OPERATING AND FINANCIAL REVIEW
Consolidated Financial Statements
for the nine months ended September 30, 2021

Unaudited figures

VEOLIA

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VEOLIA ENVIRONNEMENT

OPERATING AND FINANCIAL REVIEW

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2021

Chairman's message

Antoine Frérot, Veolia's Chairman & CEO commented*:* *« After **a flying start to the year,** Veolia has maintained an outstanding pace of growth in the 3rd quarter, **even stronger than in 2019,** both in terms of activity and results. All indicators are green. Our commercial momentum is particularly strong, thanks to expanding markets and offers that integrate more and more added value. Moreover, our strict cost control has enabled us once again to benefit from a strong operating leverage. Our financial performance in the first 9 months of 2021 is not only much better than in 2020, which was penalized by the sanitary crisis in the first 2 quarters of the year, but also very much ahead of 2019, which was a record year of profits for Veolia. 2021 guidance is therefore fully confirmed. Our teams have also remained fully committed to **finalizing** the acquisition of Suez around year-end. We are now all looking forward to welcoming Suez's teams in order **to create the world** leader in ecological transformation ».*

1

SUEZ COMBINATION

1.1 Suez combination

Veolia completed a number of major steps in its combination with Suez including:

- **the presentation on June 29 by the consortium** comprising Meridiam, GIP and CDC/CNP Assurances (the "Consortium") **of a binding final promise to purchase** the new Suez for an enterprise value of €10.4 billion. This valuation includes a potential earn-out of €300 million to be paid at the end of fiscal year 2021[1]. All of the consortium's commitments to maintain all jobs and social benefits have been formally confirmed, as well as those relating to the duration of the holding.

- the receipt **on July 20 of the AMF's statement certifying** the public tender offer for the shares of Suez filed by Veolia on June 30, 2021 **to be compliant**. Veolia's offer document and Suez's reply as well as the information mentioned in Article 231-28 of the AMF's General Regulations are available on the Veolia, Suez and AMF respective websites. **The public tender offer opened on July 29, 2021[2]**.

- the successful completion of the **€2.5 billion share capital increase with settlement delivery on October 8, 2021**.

- the conclusion, following the finalization of the information-consultation process with Suez employees, of a final agreement with the Consortium on October 22, 2021 concerning the creation of the new Suez with terms and conditions in line with the final promise to purchase presented on June 29, 2021.

The authorization procedures of the relevant competition authorities necessary for the completion of the acquisition are proceeding according to the announced schedule. In particular, the European Commission was formerly notified on October 22, 2021.

For the record, and as indicated on April 11, the new Suez thus formed would have revenues of nearly €7 billion, including Suez's Water and Recycling & Recovery activities in France, international assets in Italy, Central Europe, Africa (including Morocco), Central Asia, India, China and Australia, as well as global digital and environmental activities, enabling it to maintain its growth prospects and innovation capacities in France and internationally.

Veolia will retain nearly €10 billion of Suez's revenues, including all of the assets designated since last fall as "strategic" for its plan to create a global champion of ecological transformation, in particular its activities in the United Kingdom, Spain, the United States, Latin America and Australia and Suez's Water Technologies Services business.

This new European champion with a French base will be able to draw on combined revenues of nearly €37 billion with enhanced growth potential, thanks to its presence in most regions of the world and an unrivaled range of services to meet environmental challenges in the Water, Waste and Energy sectors, serving both public and private customers.

Next steps in the calendar

- Receipt of European Commission approval expected mid-December 2021.

- Effective completion of the acquisition of the new Suez by the Consortium planned for the end of January 2022, subject to fulfillment of the conditions precedent set out in the acquisition agreement.

[1] The earn-out depends on 2021 EBITDA
[2] The Offer remains subject to approval by the European Commission.

1.2 Financing

Assuming that all the shares concerned are tendered, the maximum cost of the Offer would be approximately €8.97 billion. The Offer will be financed by a bridge loan with a banking syndicate. It is expected that this facility will be refinanced using proceeds from the disposals made in creating the "New Suez" and, possibly, through the issuance of hybrid bonds supplementing the share capital increase with preferential subscription rights.

On September 16, 2021, the Group announced the launch of a share capital increase for cash with shareholders' preferential subscription rights of €2.5 billion (including issue premiums). On October 6, 2021, the Group announced the issue's success. Following the subscription period, which ended on October 1, 2021, total demand amounted to more than 193 million shares, for an amount close to €4.4 billion, leading to a well oversubscribed transaction with a take-up rate of approximately 175.4%. The final gross proceeds of the share capital increase with shareholders' preferential subscription rights totaled €2,506,007,269.20 corresponding to the issuance of 110,396,796 new shares at a subscription price of €22.70. Following the settlement-delivery of the share capital increase, Veolia's share capital is €3,449,899,925 and comprises 689,979,985 shares with a par value of €5 each. The success of this share capital increase and the support from our existing shareholders, as evidenced by the strong take-up rate, confirm the powerful rationale that underpins the combination with Suez.

The financing plan for the Suez merger 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.

Further information on the planned combination project is provided in Note 3 to the interim consolidated financial statements.

2

MAJOR EVENTS OF THE PERIOD

2.1 Business and income trends

Strong growth in results compared with 2020 and 2019

Q3 results

After the first six months marked by a strong upturn in results, we observed an acceleration in growth in Q3 with Group revenue up +5.9% compared with 2020 and +5.0% compared with 2019 at constant exchange rates (versus +4.6% in H1). Q3 EBITDA increased by +17.5% compared with 2020 and +19.1% compared with 2019 at constant exchange rates (versus +6.2% in H1).

Variation at constant exchange rates M€	Q3 2019	Q3 2020	Q3 2021	variation vs September 2020	variation vs September 2019
Revenue	6,441	6,293	6,712	+5.9%	+5.0%
EBITDA	892	893	1,059	+17.5%	+19.1%
EBITDA Margin	*13.8%*	*14.2%*	*15.8%*		

Third quarter results were driven by positive business trends with a further upturn in waste volumes and strong growth in hazardous waste, partially offset by lower quarterly water volumes in France due to a wet summer. Positive tariff reviews combined with higher recyclate prices contributed positively to Q3 results, which also benefited from an Operating Financial Asset disposal relating to a waste to energy project in France (€83 million impact on EBITDA and nil impact on EBIT in the quarter).
Adjusted for this transaction, Q3 EBITDA growth remains above H1 growth at +8.2% compared with 2020 and +9.8% compared with 2019 at constant exchange rates.

9-month results

Variation at constant exchange rates M€	September 2019	September 2020	September 2021	variation vs September 2020	variation vs September 2019
Revenue	19,765	18,705	20,357	+9.4%	+4.7%
EBITDA	2,894	2,492	3,140	+26.4%	+10.2%
EBITDA Margin	*14.6%*	*13.3%*	*15.4%*		

Results for the 9 months ended September 30, 2021 are up significantly on September 2020 as well as September 2019, prior to the health crisis. They reflect both activity growth and robust profitability.

This 9-month growth was driven by a strong upturn in waste (revenue up +15.5% compared with 2020 at constant exchange rates), robust energy activities (revenue up +18.2% compared with 2020 at constant exchange rates) both in heat production and distribution and energy services for buildings and resilient water businesses.

Overall, results as of September 2021 compared with 2020 benefited from a favorable commercial and volume effect and a positive inflation impact, combined with strong pricing strategy and cost control discipline. The positive price effect on services was due to contractual indexation mechanisms that pass on cost inflation in production factors. In waste, significantly higher recyclate prices (paper, plastic, ferrous and non-ferrous metals) positively impacted revenue and EBITDA. The increase in energy prices in 2021 had a globally positive impact on results, which was limited as most purchases are hedged (electricity, gas, coal, CO_2).

All Group geographies contributed to this growth and particularly Europe excluding France (+13.8% compared with 2020 at constant exchange rates), which benefited from strong growth in waste and energy activities, and France (+10.3% compared with 2020 at constant exchange rates). In the Rest of the world, revenue growth

(+5.2% compared with 2020 at constant exchange rates) was underpinned by good activity volume in Latin America and Africa and the Middle East and in our strategic hazardous waste activities in Asia.

This growth was accompanied by higher Group profitability, with EBITDA of €3,140 million for the 9 months ended September 30, 2021, up +26.4% compared with 2020 and +10.2% compared with 2019 at constant exchange rates (+23.1% and +7.3%, respectively, restated for the Q3 OFA disposal). At 15.4% of revenue, the EBITDA margin is 2.1 points higher than last year and 0.8 points higher than 2019, which was untouched by the health crisis. Operating profitability continues to benefit from the strengthening of efficiency programs, which generated gains of €299 million in the 9-month period.

Group **Current EBIT** amounted to €1,258 million for the period, up +68.7% at constant exchange rates compared with end-September 2020, re-presented[1]. **Current net income - Group share** of **€667 million** is also up significantly on the end-September 2020 (Current net income - Group share re-presented[1] of €126 million), favorably impacted by higher profitability and a further decrease in the Group's cost of net financial debt.

This increase in Group profitability combined with good control over cash flow indicators contributed to the marked improvement in **Free Cash Flow** before financial investments and dividends to **€705 million** at the end of September including Suez dividends for an amount of €122 million (compared with -€377 million at end-September 2020 and -€167 million at end-September 2019). The Group significantly improved its operating working capital requirements and exercises tight discipline over net industrial investments which totaled €1,355 million.
At the end of September 2021, **net financial debt** is **€13.4 billion** (compared with €13.2 billion at end-December 2020), impacted by the payment of dividends of €521 million and negative foreign exchange impacts of - €203 million.

2.2 Changes in Group structure – Strategic Program

2.2.1 COMMERCIAL INNOVATIONS AND DEVELOPMENTS

In line with the Impact 2023 program, the Group's commercial innovations and developments at the end of September 2021 confirm the Group's ability to renew its offers and services.

Commercial development with municipal customers

In the municipal market, the Group achieved several major commercial successes in the first nine months of the year, both in France and internationally and across all Group businesses.

In France, in water distribution and treatment activities, the Group will start operating from this year public sector concessions for the Choletais agglomeration (11-year contract worth an estimated €74 million), and for the Colmar agglomeration (4.5-year contract worth €14 million). Furthermore, the Group renewed its contracts

[1] Current EBIT and Current net income - Group share include the IFRS 2 "share-based payment" impacts in current items. See Section 5.1 of the Appendices.

for the Lens Liévin agglomeration (7-year contract worth €83 million) and the Grand Montauban agglomeration (15-year contract worth an estimated €135 million).

On September 12, 2021, the Nice Côte d'Azur metropolitan area renewed an operating and modernization contract for its waste-to-energy facility and the construction of a next generation sorting center with the Veolia-Banque des Territoires consortium. This 20-year public service concession arrangement represents cumulative revenue of €1.4 billion and will increase annual waste processing capacity to 380,000 metric tons.

On September 29, 2021, the City of Tachkent (Uzbekistan) awarded Veolia a 30-year concession contract for the operation, maintenance and management of its district heating system, worth revenue of €13.4 billion. It is the first contract awarded to the Group in the country. It is in line with Veolia's strategy, which intends, both in France and abroad, to offer local communities its vast array of expertise and solutions to support them in their sustainable development and ecological transformation.

In Japan, a consortium led by the Group and including METAWATER Co LTD and eight other local partners signed a framework agreement for the management, operation and modernization of drinking water installations in the Miyagi Prefecture. This 20-year concession agreement comprises the maintenance and modernization of eight treatment plants in Miyagi, aimed at reaching a total treatment capacity of 900,000 m^3 per day. The agreement represents total revenue for the Group of close to €800 million.

Development of circular energy and energy services activities

In Brazil, the Group has brought on stream three new thermoelectric power plants in three of its sanitary landfills operated in the provinces of Sao Paulo and Santa Catarina. These units will produce 12,400 kW of renewable electricity from biogas produced by the decomposition of organic waste, meeting the electricity and heating needs of a city of around 42,000 inhabitants in Brazil. In this way, by the end of 2021, biogas capture at Veolia's landfills in Brazil will avoid 45,000 metric tons of methane emissions into the atmosphere, representing approximately 1.26 million metric tons of CO_2 equivalent.

In Italy, the Group also entered into several energy services contracts, including a contract with Parma University (15-year agreement worth €145 million), a 7-year extension to the agreement with Milan (worth €163 million) and a contract with Parma hospital (7-year agreement worth €37 million).

Ecological resource management for industrial customers

The Group continues to innovate in resource management for its industrial customers. Using an innovative collaborative approach, Veolia, through its Finish subsidiary, STEP, joined forces with the German chemicals giant, BASF, to finance, build and operate a trigeneration plant (steam, water and compressed air) to deliver industrial utilities to the Harjavalta industrial park, where BASF has established a cluster to produce raw materials for electric vehicle batteries. This twenty-year contract is worth almost €240 million and represents an important milestone in Veolia's Impact 2023 strategic plan.

On April 13, Veolia Peru signed an agreement with Petroperu to operate and maintain the sulfuric acid production facility at its new refinery in Talara, a port city in the north-west of the country. This 10-year agreement aims to process 560 metric tons/day of 98%-grade sulfuric acid produced by acid gas processing activities at the refinery and represents close to €96 million. It is expected to commence before the end of 2021.

Launch of innovative offerings and new activities

To meet the battery life cycle challenge, the Group partnered in March 2021 with Renault and Solvay to recycle the metals in electric vehicle batteries in a closed loop. This alliance, which is based on low carbon footprint processes, material efficiency and preserving resources, will produce high-purity secondary materials.

Finally, the Group partnered with Total Energies to accelerate the development of microalgae production using carbon dioxide. Mature algae can be transformed into low-carbon biofuels.

2.2.2 CHANGES IN GROUP STRUCTURE

In the first three quarters of 2021, the Group continued with discipline its asset rotation policy in line with the objectives set in the Impact 2023 strategic plan. Following the sale of heating assets in the United States and reinvestment in municipal energy businesses in Central Europe in 2020, the main transactions in 2021 focused on Global Businesses, the Nordic countries and Asia.

Significant acquisitions

OSIS (Global businesses)

On May 18, 2021, through its subsidiary SARP, the Group acquired Suez RV OSIS, a specialist in the maintenance of sanitation networks and structures, and in industrial maintenance and cleaning services, for an enterprise value of €262 million excluding IFRS 16 debt. The merger of SARP and OSIS will enable the Veolia Group to position itself as a major player in this area, and due to the complementary nature of the two entities, will enable them to offer new, high added value services to their public, tertiary and industrial customers, covering the whole of France.

Significant Divestitures

Shenzhen Water Concession (China)

On May 18, 2021, the Group sold its investment in the Shenzhen water concession in China. This divestiture is part of the Impact 2023 strategic plan asset rotation policy. The transaction was completed for €403 million.

Divestiture of the Utilities Services business in Northern Europe

On June 30, 2021, the Group sold its Utilities Services business in Scandinavia. This transaction comprised the sale of industrial assets in Sweden and companies in Norway for €70 million. On September 30, 2021, in line with this transaction, the Group completed a second divestment of infrastructure and equipment optimization activities including maintenance (Technical Management) in Sweden. This transaction comprised the sale of industrial assets and totaled €20 million.

2.3 Group Financing

2.3.1 BOND ISSUES

On January 11, 2021, Veolia successfully issued a €700 million bond maturing in January 2027 (6 years) with a negative yield of -0.021%. The proceeds of this issuance are intended to be used for corporate financing purposes. The high subscription rate, the quality of the investor base, their diversification and the good conditions which were achieved are signals that Veolia's signature is viewed very favorably and of its financial strength.

Following the €2.5 billion share capital increase with PSR and its settlement-delivery on October 8, 2021, the Chairman and Chief Executive Officer, pursuant to the delegation of authority granted by the Board of Directors, adjusted notably the rights of holders of OCEANE bonds in order to preserve their rights in accordance with applicable legal and contractual provisions, with effect from October 8, 2021. The number of Veolia shares (Conversion/Exchange Ratio) that may be obtained by the conversion and/or exchange of each OCEANE bond was increased from 1 Veolia share to 1.031 Veolia shares.

2.3.2 CONFIRMATION OF THE CREDIT OUTLOOK

On July 19, 2021, Standard and Poor's confirmed Veolia Environnement's credit rating at A-2/BBB with a stable outlook. Moody's confirmed its rating at P- 2/Baa1 with a stable outlook on August 16, 2021.

2.3.3 DIVIDEND PAYMENT

The Combined General Meeting of April 22, 2021 approved payment of a dividend of €0.70 per share for fiscal year 2020. The dividend therefore amounted to €397 million and was paid from May 12, 2021.

2.4 Performance share plan and Group savings

2.4.1 PERFORMANCE SHARES

Amendments to the Performance Share Plan

At the recommendation of the Compensation Committee, the Board of Directors decided on March 9, 2021 to adjust the financial objective of the internal economic performance criteria (Current net income, Group share) in the 2018, 2019 and 2020 performance share plans. It is recalled that a communication was issued on the adjustment to the financial objective in the 2018 plan on April 1, 2020. Other than the change to the financial objectives in these plans, the other performance criteria in the 2019 and 2020 plans are unchanged.

In the exceptional context tied to the Covid-19 epidemic, the results for fiscal year 2020 are not representative of the Group's overall performance during the reference period of the plans.

Accordingly, the Board of Directors decided to propose the neutralization of fiscal year 2020 in calculating the attainment of this sole company financial performance indicator and a reduction in the same proportion for this criteria, i.e. one-third, of the number of rights to shares currently vesting under the 2018, 2019 and 2020 performance share plans. This adjustment seeks to align the interests of shareholders with those of plan beneficiaries who are strongly committed to performance recovery after the health crisis. The Board of Directors considered its decision to adjust these plans to be balanced in consideration for the attainment in 2021 of ambitious financial objectives and results aimed at returning to or exceeding the Company's 2019 pre-crisis performance level.

In addition, in accordance with the Group's compensation policy and the authorization granted by the Combined General Meeting, the Board of Directors decided on May 4, 2021, at the recommendation of its Compensation Committee, to grant performance shares to approximately 450 beneficiaries, including top executives, high potential employees and key contributors of the Group, including the Chairman and Chief Executive Officer (representing up to 0.5% of the share capital). The vesting of these shares is subject to presence and performance conditions. The detailed features of the Performance Plans can be found in Chapter 3, Section 3.4.3 of the 2020 Universal Registration Document and Chapter 5 of the Update to the 2020 Universal Registration Document.

Following the €2.5 billion share capital increase with PSR and its settlement-delivery on October 8, 2021, the Chairman and Chief Executive Officer, pursuant to the delegation of authority granted by the Board of Directors, adjusted notably the rights of beneficiaries under the Performance Share Grant Plans in order to preserve their rights in accordance with applicable legal and contractual provisions, with effect from October 8, 2021.

2.4.2 GROUP SAVINGS PLAN

On September 7, 2021, the Group announced the launch of a new shareholder transaction for Group employees. This transaction, open to around 147,000 Group employees, is intended to give them a vested interest in the development and performance of Veolia. The settlement-delivery of the new shares to be issued is scheduled for December 8, 2021. The main characteristics were decided by the Board of Directors on May 4, 2021 and concern a maximum of 11,572,227 shares (i.e. 2% of the share capital before the share capital increase). Beneficiaries may subscribe for Veolia Environnement shares through two separate offers: a secure leveraged offer (total investment guaranteed including the employer's contribution, with a multiple of the potential increase in the share price) and a conventional offer.

2.5 Changes in governance

The Combined General Meeting of Veolia Environnement on April 22, 2021 renewed the terms of office as director of Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse and Mrs. Marion Guillou and appointed Mr. Pierre-André de Chalendar as a director for a four-year period expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2024.

In addition, Mr. Jacques Aschenbroich resigned as director from May 28, 2021.

At the date of this report on the results for the nine months ended September 30, 2021, the Veolia Environnement Board of Directors had twelve directors, including eight independent directors and two directors representing employees[(1)], including five women:

- Mr. Antoine Frérot, *Chairman and Chief Executive Officer*;
- Mr. Louis Schweitzer, *Vice-Chairman*;
- Mrs. Maryse Aulagnon, *Senior Independent Director*;
- Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse;
- Mr. Pierre-André de Chalendar;
- Mrs. Isabelle Courville;
- Mrs. Clara Gaymard;
- Mrs. Marion Guillou;
- Mr. Franck Le Roux, *Director representing employees* [(1)];
- Mr. Pavel Páša, *Director representing employees* [(1)];
- Mrs. Nathalie Rachou;
- Mr. Guillaume Texier.

The four Board Committees are comprised as follows:

- Accounts and Audit Committee: Mrs. Nathalie Rachou (Chairwoman), Mrs. Isabelle Courville, Mr. Franck Le Roux (Director representing employees), Mr. Olivier Mareuse and Mr. Guillaume Texier;
- Nominations Committee: Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar and Mrs. Isabelle Courville;
- Compensation Committee: Mrs. Maryse Aulagnon (Chairman), Mrs. Marion Guillou, Mr. Franck Le Roux (Director representing employees) and Mr. Louis Schweitzer;
- Research, Innovation and Sustainable Development Committee: Mrs. Isabelle Courville (Chairwoman), Mrs. Clara Gaymard, Mrs. Marion Guillou, Mr. Pavel Páša (Director representing employees) and Mr. Guillaume Texier.

There have not subsequently been any other major changes in governance.

1). Director representing employees, not taken into account when calculating independence percentages pursuant to Article 9 of the AFEP-MEDEF2 Code

3

ACCOUNTING AND FINANCIAL INFORMATION

3.1 KEY FIGURES

Group key figures for the nine months ended September 30, 2021 are presented below. Re-presented comparative figures for the nine months ended September 30, 2020[1] include IFRS 2 share-based payment impacts in current items. A reconciliation of published and re-presented indicators is presented in the Appendices (Section 5.1).

(€ million)	*Nine months ended September 30, 2020 published*	*Nine months ended September 30, 2020 re-presented*	***Nine months ended September 30, 2021***	*Change 2020 / 2021* Δ	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
Revenue	18,705	18,705	20,357	8.8%	9.4%	8.7%
EBITDA (1)	2,492	2,492	3,140	26.0%	26.4%	23.8%
EBITDA margin	13.3%	13.3%	15.4%			
Current EBIT (1)	771	748	1,258	68.2%	68.7%	69.1%
Current net income - Group Share	149	126	667	427.9%	428.2%	436.1%
Current net income - Group Share excluding capital gains and losses on financial divestitures net of tax	139	116	662	468.5%	468.5%	477.1%
Net industrial investments	(1,334)	(1,334)	(1,355)			
Net free cash flow (2)	(377)	(377)	705			
Opening net financial debt	(10,680)	(10,680)	(13,217)			
Closing net financial debt	(11,745)	(11,745)	(13,445)			

(1) Including the share of current net income of joint ventures and associates viewed as core Company activities.
(2) The indicators are defined in Chapter 5, Section 5.5.8 of the 2020 Universal Registration Document.

The main foreign exchange impacts on key figures were as follows:

FX impacts vs. September 30, 2020	%	(€ million)
Revenue	-0.6%	-111
EBITDA	-0.4%	-10
Current EBIT	-0.5%	-4
Current net income	-0.3%	-0.4
Net financial debt	1.5%	203

[1] See Section 5.1. of the Appendices for more information on this restatement

3.2 Group revenue

3.2.1 REVENUE BY OPERATING SEGMENT

The Group consolidated revenue totaled €20,357 million for the nine months ended September 30, 2021, compared with €18,705 million for the nine months ended September 30, 2020, **up +9.4% at constant exchange rates and +8.7% organically**.

Quarterly revenue trends at constant exchange rates by operating segment for the first nine months of 2021 are as follows:

Change at constant exchange rates vs. 2020.	*Q1 2021*	*Q2 2021*	*Q3 2021*
France	5.7%	23.5%	3.4%
Europe, excluding France	9.0%	20.9%	13.0%
Rest of the world	0.6%	7.7%	7.5%
Global business	-5.0%	32.5%	-5.8%
Group	**4.0%**	**19.7%**	**5.9%**

Following a post-health crisis recovery in Group activity in Q3 2020, Q3 2021 revenue growth (+5.9% at constant exchange rates) confirmed first-half trends. The third quarter confirmed:

- the continued upturn in waste activities which benefited from strong volume growth, higher service prices and the positive impact of recyclate prices,
- growth in energy activities boosted by the positive impact of tariff reviews
- the ongoing resilience of water activities, despite a negative weather impact on water volumes in France due to a wet summer and a high comparison base following the post-health crisis recovery in construction activity in Q3 2020.

(€ million)	*Nine months ended September 30, 2020*	***Nine months ended September 30, 2021***	*Change 2020 / 2021* Δ	Δ *at constant exchange rates*	Δ *at constant scope and exchange rates*
France	3,918	4,320	10.3%	10.3%	10.3%
Europe, excluding France	6,702	7,656	14.2%	13.8%	10.5%
Rest of the world	4,921	5,059	2.8%	5.2%	4.8%
Global business	3,160	3,319	5.0%	5.7%	9.0%
Other	4	3	-	-	-
Group	**18,705**	**20,357**	**8.8%**	**9.4%**	**8.7%**

Revenue increased +10.3% in **France** compared with the nine months ended September 30, 2020:

- Water revenue is up +1.7% year-on-year boosted by increased construction activities which returned to 2019 levels and the positive impact of tariff reviews (+0.7%) which offset lower water volumes due to a wet summer in Q3.

- Waste revenue rose +20.6% year-on-year continuing the H1 recovery, with higher volumes in industrial waste collection (+7,8%) and landfill (+1.5%), favorable recyclate price trends (paper, plastic and ferrous and non-ferrous metals) and the positive impact of tariff reviews.

Europe excluding France revenue grew 13.8% at constant exchange rates compared with the nine months ended September 30, 2020, continuing to benefit from higher recyclate prices and a positive weather effect in energy at the beginning of the year. These items combined with the integration of new entities in Central and Eastern Europe and the end of the health crisis in the United Kingdom offset waste volumes which remained below pre-health crisis levels:

- In **Central and Eastern Europe**, revenue increased +23.3% at constant exchange rates year-on-year to €2,853 million. This growth was mainly driven by:
    - organic growth in all activities (+10.3% at constant scope and exchange rates) chiefly underpinned by higher tariff indexation in energy (in Poland and Hungary) and water (in the Czech Republic, Bulgaria and Romania) and a positive weather effect of €55 million (Czech Republic and Poland) observed in H1;
    - a scope impact of €304 million, with the integration of new activities acquired at the end of 2020 in cogeneration in Hungary (BERT), heat distribution in the Czech Republic (Prague Right Bank) and waste in Russia (MAG);
- In the **United Kingdom/Ireland**, revenue increased +6.3% at constant exchange rates to €1,772 million. In Q3, revenue continued to benefit from higher recyclate prices (paper and metals), an upturn in industrial waste and landfill volumes, which nearly returned to pre-health crisis levels and excellent incinerator performance (availability rate of 93.7%).
- In **Northern Europe**, revenue grew +8.0% at constant exchange rates year-on-year to €2,076 million. In Germany, revenue grew +12.6% at constant scope, thanks to the surge in recyclate prices (€116 million, including €91 million for paper), the good recovery in commercial waste volumes and strong energy installation activities.

Revenue increased +5.2% in the **Rest of the World** at constant exchange rates year-on-year, with growth in all geographies:

- Revenue in **Latin America** increased +15.1% at constant exchange rates, driven notably by favorable tariff indexation in Argentina (local inflation) and Colombia, growth in hazardous waste activities in Chile and Argentina and commercial wins in waste (Peru and Colombia) and water (Peru).
- In **Africa/Middle East,** revenue grew +10% at constant exchange rates following new contract wins, chiefly in energy services in the Middle East, increased water volumes in Morocco and business growth in Western Africa (Ivory Coast).
- In **North America**, revenue increased +3.5% at constant exchange rates year-on-year to €1,291 million. Hazardous waste contributed to this growth with higher volumes and a favorable price volume mix, partially offset by the impacts of the bitterly cold weather in Texas in the first quarter and hurricane Ida in September which led to the temporary shut-down of certain sites.
- Revenue in **Asia** increased +3.5% at constant exchange rates with increased hazardous waste activities in China and scope entries in China and India.
- In the **Pacific** zone, revenue fell -0.9% at constant exchange rates. The continuation of sanitary restrictions during part of the year affected waste activities (lower volumes), while energy activities were impacted by the sale of an industrial asset (impact of -€27 million).

Global businesses revenue increased +5.7% at constant exchange rates compared with the nine months ended September 30, 2020, despite the sale of the Sade Telecom business at the end of 2020. At constant scope and exchange rates, segment revenue increased +9%:

- **Hazardous waste activities in Europe** increased significantly by +27.5% at constant exchange rates, with good volume and price levels and a recovery in sanitation and industrial maintenance activities which returned to pre-health crisis levels. Activity also benefited from the positive scope impact tied to the acquisition of Suez RV OSIS in the first-half of the year (revenue of €116 million).
- **Veolia Water Technologies** revenue increased +4.8% at constant exchange rates with increased technological distribution activities in Europe, the ramp-up of Mobile Unit solutions and the development of municipal projects in France. VWT bookings totaled €1,045 million as of September 30, 2021, compared with €929 million one year earlier.
- **SADE** which sold its Telecom activity at the end of 2020 (scope impact of -€234 million) reported a fall of -18.8% at constant scope and exchange rates and an increase of +7.3% at constant scope and exchange rates, driven by dynamic commercial activity in France and a return to pre-crisis activity levels.

3.2.2 REVENUE BY BUSINESS

The Group’s activity by business is marked by resilient **Water** activities, with growth to end-September 2021 of +2.8% at constant scope and exchange rates year-on-year. Revenue growth continued in **Waste**, exceeding H1 levels (+14.3% at constant scope and exchange rates at end-September compared with +13.7% in H1). **Energy** continued to report good activity growth in line with the first six months (+10.6% at constant scope and exchange rates compared with +10.3% in H1).

			Change 2020 / 2021		
(€ million)	*Nine months ended September 30, 2020*	***Nine months ended September 30, 2021***	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
Water	7,890	7,810	-1.0%	-0.2%	2.8%
of which Water Operations	5,954	6,010	0.9%	1.7%	1.7%
of which Technology and Construction	1,936	1,800	-7.0%	-6.1%	6.1%
Waste	7,090	8,181	15.4%	15.5%	14.3%
Energy	3,725	4,366	17.2%	18.2%	10.6%
Group	**18,705**	**20,357**	**8.8%**	**9.4%**	**8.7%**

Water revenue

Water Operations revenue increased +1.7% at constant scope and exchange rates year-on-year confirming the activity's resilience driven by an upturn in construction activity and good commercial momentum despite lower Q3 volumes due to reduced consumption linked to a wet summer in France.

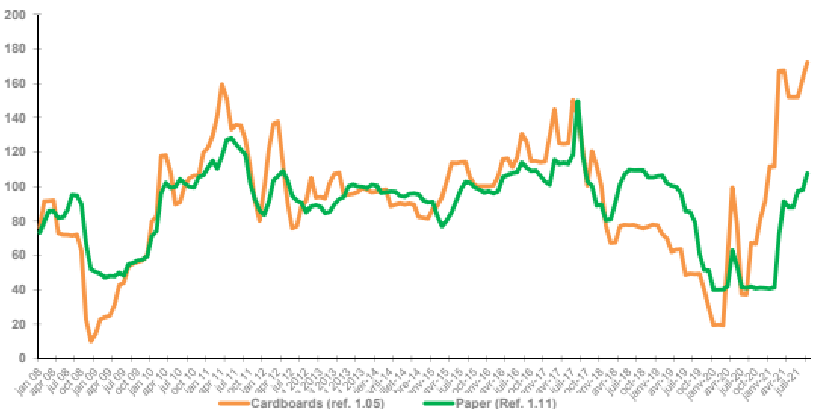
Technology and Construction revenue is up +6.1% at constant scope and exchange rates compared with September 30, 2020. This increase is mainly driven by VWT, with growth reported by Westgarth (a subsidiary specializing in the Oil & Gas sector) and increased construction activity for municipalities in France and the United States.

Waste revenue

Revenue increased +14.3% in the **Waste** business at constant exchange rates compared with the nine months ended September 30, 2020, benefiting from ongoing high recyclate prices (+5.1%), volume growth (+5.4%) and positive tariff increases (+2.8%).

Recyclate prices and particularly paper prices continued to increase in the third quarter.

Paper-cardboard recyclate price trends In France



Overall, volumes have returned to pre-health crisis levels, except for commercial and industrial waste which remain down in certain geographies.

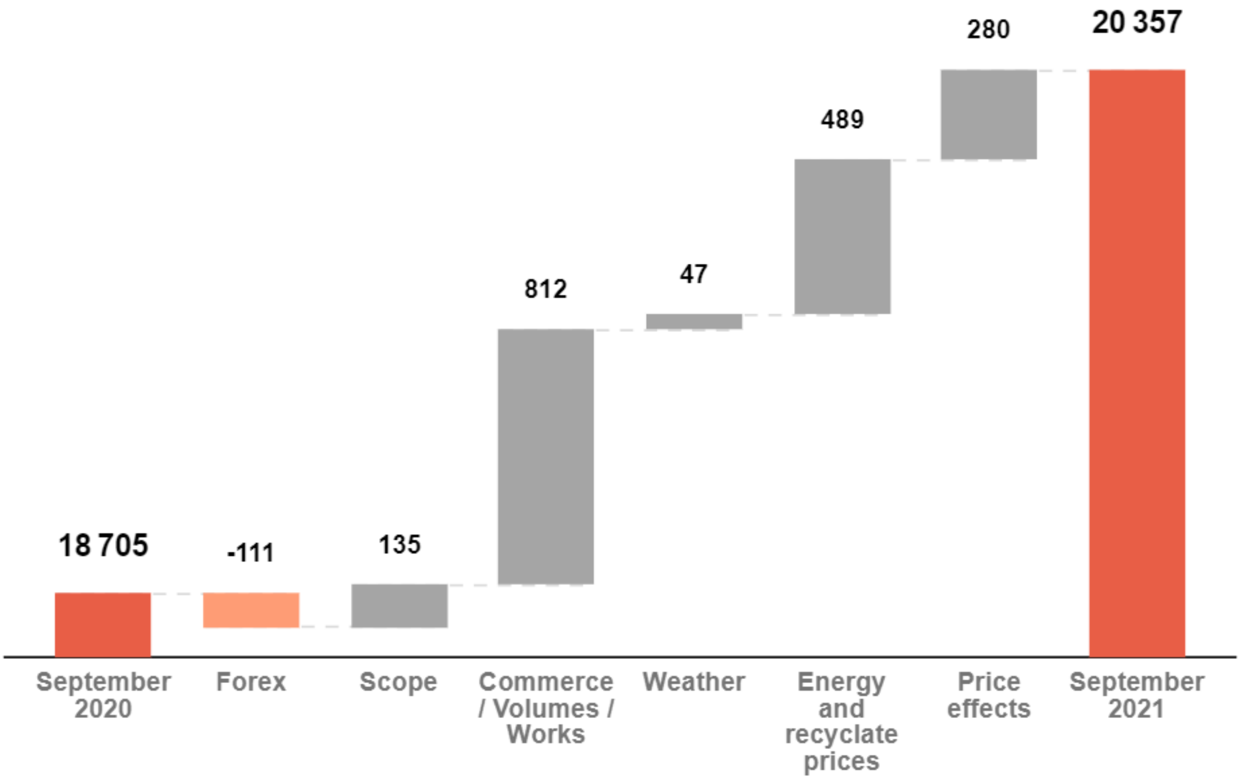
Energy revenue

Energy revenue grew +18.2% at constant exchange rates compared with the nine months ended September 30, 2020 and +10.6% organically, restated for the scope effects of integrating Prague Right Bank heating network activities and cogeneration installations in Budapest (+€279 million in revenue).

The business' strong growth is supported by a highly favorable weather impact at the beginning of the year (+1.6%) notably in Central and Eastern Europe, an increased price effect (+3.4%) driven by price rises in Poland and Romania and higher volumes (+2.6%) notably in Italy and Central Europe.

3.2.3 ANALYSIS OF THE CHANGE IN GROUP REVENUE

The increase in revenue breaks down **by main impact** as follows:



The **foreign exchange impact** of -€111 million (-0.6% of revenue) mainly reflects fluctuations in American (-€123 million) and Asian (-€32 million) currencies, partially offset by an improvement in the Australian (+€41 million) and UK (+€42 million) currencies [1].

The **consolidation scope impact** of €135 million mainly concerns the impact of integrating the Prague Right Bank urban heating network (€144 million), the Budapest cogeneration installations (€135 million) and waste processing activities in Russia (€25 million) in Central Europe. In the Global businesses segment, the sale of SADE's Telecom network activities in 2020 (-€234 million) was partially offset by the integration of OSIS in 2021 (€116 million).

The **commerce / volumes / works** impact is +€812 million, driven by higher waste volumes (+€386 million) and excellent commercial momentum.

The **weather impact** is +€47 million and mainly concerns Central Europe where the Energy business benefited from a severe winter in the first quarter, offset by the impact of a wet summer in France.

Energy and recyclate prices had an impact of +€489 million, driven by a strong increase in recyclate prices (+€358 million, including €238 million for paper, €28 million for plastic and €49 million for metal)) and the positive impact of energy prices in Europe and notably in Central Europe, which benefited from higher heating tariffs in Poland, and in Germany with favorable impacts on electricity sales.

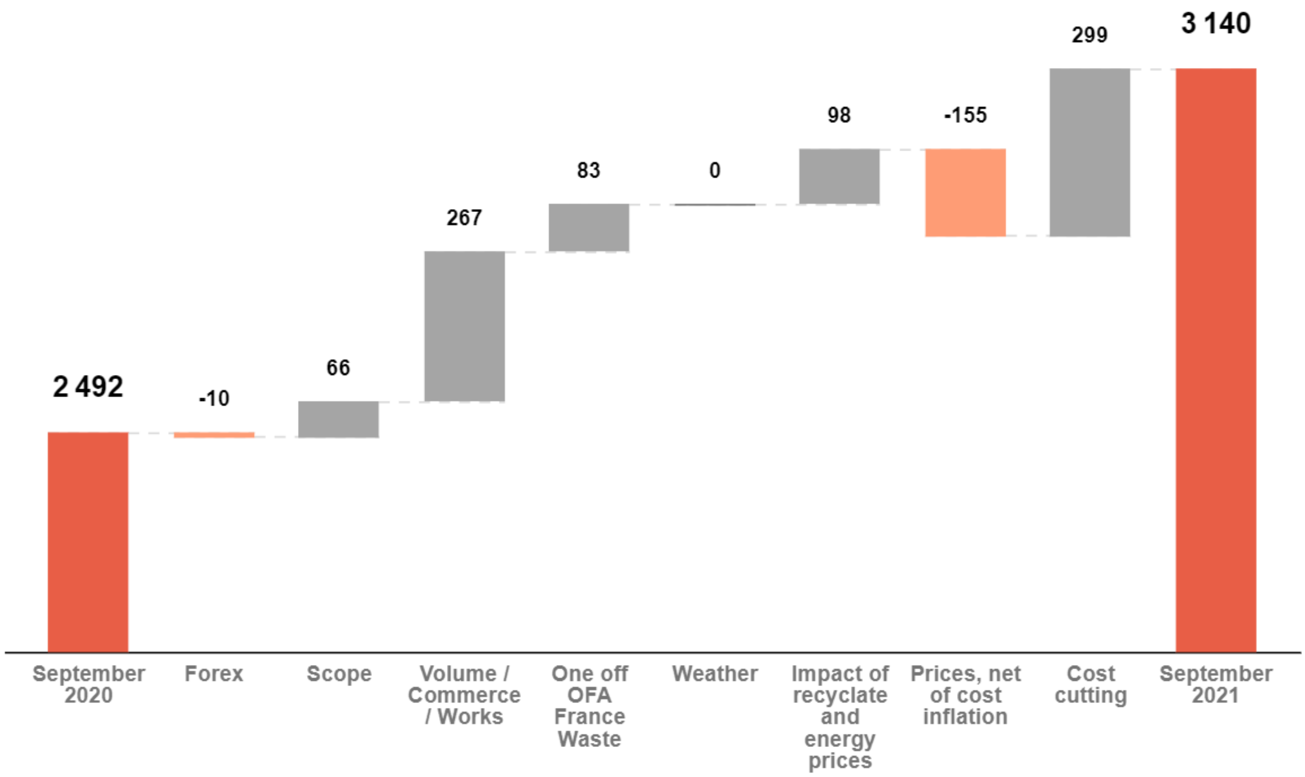
Favorable price effects (+€280 million) are mainly tied to tariff reviews estimated at +2.8% in waste and +1.0% in water.

[1] Main foreign exchange impacts by currency: US dollar (-€94 million), Argentine peso (-€29 million), Japanese yen (-€29 million), Polish zloty (-€26 million), Brazilian real (-€9 million), Hong Kong dollar (-€9 million), Czech koruna (+€19 million).

3.3 Group EBITDA

Group consolidated **EBITDA** for the nine months ended September 30, 2021 was €3,140 million, up +26.4% at constant exchange rates year-on-year. The margin rate is 15.4% at September 30, 2021, compared with 13.3% at September 30, 2020.

The increase in EBITDA between 2020 and 2021 breaks down by impact as follows:



The **foreign exchange impact** on EBITDA was -€10 million and mainly reflects unfavorable fluctuations in American (-€16 million), and Central European (-€3 million) currencies, partially offset by an improvement in the Australian and UK currencies [1].

The **consolidation scope impact** of +€66 million mainly reflects the impact of the acquisition of the Prague Right Bank urban heating network and the Budapest cogeneration installations in 2020.

Commerce and volume impacts are +€267 million. This increase was driven by higher waste volumes, mainly in France and Europe, and strong construction activities in Water in France and in Global businesses (VWT).

The €83 million **one-off impact** concerns the Operating Financial Asset disposal relating to a waste to energy project in France.

Favorable **weather impact in** Energy +€23 million principally in Central Europe, partially offset by severe weather in the US and by the wet summer in France (-€23 million).

Energy and recyclate prices had a favorable impact on EBITDA of +€98 million (vs. +€20 million at September 30, 2020), including +€75 million in recyclates.

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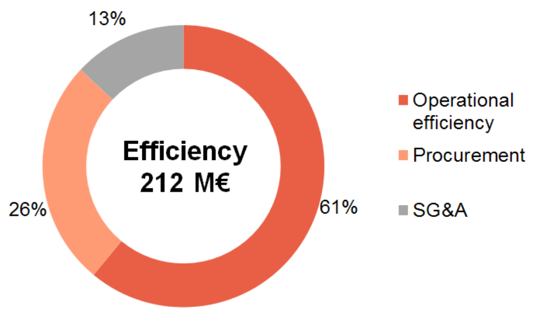
[1] Foreign exchange impacts by currency: US dollar (-€10 million), Argentine peso (-€4 million), Colombian peso (-€2.0 million), Polish zloty (-€6 million), United Arab Emirates dirham (-€2 million), Hungarian forint (-€1 million), Brazilian real (-€1 million), Australian dollar (+€5 million), Czech koruna (+€5 million), pound sterling (+€7 million).

The impact of **prices net of cost inflation** is -€155 million.

Cost-savings plans contributed +€299 million at the end of September, ahead of the €350 million annual objective and include:

- post-health crisis additional savings efforts under the Recover & Adapt plan for €87 million;
- the efficiency plan for €212 million and mainly concerning operating efficiency (61%) and purchasing (26%) across all geographic zones: France (25%), Europe excluding France (37%), Rest of the world (25%), Global businesses (11%) and Corporate (2%).



Cost-savings plan (incl. R&A)		
EBITDA impact *(€ million)*	**Objective 2021**	**Actual September 2021**
Gross cost savings	**350**	**299**

3.4 Other income statement items

3.4.1 CURRENT EBIT

Group consolidated **current EBIT** for the nine months ended September 30, 2021 was €1,258 million, up significantly by +68.7% at constant exchange rates compared with the nine months ended September 30, 2020 re- presented [1].

EBITDA reconciles with Current EBIT for the nine months ended September 30, 2021 compared with September 30, 2020 as follows:

(€ million)	*Nine months ended September 30, 2020 published*	*Nine months ended September 30, 2020 re-presented*	***Nine months ended September 30, 2021***
EBITDA	**2,492**	**2,492**	**3,140**
Renewal expenses	(225)	(225)	(220)
Depreciation and amortization [2]	(1,555)	(1,555)	(1,730)
Provisions, fair value adjustments & other	(14)	(37)	(1)

[1] See Chapter 5.1. of the Appendices for more information on this restatement
[2] Including principal payments on operating financial assets.

Share of current net income of joint ventures and associates	73	73	69
Current EBIT	**771**	**748**	**1,258**

The significant +€514 million increase in Current EBIT at constant exchange rates compared with September 30, 2020 re-presented[1] is mainly due to:

- a marked improvement in EBITDA (+€658 million at constant exchange rates);
- an increase in depreciation and amortization[(1)] impacted by 2020 scope entries and the neutralization of the OFA disposal relating to a waste incinerator in France (-€83 million)
- a favorable difference in provisions and other, including higher capital gains on industrial divestitures (+€52 million at constant exchange rates) mainly relating to asset rotation transactions in Sweden and Norway.

The foreign exchange impact on Current EBIT was -€4 million and mainly reflects fluctuations in American currencies (-€8 million)[2].

3.4.2 NET FINANCIAL EXPENSE

The net financial expense for the nine months ended September 30, 2021 is -€239 million, compared with -€433 million for the nine months ended September 30, 2020. This improvement is chiefly due to dividends received on Suez shares in respect of 2020 of €122 million and an improvement in the net finance cost.

Cost of net financial debt

The cost of net financial debt totaled -€242 million for the nine months ended September 30, 2021, compared with -€315 million for the nine months ended September 30, 2020. This significant decrease in the Group's cost of net financial debt is due to favorable bond issue refinancing conditions in 2020, historically low foreign currency interest rates with nonetheless the beginning of an uptick, as well as increased commercial paper contributing to the performance of the cost of non-euro denominated debt and the positive impact of the cancellation of the interest rate hedging portfolio (pre-hedge swaps) set-up in 2020.

The Group's financing rate (excluding IFRS 16 impacts) was therefore 2.67% at September 30, 2021, compared with 4.24% at September 30, 2020 (2.57% vs. 3.91% including IFRS 16 impacts).

Other financial income and expenses

Other financial income and expenses totaled +€3 million for the nine months ended September 30, 2021, compared with -€118 million for the nine months ended September 30, 2020.

They include Suez dividends for 2020 (€122 million) on shares purchased in October 2020 (29.9%) as well as interest on concession liabilities (IFRIC 12) of -€57 million and the unwinding of discounts on provisions for -€11 million.

[1] See Section 5.1. of the Appendices for more information on this restatement
[2] Foreign exchange impacts by currency: US dollar (-€4 million), Argentine peso (-€3 million), Polish zloty (-€2 million), United Arab Emirates dirham (-€2 million), Hungarian forint (-€1 million), Czech koruna (+€2 million) and Swedish crown (+€1 million).

Gains on financial divestitures recognized in the first nine months of 2021 totaled +€7 million and mainly include the capital gain on the divestiture of utilities services activities in Nordic countries (€11 million).

As of September 30, 2020, gains on current financial divestitures totaled +€9 million.

3.4.3 CURRENT INCOME TAX EXPENSE

The current income tax expense for the nine months ended September 30, 2021 amounted to -€241 million, compared with -€98 million for the nine months ended September 30, 2020.

The current income tax rate for the nine months ended September 30, 2021 is 25.4%, versus 40.2% for the nine months ended September 30, 2020 re-presented (36.8% as of September 30, 2020 published).

3.4.4 CURRENT NET INCOME

Current net income attributable to owners of the Company was €667 million for the nine months ended September 30, 2021, compared with €126 million for the nine months ended September 30, 2020 re-presented (€149 million for the nine months ended September 30, 2020 published). Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company is €662 million, compared with €116 million for the nine months ended September 30, 2020 re-presented (€139 million for the nine months ended September 30, 2020 published).

3.5 Change in Free Cash Flow and Net Financial Debt

Net free cash flow for the nine months ended September 30, 2021 is +€705 million, up significantly on the nine months ended September 30, 2020 (-€377 million).

The change in net free cash flow year-on-year reflects:

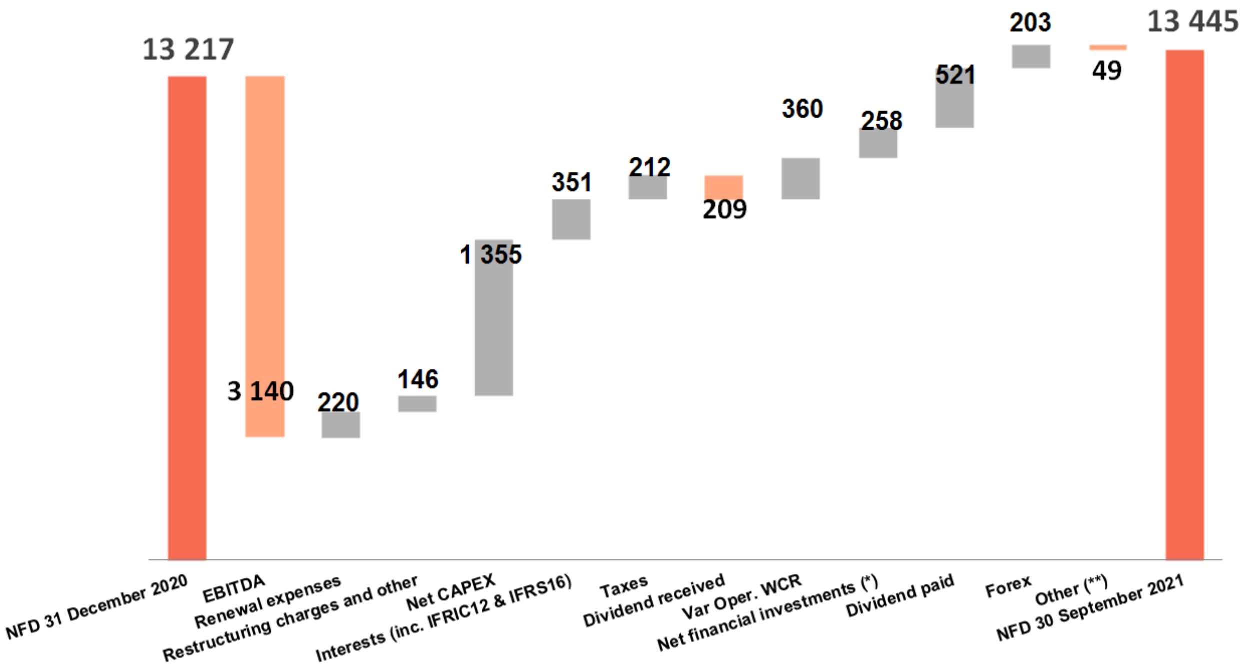
- the increase in EBITDA over the first nine months through greater activity, the intensification of commercial and operating efficiency efforts and an OFA disposal relating to a waste incinerator in France.
- net industrial investments of €1,335 million, up 1.6% at current exchange rates (+2.2% at constant exchange rates):
    - maintenance investments of €778 million (3.8% of revenue);
    - growth investments in the current portfolio of €570 million (€516 million in the nine months ended September 30, 2020);
    - discretionary investments of €210 million, in line with September 2020.
    - industrial divestitures of €203 million as part of the continuation of the Group's asset rotation strategy in accordance with the objectives set in the Impact 2023 strategic plan.
- a marked improvement in the change in operating working capital requirements to -€360 million, compared with -€651 million for the nine months ended September 30, 2020 thanks to ongoing debt recovery efforts.
- the receipt of Suez dividends of €122 million on July 8, 2021 on the shares acquired in October 2020 (29.9% non-consolidated investment).

Overall**, net financial debt** amounted to €13,445 million, compared with €13,217 million as of December 31, 2020.

Compared with December 31, 2020, the change in **net financial debt** is mainly due to:

- net free cash flow generation of +€705 million for the period;
- the payment of the dividends voted by the Combined Shareholders' Meeting of April 22, 2021 (-€397 million);
- net financial investments of -€258 million (including acquisition costs and net financial debt of new entities) and mainly comprising the impact of the acquisition of OSIS and an organic fertilizer plant in France and the divestment of Utilities Services activities in Sweden and Norway and of the Shenzhen water concession in China.

Net financial debt was also impacted by negative exchange rate fluctuations of -€203 million as of September 30, 2021 compared with December 31, 2020 [1].



(*) Financial Acquisitions of -€431 million net of financial divestitures of +€173 million.
(**) Primarily repayment of loans to joint ventures.

[1] Mainly driven by negative impacts on the US dollar (-€71 million), pound sterling (-€42 million), Czech koruna (-€30 million), Hong King dollar (-€21 million) and Chinese renminbi yuan (-€14 million).

4

OTHER ITEMS

4.1 Subsequent events

Apart from the successful completion of the **€2.5 billion share capital increase with settlement delivery on October 8, 2021**[1], no significant events occurred between the closing date and the date the consolidated accounts were approved by the Board of Directors.

4.2 Risk factors

The main risk factors the Group could face are set out in Chapter 2 of the 2020 Universal Registration Document.

The section “Risks relating to the selection and integration of acquisitions” has been supplemented. Please refer to Chapter 3, “Risk factors”, of the Update to the 2020 Universal Registration Document.

4.3 Outlook

2021 Prospects* fully confirmed

Following the excellent 9M performance, we fully confirm our full year guidance :

- Revenue above 2019
- **More than €350M of efficiency gains** : €250M recurring efficiencies and €100M of complementary savings from the Recover & Adapt plan
- **EBITDA target of more than €4.1bn**, a growth >12% vs. 2020
- **Net financial debt below €10bn** at the end of 2021 and a leverage ratio below 3 times
- Objective to recover the pre-crisis dividend policy in 2021

* at constant exchange rates

[1] See Section 1.1. Suez combination

5

APPENDICES

5.1 Reconciliation of data published in 2020 and 2019 with data re-presented in 2021

From fiscal year 2021 and with a view to improving comparability with other issuers, the impacts of applying IFRS 2, "Share-based payments", are now included in Current EBIT.

In accordance with ESMA guidance on changes in the definition of non-GAAP indicators, the 2019 and 2020 indicators were restated.

Reconciliation of aggregate indicators for the nine months ended September 30, 2020 and 2019

Impact of reclassification as current of share based payments (IFRS2) - september 30 closing

(in million euros)	*30 september 2019 published*	*IFRS 2 reclassification*	***30 september 2019 re-presented***	*30 september 2020 published*	*IFRS 2 reclassification*	***30 september 2020 re-presented***
Revenue	**19,764**		**19,764**	**18,705**		**18,705**
EBITDA	**2,894**		**2,894**	**2,492**		**2,492**
EBITDA margin	14.6%		14.6%	13.3%		13.3%
Share based payments		-18	-18		-23	-23
Current EBIT	**1,190**	**-18**	**1,172**	**771**	**-23**	**748**
Net current income - Group share	**486**	**-18**	**468**	**149**	**-23**	**126**
Net current income - Group share excluding capital gain (loss) on financial disposals	**468**	**-18**	**450**	**139**	**-23**	**116**
Net industrial investments	-1,455		-1,455	-1,334		-1,334
net Free cash flow	-167		-167	-377		-377
Net financial debt (opening)	**-11,564**		**-11,564**	**-10,680**		**-10,680**
Net financial debt (closing)	**-12,487**		**-12,487**	**-11,745**		**-11,745**

Reconciliation of 2020 and 2019 Q3 indicators:

(in million euros)	*Q3 2019 published*	*IFRS 2 reclassification*	***Q3 2019 re-presented***	*Q3 2020 published*	*IFRS 2 reclassification*	***Q3 2020 re-presented***
Revenue	**6,441**		**6,441**	**6,293**		**6,293**
EBITDA	**892**		**892**	**893**		**893**
EBITDA margin	13.8%		13.8%	14.2%		14.2%
Share based payments		-9	-9		-21	-21
Current EBIT	**332**	**-9**	**323**	**333**	**-21**	**312**
Net current income - Group share	**133**	**-9**	**124**	**142**	**-21**	**121**
Net current income - Group share excluding capital gain (loss) on financial disposals	**134**	**-9**	**125**	**134**	**-21**	**113**

This adjustment does not impact Net income attributable to owners of the Company in so far as it involves a reclassification between current and non-current items in Net income attributable to owners of the Company.

5.2 Definitions

To calculate **Current EBIT** (which includes the share of current net income of joint ventures viewed as core Company activities and associates), the following items are deducted from operating income:

- goodwill impairments of fully controlled subsidiaries and equity-accounted entities;
- restructuring charges;
- non-current provisions and impairment;
- non-current and/or significant impairment of non-current assets (property, plant and equipment, intangible assets and operating financial assets);
- share acquisition costs.

For the other indicators, please refer to Section 5.5.8 of the 2020 Universal Registration Document.

Resourcing the World

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