of the timetable for a competing offer or an improved competing offer. It must inform the AMF of its decision which is made public.

It may also withdraw its Offer if it no longer serves its intended purpose, or if Suez adopts measures that modify its substance, either during the Offer or in the event that the Offer is successful, or if measures adopted by Suez increase the costs of the Offer for the Offeror.

In the event of a withdrawal, shares tendered in the Offer will be returned to their owners without any interest, indemnification or other payment being due.

2.13 Reopening of the Offer

In accordance with Article 232-4 of the AMF General Regulation, 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, under terms identical to those of the Offer. The AMF will publish the timetable for the reopening of the Offer, which will remain open for at least ten (10) trading days (the "**Reopened Offer**").

If the Offer is reopened, the tender process and order centralization for the Reopened Offer will be identical to those applicable to the Offer described in paragraphs 2.7 and 2.8 of this news release, it being specified that orders to tender in the Reopened Offer will be irrevocable as from their issuance.

However, the Offeror reserves the right, in the event that it is able and decides to perform a squeeze-out immediately following the Offer pursuant to Articles 237-1 *et seq*. of the AMF General Regulation, to request from the AMF the implementation of such a squeeze-out within ten (10) trading days after publication of the notice announcing the results of the Offer. In that event, the Offer will not be reopened.

2.14 Costs and financing of the Offer

2.14.1 Costs relating to the Offer

The overall amount of all fees, costs and external expenses incurred in connection with the Offer by the Offeror, including fees and expenses of its financial, legal and accounting advisors, publicity costs and costs relating to the financing of the Offer, is estimated at approximately €150 million (excluding taxes).

2.14.2 Financing terms of the Offer

Assuming that all the shares concerned are tendered, the maximum cost of the Offer would be approximately €9.3 billion. The Offer will be financed by a bridge loan concluded with a banking syndicate. It is expected that this facility will be refinanced using proceeds from the disposals made in the context of the creation of the "New Suez", through a capital increase with preferential subscription rights and, possibly, through the issuance of hybrid bonds. The contemplated capital increase would be in the range of 2 to 2.5 billion euros. The financing plan aims to maintain a solid investment grade credit rating for the enlarged group and to keep the net financial debt/EBITDA ratio below 3.0x in the medium term, in line with the group's objectives.

2.14.3 Payment of costs charged to shareholders

No fees will be reimbursed and no commission will be paid by the Offeror to any person soliciting tender of shares.

2.15 Offer restrictions outside of France

Neither the Draft Offer Document nor any other document relating to the Offer constitutes an offer to buy or sell financial instruments or a solicitation of an offer in any country in which such offer or solicitation would be illegal, or to any person to whom such an offer cannot legally be made. The shareholders of the Company located outside of France may participate in the Offer only to the extent that such participation is authorized by the local law to which they are subject.

The distribution of the Draft Offer Document and of any document relating to the Offer or to participation in the Offer may be subject to legal restrictions in certain jurisdictions.

The Offer is not being made to persons subject directly or indirectly to such restrictions, and may not in any way be the subject of an acceptance from a country in which the Offer is subject to restrictions.

Those who come into possession of the Draft Offer Document must inform themselves of the applicable legal restrictions and comply with them. A failure to comply with legal restrictions may constitute a violation of applicable stock exchange laws and regulations in certain jurisdictions. The Offeror will not be liable for the violation of applicable legal restrictions by any person.

This press release does not constitute an offer to acquire securities
The offer described below may only be opened once it has been declared compliant by the Autorité des marchés financiers.

As Suez shares are admitted to negotiation on Euronext Brussels, pursuant to the provisions of Article 4,§4 of the Belgian statute dated April 1, 2007 regarding tender offers in Belgium (*loi belge du 1er avril 2007 relative aux offres publiques d'acquisition*), the Offer will be opened in Belgium. In that regard, the Offeror will request the recognition of the offer document by the Belgian financial services and markets authority (*autorité belge des services et marchés financiers)* pursuant to the provisions of Article 20 of the aforementioned Belgian statute.

The Offer will also be made in the United States of America in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934 as amended (the "**U.S. Exchange Act**"), and the rules and regulations promulgated thereunder, including Regulation 14E, and otherwise in accordance with applicable requirements under French law. The Offer is subject to the exemptions from certain provisions of Regulation 14E provided by Rule 14d-1 (d) under the U.S. Exchange Act ("Tier II" exemption). Accordingly, the Offer will be subject to certain procedural requirements, including with respect to the settlement procedures, which are different from those applicable under U.S. tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. shareholder of the Company may be a taxable transaction for U.S. federal income tax purposes. Each U.S. shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Offer.

It may be difficult for U.S. shareholders of the Company to enforce their rights and claims arising out of the U.S. federal securities laws, the Offeror and the Company being headquartered in a country other than the United States of America, and some or all of their respective officers and directors may be residents of a country other than the United States of America. U.S. shareholders of the Company may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violation of U.S. securities laws. Further, it may be difficult to subject a non-US company (or its affiliates) to a U.S. court's judgment.

To the extent permissible under applicable laws and regulations, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with usual French practice, the Offeror and its affiliates or broker(s) (acting as agents or in the name and on behalf of the Offeror or its affiliates, where appropriate) and the Company and its affiliates or broker(s) (acting as agents or in the name and on behalf of the Company or of its affiliates, where appropriate), may, both prior to and after the date thereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange, to purchase shares of Suez. These purchases can occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the Offer price. To the extent information about such purchases or arrangements to purchase is made public in France, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of such information. No purchases will be made outside of the Offer in the United States of America by or on behalf of the Offeror, the Company and/or their respective affiliates. Affiliates of the financial advisors of the Offeror and of the Company may engage in ordinary course trading activities in securities of Suez, which may include purchases or arrangements to purchase such securities.

The Draft Offer Document has not been filed with or reviewed by any federal or state securities commission or regulatory authority of any jurisdiction in the United States of America, nor has any such commission or authority passed upon the accuracy or adequacy of the Draft Offer Document. Any representation to the contrary is unlawful and may be a criminal offense.

3. SYNTHESIS OF THE VALUATION CRITERIA FOR THE OFFER PRICE

The below table summarizes the valuation outcomes based on the retained valuation methodologies, as well as the premium and discounts implied by the Offer price of 20.50 euros per share:

Methodologies	Share price / valuation	Offer price (€20.5) premium/discount vs. share price/valuation
	In euros	In %
Retained methodologies		
Historical share price analysis as of 30/07/2020*		
Closing price as of 30/07/2020	10.32	+98.7%
1-month VWAP as of 30/07/2020	10.49	+95.5%
3-month VWAP as of 30/07/2020	10.39	+97.3%
6-month VWAP as of 30/07/2020	11.46	+78.8%
9-month VWAP as of 30/07/2020	12.08	+69.7%
12-month VWAP as of 30/07/2020	12.45	+64.6%
Lowest price over the last 12 months as of 30/07/2020 (on 17/03/2020)	8.57	+139.2%
Highest price over the last 12 months as of 30/07/2020 (on 21/02/2020)	15.89	+29.0%
Target prices from analysts from 29/07/2020 to 28/08/2020**		
Average of target prices from analysts	11.41	+79.7%
Lowest target price	8.90	+130.3%
Highest target price	14.00	+46.4%
Discounted cash flows		
WACC of 5.60% & PGR of 1.00%	17.88	+14.6%
WACC of 5.85% & PGR of 1.25%	17.58	+16.6%
WACC of 5.35% & PGR of 0.75%	18.19	+12.7%
Trading multiples of listed peers***		
EV/EBITDA 2021E – Veolia	10.77	+90.4%
EV/EBITDA 2022E – Veolia	10.60	+93.5%
EV/EBITDA 2021E – Average of other comparable companies	16.61	+23.5%
EV/EBITDA 2022E – Average of other comparable companies	16.25	+26.2%
Adjusted P/E 2021E – Veolia	12.42	+65.1%
Adjusted P/E 2022E – Veolia	15.06	+36.1%
Adjusted P/E 2021E – Average of other comparable companies	12.27	+67.0%
Adjusted P/E 2022E – Average of other comparable companies	15.54	+31.9%
Methodologies presented for illustrative purpose		
Historical share price analysis as of 09/04/2021****		
Closing price as of 09/04/2021	18.44	+11.2%
1-month VWAP as of 09/04/2021	18.11	+13.2%
3-month VWAP as of 09/04/2021	17.46	+17.4%
6-month VWAP as of 09/04/2021	16.70	+22.7%
9-month VWAP as of 09/04/2021	15.17	+35.2%
12-month VWAP as of 09/04/2021	14.15	+44.8%
Lowest price over the last 12 months as of 09/04/2021 (on 16/04/2020)	9.10	+125.4%
Highest price over the last 12 months as of 09/04/2021 (on 08/04/2021)	18.50	+10.8%
Target prices from analysts from the 28/08/2020 to the 09/04/2021******		
Average of target prices from analysts	17.68	+15.9%
Lowest target price	16.30	+25.8%
Highest target price	18.00	+13.9%

** Last closing price before Engie's strategic plan announcement on 31/07/2020*
*** Last closing price before Veolia's announcement of its offer for the acquisition of Engie's stake on 30/08/2020*
**** Computed on the basis of the share price as of 23/06/2021 for the comparables, expect for Veolia as of 09/04/2021*
***** Last closing price before the announcement of the agreement between Suez and Veolia for an Offer price of €20.5 as of 12/04/2021*