

# Press Release

Paris, 17 March 2022

## ANNUAL RESULTS 2021

### RECORD RESULTS

#### ACTIVITY AND RESULTS SIGNIFICANTLY ABOVE 2020 AND 2019

ACCELERATION OF GROWTH DRIVEN BY NEW OFFERINGS AND INTERNATIONAL DEVELOPMENT, CONFIRMING THE SOUNDNESS OF OUR STRATEGIC PROGRAM

#### SUCCESSFUL TENDER OFFER ON SUEZ

VEOLIA BEGINS 2022 IN VERY GOOD CONDITIONS THANKS TO ITS PORTFOLIO OF CONTRACTS LARGELY PROTECTED AGAINST INFLATION AND THANKS TO THE SYNERGIES EXPECTED FROM THE ACQUISITION OF SUEZ

- STRONG REVENUE GROWTH OF +9,6%<sup>1</sup> TO €28 508M
- VERY STRONG EBITDA GROWTH, OF +16%<sup>1</sup>, TO €4 234M, ABOVE OUR REVISED TARGET
- €382M OF EFFICIENCY GAINS, ABOVE OUR ANNUAL OBJECTIVE OF €350M
- CURRENT EBIT STRONGLY UP BY +42%<sup>1</sup>, TO €1 766M
- CURRENT NET INCOME GROUP SHARE OF €896M, UP +133%
- RECORD FREE CASHFLOW OF €1 341M<sup>2</sup>
- PROPOSAL TO INCREASE THE DIVIDEND BY 43% TO €1 PER SHARE
- 2022 OBJECTIVES<sup>3</sup>:
  - SOLID REVENUE GROWTH
  - ORGANIC GROWTH OF EBITDA BETWEEN +4% AND +6%
  - CURRENT NET INCOME GROUP SHARE AROUND €1.1BN, AN INCREASE OF MORE THAN 20%, CONFIRMING AN ACCRETION OF AROUND 10%
  - LEVERAGE RATIO CONFIRMED AROUND 3x

<sup>1</sup> Variation at constant forex

<sup>2</sup> Including €122M Suez dividend

<sup>3</sup> At constant forex - Without extension of the conflict beyond the Ukrainian territory and without significant change in the energy supply conditions in Europe

**Antoine Frérot, Veolia's Chairman & CEO commented:** « 2021 year ended on the same strong note as in the first nine month, achieving record results. Revenue growth remained strong throughout the year, both in terms of volumes (up 3%) and in value, thanks to the tariff indexation mechanisms in the majority of our contracts enabling to offset cost inflation. Moreover, the continued improvement of our efficiency has substantially amplified this increase of revenue. Our record results demonstrate the strength and the sound execution of our strategic program Impact 2023, particularly the new growth opportunities for international development and

*innovative offerings. It is these foundations that enable our Group to be resilient today in the face of the conflict in Eastern Europe, as in previous crises. Veolia therefore starts 2022 in good conditions, just as we begin to integrate the activities we bought from Suez through the tender offer. Close to 10 billion euros of revenue will complement our 2021 revenue of 28 billion €, an increase of more than 30% which will notably strengthen our international footprint, and accelerate innovation. This growth, in addition to the expected synergies, will enable our current net income to grow by more than 20% in 2022 and will enhance our earning per share by around 40% in 2024. The creation of the undisputed world champion of ecological transformation is underway and on track.»*

- **Revenue of €28 508M vs. €26 010M in 2020, an increase of 9.6% at constant forex.**

Veolia's revenue strongly progressed in 2021 thanks to higher volumes, increased service prices combined with higher energy and recycled material prices. Compared to 2019, the reference year before the sanitary crisis, revenue is equally strongly up by +6.5% at constant forex.

At constant forex, after a growth of +4.0% in Q1 2021, of +19.7% in Q2 (compared to the most COVID-impacted quarter of 2020) and of +5.9% in Q3, Q4 2021 registered a progression of +10.1%.

Exchange rates variations were almost neutral on revenue, at -€4M.

Scope effect was €234M, or +0.9% on revenue. Developments in Central Europe (District heating network in Prague, cogeneration in Budapest mainly) and in Global Businesses (acquisition of OSIS from SUEZ) more than offset the divestment of Sade Telecom and of a cleaning business in Singapore.

Energy price increase (heat and electricity) has gathered momentum in the second part of the year, yielding a positive impact of €405M, or +1.5% on revenue, while recycled material prices have contributed by €499M (+1.9%) on revenue growth, of which €319M for paper and cardboard, €63M for plastics and €60M for metals. Recycled paper revenue thus doubled to €605M, while plastic recycling revenue grew by 29% to €383M.

Weather effect was a positive of €73M (+0.3 %). After a cold winter, favorable for heating activities, rainy summer weighed on water volumes in France.

The Volume/Commerce effect was a positive of €886M, or +3.4% on the Group's revenue growth, thanks to continued strong commercial momentum in all our businesses, volume recovery in Waste and the rebound of works (+€211M).

Service prices continued to be well oriented, with a positive impact of €405M on the Group's revenue, or +1.5%, in line with the 1st nine-month trend.

*At constant exchange rates and by geography, the evolution over the year 2021 is as follows :*

- In **France**, revenue grew strongly, by +8.9% vs. 2020 and by +4.6% vs. 2019, to €5 868M. Water revenue increased by +1.2% including a moderate tariff indexation of +0.9%, lower volumes (-1.3%) due to the rainy summer, offset by works dynamism. Waste revenue grew sharply by +18.1% vs. 2020 and by +11.1% vs. 2019, benefitting from new contracts and the start of a new waste-to-energy facility. Volumes were up by +5.7% and recovered their pre-Covid level, and prices grew by +2.5 %. Waste activities also took advantage of higher recycled material prices (a +7.7% impact on Waste revenue) with average cardboard selling prices of €153/T compared to €56/T in 2020.
- **Europe excluding France** exhibited the highest growth, with a revenue of €10 942M, up +15.6% vs. 2020, and up +16% vs. 2019. All geographies registered double-digit growth. This progression is mostly attributable to Central and Eastern Europe (including Germany), with a revenue of €6 260M, up +19.6%, mainly coming from the Energy business, up +37%, due to the combination of a favorable weather effect, higher heat and electricity prices, and the integration of new assets in Prague and Budapest. Water revenue was up by +3% including volumes +0,3% (penalized by slow touristic activity in Prague) and more sustained tariff increases. Germany grew by +9.1% thanks to volume recovery in C&I Waste, higher energy and recycle prices, a favorable weather impact and increased tariffs. Northern Europe (including the UK) revenue was €3 276M, a growth of +7.6% vs. 2020 and of +2% vs. 2019. The UK benefitted from

the C&I waste volumes rebound, a good level of service prices, an excellent availability rates of the PFI (94.8%), and high recycled materials prices. The Netherlands recovered quite well, thanks to the plastic recycling activity. In Scandinavia, Swedish and Norwegian activities were sold at the end of 2021. Southern Europe (Italy-Spain-Portugal) revenue reached a revenue of €1 405M, up +17.8% vs. 2020 and up +20.2% vs. 2019 thanks to a strong commercial momentum and energy price increases.

- **Rest of the World** revenue came out at €7 067M, a growth of +5.4% vs. 2020 and of +2.6% vs. 2019 (at constant scope). All geographies progressed. Latin America once again exhibited strong growth, of +14.1%, driven by increased prices, good volumes and a continued strong commercial dynamism. North America grew by +5.2%. Africa Middle-East registered a sustained +12.3% growth thanks notably to contract wins in the Middle East and water and energy businesses in Morocco back to normal. Asia progressed only slightly due to the end of some contracts and Australia recovered progressively after the sanitary crisis.
- **Global businesses** revenue increased by +4.4% vs. 2020 to €4 629M. At constant scope and exchange rates (i.e. excluding mainly the divestment of Sade Telecom) growth reached +6.5% vs. 2020 and +0.3% vs. 2019. Veolia Water Technologies was stable due to the end of desalination contracts, but order book was up 15% compared to 2020. SADE progressed by +5.5% at constant scope driven by contract wins and favorable market dynamism. Hazardous waste activity continued to progress strongly, up +29.5% vs. 2020 and up +20.3% vs. 2019, thanks notably to the successful integration of OSIS. Industrial and Energy services business recovered in 2021 and grew by +15.3% vs. 2020 but are still behind 2019.

*By business, at constant scope and exchange rates, the evolution is as follows.*

In Water, Water distribution and Wastewater treatment grew by +1.9%, and water Technology and Networks progressed by +2.8%. Waste revenue grew sharply, by +14.2%, thanks to strong volumes, up by +5.3%, well-oriented prices, up +2.7% and the favorable impact of recycled material prices (+5.2%). Energy revenue also recorded a strong growth of +12.3% including a favorable weather impact of +1.6% (€85M) and a positive heat and electricity price effect of +6.8% on revenue.

- **Very strong EBITDA growth to €4 234M vs. €3 641M in2020, an increase of +16% at constant forex and of +6.9% vs. 2019.**
  - Exchange rates variations had a slight positive impact of +€9M (+0.2%) while scope had a positive effect of +€78M (+2.1%).
  - Solid revenue growth translated into a good operating leverage effect at the EBITDA level. The strong EBITDA progression was driven by higher volume and activity level for +€277M (+7.6%), by efficiency gains for €382M (+10.5%), a very high level in 2021, above the annual objective of €350M, due to the combined effects of the annual efficiency plan and the specific Recover and Adapt plan put in place to compensate the sanitary crisis impact in 2020 and 2021. The energy and recycle price impact was +€35 M, of which +€113M for recycled material prices and -€78M for CO2 and energy prices. The price cost squeeze effect reached -€199M, or -5.5%. Weather impact was only slightly positive (+€11M), the favorable cold winter for Energy being partially offset by the unfavorable rainy summer for Water. For the record, EBITDA in Q3 had benefitted from a positive one-off item of +€86M due to the construction completion of an incinerator in Troyes, with no impact at the EBIT level.
- **Current EBIT up +41.7 % to €1 766M vs. €1 242M in2020.**
  - Exchange rates variation was +€5M.
  - The very strong Current EBIT growth (+€524M) can be explained as follows :
    - EBITDA growth for +€593M
    - Depreciation and Amortization (including Operating Financial Assets reimbursements) up by €159M due to the integration of new assets in Energy in Central Europe and of Osis in hazardous waste, and

to the impact of the one-off OFA repayment associated with the Troyes incinerator project. At constant scope and exchange rates, D&A excluding OFA reimbursements are up 2.3%

- The item « provisions, fair value adjustments and industrial capital gains » reached +€119M in 2021, after -€11M in 2020 and +€52M in 2019. 2020 was impacted by the consequences of the sanitary crisis. The increase from +€52M in 2019 to +€119M in 2021 is mostly due to higher capital gains on industrial divestitures (capital losses of -€39M in 2019 and capital gains of +€39M in 2021), and the level of provisions is back to 2019 level.
  - Current net income from joint ventures and associates came out at €105M compared with €111M in 2020 due to the divestment of the Shenzhen water concession.
- **Very strong growth of Current Net income Group share to €896M vs €382M in 2020 and €738M in 2019, a respective growth of +132.9% and +20.9% at constant forex.**

*Current net income group share increased strongly thanks to:*

- Sharp current EBIT growth vs. 2020, which was impacted by the sanitary crisis
  - Cost of financing down sharply, from €414M to €343M thanks to favorable Euro debt refinancing (average of 1.95%) and the unwinding of a portfolio of interest rates derivatives for €20M. Net cost of borrowing reached 2.98% vs. 4.02% in 2020
  - €122M of dividend received from our 29.9% stake in Suez.
  - Other financial income and expense of -€145M vs. -€166M in 2020.
  - Unfavorable evolution of net financial capital gains/losses to -€16M vs. +€26M in 2020.
  - Doubling of income tax expense to -€330M vs. -€160M Current tax rate was 25.8%.
  - Non-controlling interests increased to -€158M vs. -€146M in 2020.
- **Strong decrease of net financial debt from €13 217M at 31 December 2020 to €9 532M at 31, December 2021 . Record net Free cash Flow of €1 219M.**
    - Strong decrease of net financial debt benefitted also from Suez dividend for €122M, from the capital increase of €2.5bn closed in October and from an hybrid issuance of €0.5bn.
    - Controlled industrial capex of €2 212M vs. €2 151M in 2020
    - Strict control of WCR, with another reduction of €382M
    - Strong improvement of Net Free Cash Flow to €1 219M vs. €507M in 2020
    - Net financial investments of +€64M mainly Osis acquisition closed in May 2021, offset by divestments in Scandinavia and in China
  - **Increase of the dividend to €1 per share, to be paid at 100% in cash, with respect to the 2021 fiscal year**

Veolia's Board of Directors will propose to shareholders at the Annual General Shareholders Meeting on June 15, 2022 the payment of a dividend of €1 per share with respect to the 2021 fiscal year, payable in cash. The ex-dividend date is fixed at 5<sup>th</sup> July 2022. 2021 dividends will be paid starting as of 7<sup>th</sup> July 2022.

- **2022 Prospects\***

The year 2022 starts in an inflationary environment in which Veolia's business are well protected thanks to the contractual model of price indexation which applies to around 70% of the Group's revenue, and thanks to its energy purchases hedging policy.

Besides, the Group's exposure to Russia and Ukraine is very limited with a total revenue of c. €120 million (0.3% of the Group's revenue) and €130 million of capital employed (less than 0.5% of the combined Veolia-Suez)

In view of the continued favorable underlying trends of our businesses, without extension of the conflict beyond the Ukrainian territory and without significant change in the energy supply conditions in Europe, the Group's 2022 prospects, which include for the 1<sup>st</sup> time the Suez acquired activities (since January 18<sup>th</sup>), are the following :

- Solid organic revenue growth
- Efficiency gains above €350M complemented by €100M of synergies coming from the 1<sup>st</sup> year of integration of Suez
- Organic growth of EBITDA between +4% and +6%
- Current net income group share around €1.1bn, a growth of more than 20%, confirming the earning per share accretion of around 10%\*\*
- Confirmed 2024 EPS accretion of around 40%\*\*
- Leverage ratio around 3x
- Dividend growth in line with current EPS growth

\* At constant forex

\*\* Current net income per share after hybrid costs and before PPA

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### **Acquisition of Suez finalized on 27 January 2022 with the closing of the tender offer**

- In 2021, the different steps of the acquisition of Suez have led to the Tender Offer in December 2021 which resulted in a 95.95% ownership of Suez capital on January 27<sup>th</sup> 2022, followed by the squeeze-out of the remaining Suez shares, realized on February 18<sup>th</sup>.
- Moreover, and as planned in the combination agreement of April 2021, Veolia sold a portfolio of Suez assets on 31 January 2022 to a consortium of investors composed of Meridiam, GIP, Caisse des Dépôts and CNP. This portfolio of assets includes the Water and Waste activities of Suez in France, as well as some international water assets of Suez in the following geographies: Italy (including the Acea stake), Czech Republic, Africa (including Lydec), Central Asia, India, China, Australia and the global digital activities of SES.
- Regarding the anti trust process, Veolia has obtained all of them except for the Competition and Markets Authority (CMA) in the UK which is still underway and which should take place in 2022

Veolia group aims to be the benchmark company for ecological transformation. With nearly 179,000 employees worldwide, the Group designs and provides game-changing solutions that are both useful and practical for water, waste and energy management. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and replenish them.

In 2020, the Veolia group supplied 95 million people with drinking water and 62 million people with wastewater service, produced nearly 43 million megawatt hours of energy and treated 47 million metric tons of waste. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €26.010 billion in 2020. [www.veolia.com](http://www.veolia.com)

### Important disclaimer

As the changes in the health crisis are difficult to estimate, we draw your attention to the “forward-looking statements” that may appear in this press release and relating to the consequences of this crisis which may affect the future performance of the Company.

Veolia Environnement is a corporation listed on the Euronext Paris. This press release contains “forward-looking statements” within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to: the risk of suffering reduced profits or losses as a result of intense competition, the risk that changes in energy prices and taxes may reduce Veolia Environnement's profits, the risk that governmental authorities could terminate or modify some of Veolia Environnement's contracts, the risk that acquisitions may not provide the benefits that Veolia Environnement hopes to achieve, the risks related to customary provisions of divestiture transactions, the risk that Veolia Environnement's compliance with environmental laws may become more costly in the future, the risk that currency exchange rate fluctuations may negatively affect Veolia Environnement's financial results and the price of its shares, the risk that Veolia Environnement may incur environmental liability in connection with its past, present and future operations, as well as the other risks described in the documents Veolia Environnement has filed with the Autorité des Marchés Financiers (French securities regulator). Veolia Environnement does not undertake, nor does it have, any obligation to provide updates or to revise any forward looking statements. Investors and security holders may obtain from Veolia Environnement a free copy of documents it filed ([www.veolia.com](http://www.veolia.com)) with the Autorités des Marchés Financiers.

This document contains "non-GAAP financial measures". These "non-GAAP financial measures" might be defined differently from similar financial measures made public by other groups and should not replace GAAP financial measures prepared pursuant to IFRS standards.

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## FINANCIAL INFORMATION FOR THE PERIOD ENDED DECEMBER, 30 2021

### A] KEY FIGURES

Group key figures for the year ended December 31, 2021 are presented below. Comparative figures for the year ended December 31, 2020 re-presented<sup>1</sup> include IFRS 2 share-based payment impacts in current net income. A reconciliation of published and re-presented indicators is presented in the Appendices.

(€ million)	Year ended December 31, 2020 re-presented	Year ended December 31, 2021	Change 2020 / 2021		
			Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Revenue	26,009.9	28,508.1	9.6%	9.6%	8.7%
EBITDA <sup>1</sup>	3,640.8	4,233.8	16.3%	16.0%	13.9%
EBITDA margin	14.0%	14.9%			
Current EBIT <sup>2</sup>	1,242.0	1,765.7	42.2%	41.7%	40.5%
Current net income - Group Share <sup>2</sup>	381.8	895.8	134.6%	132.9%	135.9%
Net income - Group share	88.8	404.3	355.8%	350.8%	
Current net income - Group share, per share <sup>2</sup> (Basic)	0.75	1.51			
Current net income - Group share, per share (Diluted)	0.72	1.45			
Dividend per share paid during the fiscal year <sup>3</sup>	0.70	1.00			
Net industrial investments	(2,151.5)	(2,211.5)			
Net free cash flow <sup>2</sup>	507.5	1,340.5			
<b>Net financial debt</b>	<b>(13,217.0)</b>	<b>(9,532.2)</b>			

(1) The indicators are defined in the appendix

(2) Including the share of current net income of joint ventures and associates viewed as core Company activities.

(3) Subject to approval at the General Shareholders' Meeting of June 15, 2022

<sup>1</sup> See appendix for more information on this restatement

The main foreign exchange impacts on revenue were as follows:

FX impacts for the year ended December 31, 2021 (vs December 31, 2020 re-presented)	%	(€ million)
Revenue	0.0%	(4)
EBITDA	0.2%	9
Current EBIT	0.4%	5
Current net income	1.7%	6
Net financial debt	2.2%	298

## B INCOME STATEMENT

### 1. GROUP CONSOLIDATED REVENUE

#### 1.1 REVENUE BY OPERATING SEGMENT

With the post-health crisis upturn in revenue, felt from the second half of 2020, all segments reported growth in 2021.

(€ million)	Year ended December 31, 2020	Year ended December 31, 2021	Change 2020 / 2021		
			Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France	5,389.9	5,868.2	8.9%	8.9%	8.9%
Europe excluding France	9,411.4	10,941.9	16.3%	15.6%	12.4%
Rest of the world	6,759.7	7,067.3	4.5%	5.4%	5.0%
Global businesses	4,443.9	4,629.0	4.2%	4.4%	6.5%
Other	5.0	1.7	-	-	-
<b>Group</b>	<b>26,009.9</b>	<b>28,508.1</b>	<b>9.6%</b>	<b>9.6%</b>	<b>8.7%</b>

Revenue increased 8.9% in **France** compared with the year ended December 31, 2020:

- Water revenue is up +1.2% year-on-year boosted by increased construction activities which returned to 2019 levels and the positive impact of tariff reviews (+0.9%) which offset lower water volumes (-1.3%) mainly due to a wet summer.
- Waste revenue rose +18.1% year-on-year continuing the first-half recovery, with higher volumes, favorable recycle price trends, notably paper and the positive impact of tariff reviews.

**Europe excluding France** revenue grew 15.6% at constant exchange rates compared with the year ended December 31, 2020, benefiting from higher recycle and energy prices and a positive weather effect in energy

in the first quarter. These items combined with the ramp-up of new activities integrated in Central and Eastern Europe and a strong recovery in activity in the United Kingdom and Germany.

- In **Central and Eastern Europe**, including Germany, revenue increased +19.6% at constant exchange rates year-on-year to €6,260 million. This growth was mainly driven by:
  - o organic growth in all activities (+13.1% 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 €79 million (Czech Republic and Poland);
  - o a scope impact of €339 million, with primarily 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);
  - o Germany, thanks to the surge in recyclate prices (€168 million, including €126 million for paper), higher energy prices and the good recovery in commercial waste volumes.
- In **Northern Europe**, revenue grew +7.6% at constant exchange rates year-on-year to €3,276 million. This increase is mainly driven by the **United Kingdom and Ireland**, which recorded a 8.5% increase in revenue at constant exchange rates to €2,423 million due to higher recyclate prices (paper and metal), a recovery in industrial waste and landfill volumes to almost pre-health crisis levels and excellent incinerator performance (facility availability rate of 94.9% in 2021 compared with 94.1% in 2020)

Revenue increased +5.4% in the **Rest of the world** at constant exchange rates year-on-year, with growth in all geographies:

- Revenue in **Latin America** increased +14.1% at constant exchange rates, driven notably by favorable tariff indexation in Argentina (local inflation), Colombia and Mexico, growth in hazardous waste activities in Chile and Argentina, good water activity levels in Ecuador and commercial wins, notably in waste in Colombia.
- In **Africa/Middle East**, revenue grew +12.3% 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 +5.2% at constant exchange rates year-on-year to €1,784 million. Hazardous waste contributed to this growth with higher volumes and a favorable price effect 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 +1.1% at constant exchange rates, with the unfavorable effect of lower waste activities tied to the end of a contract in China (Laogang in 2020) partially offset by strong growth in India, Japan and Taiwan. The Group also continued hazardous waste development projects in China.
- Revenue increased +1.0% at constant exchange rates in the **Pacific** zone, thanks to an upturn in waste volumes in a context of reduced health restrictions since the fall and good water activities. Energy activities were impacted by the divestiture of an industrial asset (revenue impact of -€36 million).

**Global businesses** revenue increased +4.4% at constant exchange rates compared with the year ended December 31, 2020, despite the sale of the Sade Telecom business at the end of 2020. At constant scope and exchange rates, segment revenue increased +6.5%:

- **Hazardous waste activities in Europe** increased significantly by +29.5% at constant exchange rates, with good volume and price levels and commercial development 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 the Suez RV OSIS in May 2021 (revenue of €198 million).
- **Veolia Water Technologies** revenue increased +0.6% at constant scope and 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 €1,268 million as of December 31, 2021, compared with €1,409 million one year earlier.

- **SADE**, which sold its Telecom activity at the end of 2020 (scope impact of -€302 million), reported a fall of -19% at constant exchange rates and an increase of +5.5% at constant scope and exchange rates, driven by dynamic commercial activity in France, particularly in the public market.

## 1.2 REVENUE BY BUSINESS

The Group's activity by business in 2021 is marked by:

- resilient **Water** activities, with growth to end-December 2021 of +2.1% at constant scope and exchange rates year-on-year
- a recovery in **Waste** activities, with growth of +15.5% at constant exchange rates due to increased volumes processed, higher recycle prices and favorable tariff reviews
- **Energy** growth of +19.9% at constant exchange rates, underpinned by higher energy prices (electricity and heat), the favorable impact of tariff reviews and a positive weather effect.

(€ million)	Year ended December 31, 2020	Year ended December 31, 2021	Change 2020 / 2021		
			Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Water	10,900.0	10,788.3	-1.0%	-0,7%	2,1%
of which Water Operations	8,151.8	8,284.4	1.6%	1.9%	1.9%
of which Technology and Construction	2,748.2	2,503.9	-8.9%	-8.6%	2.8%
Waste	9,672.9	11,227.7	16.1%	15.5%	14.2%
Energy	5,437.0	6,492.1	19.4%	19.9%	12.3%
<b>Group</b>	<b>26,009.9</b>	<b>28,508.1</b>	<b>9.6%</b>	<b>9.6%</b>	<b>8.7%</b>

### Water revenue

**Water Operations** revenue increased +1.9% at constant scope and exchange rates year-on-year confirming the activity's resilience driven by an upturn in construction activity and achieved despite lower water volumes in France due to reduced consumption linked to a wet summer in 2021.

**Technology and Construction** revenue is up +2.8% at constant scope and exchange rates compared with December 31, 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 +14.2% in the **Waste** business at constant scope and exchange rates compared with the year ended December 31, 2020, benefiting from ongoing high recycle prices (+5.2%), volume growth (+5.3%) and positive tariff increases (+2.7%).

The increase in recyclate prices and particularly paper prices continued throughout 2021 and was particularly strong in the first half of the year.

Overall, volumes have returned to pre-health crisis levels, except for commercial and industrial waste which remain down on 2019 in certain geographies.

## Energy revenue

**Energy** revenue grew +19.9% at constant exchange rates compared with the year ended December 31, 2020 and +12.3% organically, restated for the scope effects of integrating Prague Right Bank heating network activities and cogeneration installations in Budapest (+€398 million in revenue).

The strong activity growth is supported by a favorable weather impact at the beginning of the year and in the fourth quarter (+1.6%), notably in Central and Eastern Europe, an increased price effect (+6.8%) driven by tariff rises in Poland and Hungary and strong commercial development (+1.9%) in Europe and particularly Italy.

### 1.3 ANALYSIS OF THE CHANGE IN GROUP REVENUE

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

The **foreign exchange impact** of -€4 million mainly reflects fluctuations in American (-€94 million) and Asian (-€22 million) currencies, partially offset by an improvement in the Australian (+€51 million) and UK (+€75 million) currencies <sup>2</sup>.

The **consolidation scope impact** of €234 million mainly concerns in Central Europe the impact of integrating the Budapest cogeneration installations (€235 million) and the Prague Right Bank urban heating network (€163 million) in 2020. In the Global businesses segment, the sale of SADE's Telecom network activities in 2020 (-€302 million) was partially offset by the integration of OSIS in May 2021 (€198 million).

The **Commerce / Volumes / Works** impact is +€886 million, driven for more than half by higher waste volumes and excellent commercial momentum.

The **Weather impact** is +€73 million and mainly concerns Central Europe where the Energy business benefited from a severe winter in the first and fourth quarters, offset in the third quarter by the impact of a wet summer on the Water activity in France.

**Energy and recyclate prices** had an impact of +€904 million, driven by a strong increase in recyclate prices (+€499 million, including €319 million for paper, €63 million for plastic and €60 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 (+€405 million) are mainly tied to tariff reviews estimated at +2.7% in waste and +1% in water.

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<sup>2</sup> Main foreign exchange impacts by currency: US dollar (-€75 million), Argentine peso (-€20 million), Japanese yen (-€36 million), Polish zloty (-€37 million), Brazilian real (-€9 million), Hong Kong dollar (-€9 million), pound sterling (+€82 million), Australian dollar (+€52 million), Czech koruna (+€34 million).

## 2. GROUP CONSOLIDATED EBITDA

Group consolidated EBITDA for the year ended December 31, 2021 was €4,234 million, up +16% at constant exchange rates year-on-year. The margin rate is 14.9% at December 31, 2021, compared with 14% at December 31, 2020. The increase in current EBITDA by operating segment is as follows:

(€ million)	Year ended December 31, 2020	Year ended December 31, 2021	Change 2020 / 2021			EBITDA margin	
			Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates	Year ended December 31, 2020	Year ended December 31, 2021
France	847.7	1,074.8	26.8%	26.8%	26.8%	15.7%	18.3%
Europe excluding France	1,403.7	1,729.9	23.2%	22.3%	16.9%	14.9%	15.8%
Rest of the world	941.6	1,001.5	6.4%	6.9%	7.3%	13.9%	14.2%
Global businesses	324.4	426.3	31.4%	31.4%	29.3%	7.3%	9.2%
Other	123.4	1.3					
<b>Group</b>	<b>3,640.8</b>	<b>4,233.8</b>	<b>16.3%</b>	<b>16.0%</b>	<b>13.9%</b>	<b>14.0%</b>	<b>14.9%</b>

**In France**, EBITDA increased by +26.8% year-on-year. In the Water business, the increase in EBITDA was mainly due to the restart of construction work as we exit the health crisis and efficiency gains which offset the negative impact of the wet summer on volume. In Waste, the higher EBITDA was driven by increased recyclate prices, particularly for paper, the post-health crisis activity recovery and the contribution of efficiency plans. EBITDA also benefited from an OFA disposal relating to a waste incinerator in France in the third quarter of 2021 for €86 million.

**In Europe excluding France**, EBITDA increased +22.3% at constant exchange rates year-on-year, benefiting from higher recyclate prices (paper, plastic and metal), particularly in Germany and the United Kingdom, a positive weather effect, higher electricity and heat prices in Central Europe and hedges set-up with respect to the increased cost of CO<sub>2</sub> certificates and favorable prices for water distribution contracts.

**In the Rest of world**, EBITDA rose +6.9% at constant exchange rates, with the increase particularly marked in Latin America, North America and the Middle East.

In the **Global businesses** segment, EBITDA surged +29.3% at constant scope and exchange rates, underpinned particularly by the performance of hazardous waste activities, the upturn in construction activities and the improved operating performance of industrial maintenance businesses.

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

The **foreign exchange** impact on EBITDA was +€9 million and mainly reflects the improvement in the Australian and UK currencies, partially offset by unfavorable movements in American currencies (-€14 million)<sup>3</sup>.

<sup>3</sup> Foreign exchange impacts by currency: US dollar (-€8 million), Argentine peso (-€3 million), Colombian peso (-€2 million), Polish zloty (-€6 million), United Arab Emirates dirham (-€1 million), Hungarian forint (-€2 million), Brazilian real (-€1 million), Australian dollar (+€7 million), Czech koruna (+€9 million), pound sterling (+€14 million).

The **consolidation scope impact** of +€78 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 +€277 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 favorable **weather impact** in Energy (+€11 million), mainly in Central Europe, offset by the impact of severe weather in the United States and a wet summer in France (-€23 million).

**Energy and recyclate prices** had a favorable impact on EBITDA of +€35 million (vs. +€28 million at December 31, 2020), including +€113 million in recyclates and -€78 million in energy costs including CO<sub>2</sub> certificates.

The impact of **prices net of cost inflation** is -€199 million.

**Cost-savings plans contributed** +€382 million at the end of December, above the €350 million annual objective and include:

- the efficiency plan for €280 million, mainly concerning operating efficiency (61%) and purchasing (27%) across all geographic zones: France (24%), Europe excluding France (36%), Rest of the world (26%) and Global businesses (13%);
- post-health crisis additional savings efforts under the Recover & Adapt plan for €102 million.

### 3. CURRENT EBIT

Group consolidated **current EBIT** for the year ended December 31, 2021 was €1,766 million, up significantly by 41.7% at constant exchange rates compared with the year ended December 31, 2020 represented<sup>4</sup>.

EBITDA reconciles with Current EBIT compared with the year ended December 31, 2020 re-presented as follows:

<i>(€ million)</i>	Year ended December 31, 2020	<i>Year ended December 31, 2021</i>
<b>EBITDA</b>	<b>3,640.8</b>	<b>4,233.8</b>
Renewal expenses	(275.4)	(291.9)
Depreciation and amortization <sup>5</sup>	(2,189.7)	(2,348.9)
Provisions, fair value adjustments & other	(44.2)	67.9
Share of current net income of joint ventures and associates	110.5	104.8
<b>Current EBIT</b>	<b>1,242.0</b>	<b>1,765.7</b>

The significant +€518 million increase in Current EBIT at constant exchange rates compared with December 31, 2020 re-presented<sup>1</sup> is mainly due to:

- a marked improvement in EBITDA (+€584 million at constant exchange rates)

<sup>4</sup> See appendix for more information on this restatement

<sup>5</sup> Including principal payments on operating financial assets.

- a slight increase in depreciation and amortization, net of the impact of principal payments on operating financial assets, following 2020 scope entries
- a favorable difference in provisions and other, including higher capital gains on industrial divestitures (+€58 million at constant exchange rates) mainly relating to asset rotation transactions in Sweden, Norway and France.

The foreign exchange impact on Current EBIT of +€5 million mainly reflects fluctuations in the UK (+€7 million) and Asian (+€4 million) currencies, partially offset by a downturn in Latin American (-€4 million) and North American (-€3 million) currencies.

The change in current EBIT by operating segment is as follows:

(€ million)	Year ended December 31, 2020 re-presented <sup>6</sup>	Year ended December 31, 2021	Change 2020 / 2021	
			Δ	Δ at constant exchange rates
France	28.2	233.5	728.2%	728.2%
Europe excluding France	602.6	918.9	52.5%	51.4%
Rest of the world	492.7	506.4	2.8%	3.3%
Global businesses	111.9	222.9	99.2%	98.3%
Other	6.6	(116.0)	N/A	N/A
<b>Group</b>	<b>1,242.0</b>	<b>1,765.7</b>	<b>42.2%</b>	<b>41.7%</b>

#### 4. NET FINANCIAL EXPENSE

(€ million)	Year ended December 31, 2020	Year ended December 31, 2021
<b>Cost of net financial debt (1)</b>	<b>(414.4)</b>	<b>(342.6)</b>
Net gains / losses on loans and receivables	12.6	8.0
Dividends received	2.8	124.3
Assets and liabilities at fair value through profit or loss	0.1	0.4
Foreign exchange gains and losses	(12.9)	7.9
Unwinding of the discount on provisions	(23.5)	(20.9)
Interest on concession liabilities	(79.8)	(76.5)
Interest on IFRS 16 lease debt	(32.2)	(28.2)
Other	(32.9)	(38.4)
<b>Other current financial income and expenses (2)</b>	<b>(165.8)</b>	<b>(23.4)</b>
<b>Gains (losses) on financial divestitures (3)</b>	<b>26.1</b>	<b>(15.8)</b>
<b>Current net financial expense (1)+(2)+(3)</b>	<b>(554.1)</b>	<b>(381.8)</b>
Other non-current financial income and expenses	-	(35.0)
<b>Net financial expense</b>	<b>(554.1)</b>	<b>(416.8)</b>

<sup>6</sup> See appendix for more information on this restatement

The net financial expense for the year ended December 31, 2021 is -€382 million, compared with -€554 million for the year ended December 31, 2020. This improvement is mainly due to dividends received on the Group's investment in Suez in respect of 2020 of +€122 million and a marked decrease in the net finance cost.

The non-current net financial expense for the year ended December 31, 2021 of -€35 million includes costs relating to the Suez acquisition financing.

### **Cost of net financial debt**

The cost of net financial debt totaled -€343 million for the year ended December 31, 2021, compared with -€414 million for the year ended December 31, 2020. This €71 million decrease in the Group's cost of net financial debt is due to favorable bond issue refinancing costs, lower foreign currency interest rates and the positive impact of the cancellation of the interest rate hedging portfolio (pre-hedge swaps) set-up in 2020 for €20 million.

The Group's financing rate (excluding IFRS 16 impacts) was therefore 2.98% at December 31, 2021, compared with 4.02% at December 31, 2020 (2.85% vs. 3.74% including IFRS 16 impacts).

### **Other financial income and expenses**

Other current financial income and expenses totaled -€23.4 million for the year ended December 31, 2021, compared with -€165.8 million for the year ended December 31, 2020.

They include dividends received on the Group's investment in Suez (€122 million) for the shares purchased in October 2020 (29.9%) as well as interest on concession liabilities (IFRIC 12) of -€76.5 million and the unwinding of discounts on provisions for -€20.9 million.

In 2021, capital losses on disposals of financial assets total -€15.8 million and mainly comprise the capital loss on the divestiture of activities in Namibia (VWT) of -€7.1 million and the capital loss on the liquidation of a non-consolidated company, VIGIE 2, of -€7.5 million, offset by a provision reversal of €7.5 million.

Gains on financial divestitures totaled +€26.1 million in 2020.

## **5. CURRENT INCOME TAX EXPENSE**

The current income tax expense for the year ended December 31, 2021 amounted to -€329.7 million, compared with -€159.6 million for the year ended December 31, 2020 re-presented<sup>7</sup>.

The current income tax rate for the year ended December 31, 2021 is 25.8%, versus 27.6% for the year ended December 31, 2020 re-presented<sup>8</sup>.

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<sup>7</sup> See appendix for more information on this restatement

<sup>8</sup> 26.1% for the year ended December 31, 2020 published

(€ million)	Year ended December 31, 2020 re-presented <sup>9</sup>	Year ended December 31, 2021
<b>Current income before tax (a)</b>	<b>687.9</b>	<b>1,383.9</b>
of which share of net income of joint ventures & associates (b)	110.5	104.8
<b>Re-presented current income before tax: (c)= (a)-(b)</b>	<b>577.4</b>	<b>1,279.1</b>
<b>Re-presented tax expense (d)</b>	<b>(159.6)</b>	<b>(329.7)</b>
<b>Re-presented tax rate on current income (d)/(c)</b>	<b>27.6%</b>	<b>25.8%</b>

## 6. CURRENT NET INCOME

**Current net income attributable to owners of the Company** was €896 million for the year ended December 31, 2021, compared with €382 million for the year ended December 31, 2020 re-presented. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company increased 150.5% at constant exchange rates to €915 million from €363 million for the year ended December 31, 2020 re-presented

## 7. OTHER INCOME STATEMENT ITEMS

### Selling, general and administrative expenses

Selling, general and administrative expenses impacting Current EBIT increased from €2,739 million for the year ended December 31, 2020 re-presented<sup>1</sup> to €2,944 million for the year ended December 31, 2021, representing an increase of 7.5% at current scope and exchange rates (+7.7% at constant exchange rates and +6.8% at constant scope and exchange rates). The ratio of selling, general and administrative expenses to revenue is 10.3% for 2021, down on the previous year re-presented (10.5%).

### Current net income (loss)/ Net income (loss) attributable to owners of the company

The share of net income attributable to non-controlling interests totaled €150.6 million for the year ended December 31, 2021, compared with €119.7 million for the year ended December 31, 2020.

Net income attributable to owners of the Company was €404.3 million for the year ended December 31, 2021, compared with €88.8 million for the year ended December 31, 2020.

Current net income attributable to owners of the Company was €895.8 million for the year ended December 31, 2021, compared with €381.8 million for the year ended December 31, 2020 re-presented

Based on a weighted average number of outstanding shares of 592.9 million (basic), and 617.9 million (diluted) for the year ended December 31, 2021, compared with 554.9 million (basic) and 579.9 million (diluted) for the year ended December 31, 2020, the net income attributable to owners of the Company per share for the year ended December 31, 2021 was €0.68 (basic) and €0.65 (diluted), compared with €0.16 (basic) and €0.15 (diluted) for the year ended December 31, 2020. Current net income attributable to owners of the Company per

<sup>9</sup> See appendix for more information on this restatement

share was €1.51 (basic) and €1.45 (diluted) for the year ended December 31, 2021, compared with €0.75 (basic) and €0.72 (diluted) for the year ended December 31, 2020.

The dilutive effect taken into account in the above earnings per share calculations concerns the OCEANE bonds convertible into and/or exchangeable for new and/or existing shares issued in September 2019 and maturing on January 1, 2025 and the Performance Share Grant Plans set-up on April 30, 2019 and maturing in April 2022, on May 5, 2020 and maturing in May 2023 and on May 4, 2021 and maturing in May 2024.

Net income (loss) attributable to owners of the Company for the year ended **December 31, 2021** breaks down as follows:

<i>(€ million)</i>	<i>Current</i>	<i>Non-Current</i>	<i>Total</i>
EBIT	1,765.7	(448.2)	1,317.5
Cost of net financial debt	(342.6)	-	(342.6)
Other financial income and expenses	(39.2)	(35.0)	(74.2)
<b>Pre-tax net income (loss)</b>	<b>1,383.9</b>	<b>(483.2)</b>	<b>900.7</b>
Income tax expense	(329.7)	(16.1)	(345.8)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	-	-
Net (income) loss attributable to non-controlling interests	(158.4)	7.8	(150.6)
<b>Net income (loss) attributable to owners of the Company</b>	<b>895.8</b>	<b>(491.5)</b>	<b>404.3</b>

Net income (loss) attributable to owners of the Company for the year ended **December 31, 2020 re-presented**<sup>10</sup> breaks down as follows:

<i>(€ million)</i>	<i>Current</i>	<i>Non-Current</i>	<i>Total</i>
EBIT	1,242.0	(322.5)	919.5
Cost of net financial debt	(414.4)	-	(414.4)
Other financial income and expenses	(139.7)	-	(139.7)
<b>Pre-tax net income (loss)</b>	<b>687.9</b>	<b>(322.5)</b>	<b>365.4</b>
Income tax expense	(159.6)	22.6	(137.0)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(19.9)	(19.9)
Net (income) loss attributable to non-controlling interests	(146.5)	26.8	(119.7)
<b>Net income (loss) attributable to owners of the Company</b>	<b>381.8</b>	<b>(293.0)</b>	<b>88.8</b>

Net income (loss) from discontinued operations to the end of December 2020 corresponds to the impact of costs incurred on the discontinuation of Veolia Water Technologies' EPC international activities of -€19.9 million.

Current EBIT reconciles with operating income, detailing the non-current items of net income, as follows:

<sup>10</sup> See appendix for more information on this restatement

(€ million)	<b>Year ended December 31, 2020 re-presented<sup>11</sup></b>	<b>Year ended December 31, 2021</b>
<b>Current EBIT</b>	<b>1,242.0</b>	<b>1,765.7</b>
Impairment losses on goodwill and negative goodwill	(44.1)	10.8
Net charges to non-current provisions	13.5	(0.9)
Restructuring costs	(106.6)	(68.2)
Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	(155.9)	(234.0)
Share acquisition costs, with or without acquisition of control	(29.4)	(155.9)
<b>Total non-current items</b>	<b>(322.5)</b>	<b>(448.2)</b>
<b>Operating income after share of net income (loss) of equity-accounted entities</b>	<b>919.5</b>	<b>1,317.5</b>

Restructuring costs for the year ended December 31, 2021 mainly concern the waste activity in France for -€22 million.

Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other non-current expenses for the year ended December 31, 2021 primarily concern:

- Specific costs dedicated to the health crisis beyond the usual costs of employee equipment and individual protection (-€59 million);
- Non-current asset impairment, notably in Central and Eastern Europe for -€47 million in respect of the industrial asset decarbonization program (Czech Republic, Poland) and in Romania, as well as in Asia for -€41 million.
- Share acquisition costs mainly comprise costs incurred in the context of the Suez combination.

<sup>11</sup> See appendix for more information on this restatement

## C1 FINANCING

The following table summarizes the change in net financial debt and net free cash flow:

(€ million)	Year ended December 31, 2020	Year ended December 31, 2021
<b>EBITDA</b>	<b>3,640.8</b>	<b>4,233.8</b>
Net industrial investments	(2,151.5)	(2,211.5)
Change in operating WCR	233.4	382.5
Dividends received	75.3	223.1
Renewal expenses	(260.5)	(291.9)
Other non-current expenses and restructuring charges	(230.0)	(236.5)
Interest on concession liabilities (IFRIC 12)	(79.8)	(76.5)
Interest on IFRS 16 lease liabilities	(32.2)	(28.2)
Financial items (current interest paid and operating cash flow from financing activities)	(429.7)	(368.7)
Taxes paid	(258.3)	(285.6)
<b>Net free cash flow before dividend payment, financial investments and financial divestitures</b>	<b>507.5</b>	<b>1,340.5</b>
Dividends paid	(425.6)	(558.2)
Net financial investments	(4,898.0)	64.1
Change in receivables and other financial assets	(31.8)	111.0
Issue / repayment of deeply subordinated securities	1,987.1	497.5
Proceeds on issue of shares	139.0	2,692.3
<b>Free cash flow</b>	<b>(2,721.9)</b>	<b>4,147.2</b>
Effect of foreign exchange rate movements and other	185.3	(462.4)
<b>Change</b>	<b>(2,536.6)</b>	<b>3,684.8</b>
Opening net financial debt	(10,680.4)	(13,217.0)
<b>Closing net financial debt</b>	<b>(13,217.0)</b>	<b>(9,532.2)</b>

**Net free cash flow** reflects excellent performance during the year and is €1,340.5 million for the year ended December 31, 2021, compared with €507.5 million for the year ended December 31, 2020.

The change in net free cash flow compared with the year ended December 31, 2020 reflects:

- the increase in EBITDA driven by activity growth and the intensification of commercial and operating efficiency efforts;
- net industrial investments of €2,211.5 million, up 2.8% at current exchange rates (+2.9% at constant exchange rates):
  - o maintenance investments of €1,273 million (4% of revenue),
  - o growth investments in the current portfolio of €876 million (€691 million in the year ended December 31, 2020),
  - o discretionary investments of €456 million, up +€21 million compared with 2020;
  - o industrial divestitures of €317 million as part of the Group's ongoing 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 €383 million, compared with €233 million for the year ended December 31, 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 €9,532 million, compared with €13,217 million as of December 31, 2020.

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

- net free cash flow generation of +€1,341 million for the year;
- the payment of the dividends voted by the Combined Shareholders' Meeting of April 22, 2021 (-€397 million);
- net financial investments of €64 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 facility in France and the divestiture of industrial services and recycling solution activities in Sweden and Norway and of the Shenzhen water concession in China.
- the share capital increase performed as part of the Suez acquisition financing for €2.5 billion (excluding issue costs)
- the subordinated debt issue for €497 million (excluding issue costs)
- the share capital increase performed under the Sequoia 2021 employee share ownership plan for €204 million net

Net financial debt was also impacted by negative exchange rate fluctuations of -€298 million as of December 31, 2021<sup>12</sup> compared with a positive fluctuations of +€273 million as of December 31, 2020.

## 1. INDUSTRIAL AND FINANCIAL INVESTMENTS

### 1.1 INDUSTRIAL INVESTMENTS

Total Group gross industrial investments, including new operating financial assets, amounted to €2,528 million for the year ended December 31, 2021, compared with €2,387 million for the year ended December 31, 2020. Industrial investments, excluding discontinued operations, break down by segment as follows:

Year ended December 31, 2021 (€ million)	Maintenance and contractual requirements <sup>13</sup>	Discretionary growth	Total gross industrial investments <sup>14</sup>	Industrial divestitures	Total net industrial investments
France	471	37	508	(88)	420
Europe excluding France	795	172	967	(132)	835
Rest of the world	500	196	696	(35)	661
Global businesses	233	51	284	(47)	237
Other	73	0	73	(14)	59
<b>Group</b>	<b>2,072</b>	<b>456</b>	<b>2,528</b>	<b>(316)</b>	<b>2,212</b>

<sup>12</sup> Mainly driven by negative impacts on the US dollar (-€86 million), Chinese renminbi yuan (-€65 million), pound sterling (-€60 million), Czech koruna (-€39 million), Hong King dollar (-€14million) and Russian ruble (-€14 million).

<sup>13</sup> Including maintenance investments of €1,273 million, and contractual requirements of €876 million in 2021.

<sup>14</sup> Including new operational financial assets of €169 million in 2021.

Year ended December 31, 2020 (€ million)	Maintenance and contractual requirements <sup>15</sup>	Discretionary growth	Total gross industrial investments <sup>16</sup>	Industrial divestitures	Total net industrial investments
France	447	34	481	(63)	418
Europe excluding France	742	167	910	(102)	808
Rest of the world	514	198	711	(27)	684
Global businesses	225	36	261	(43)	217
Other	24	0	24	0	24
<b>Group</b>	<b>1,952</b>	<b>435</b>	<b>2,387</b>	<b>(236)</b>	<b>2,151</b>

At constant exchange rates, net industrial investments are up slightly (+2.8%) year-on-year. Impacted by the health crisis, an increased budget was allocated to maintenance investments. In line with the strategic choices of the Impact 2023 program, investments mainly include:

- in the Rest of the world, investments of €73 million including hazardous waste processing development projects (construction of incinerators in Saudi Arabia, China and Singapore) and €34 million in the plastics circular economy (recycling plants in Japan and Singapore).
- in Europe excluding France, €115 million in the energy loop sector, mainly comprising decarbonization investment at our heat production sites (Germany, Czech Republic and Poland).

## 1.2 FINANCIAL INVESTMENTS AND DIVESTITURES

Net financial investments totaled +€64 million in 2021, compared with -€4,898 million in 2020.

**Financial investments** totaled -€476 million in the year ended December 31, 2021 (including acquisition costs and net financial debt of new entities) and mainly included the impacts of the acquisition of Osis in France (€348 million including IFRS 16 debt) and an organic fertilizer facility in France (€20 million).

In 2020, excluding the acquisition of Suez Environnement shares (€3,422 million including acquisition costs), financial investments totaled -€1,649 million (including acquisition costs and net financial debt of new entities) and mainly comprised the acquisition of the Prague Right Bank urban heating network in the Czech Republic (€710 million), heat production assets in Budapest, Hungary (€294 million), the Alcoa hazardous waste processing site in the United States (€231 million) and the MAG waste processing group in Russia (€125 million) and the buyout of the minority partner in the Nagpur water contract in India (€113 million).

**Financial divestitures** totaled €540 million in 2021 (including disposal costs) and mainly included the divestiture of the stake in the Shenzhen water concession in China (€249 million)<sup>17</sup>, as well as the divestiture of industrial services and recycling services activities in Sweden and Norway (€111 million)<sup>18</sup>.

<sup>15</sup> Including maintenance investments of €1,261 million, and contractual requirements of €691 million in 2020.

<sup>16</sup> Including new operational financial assets of €160 million in 2020.

<sup>17</sup> Total transaction amount of €394 million including the repayment of the shareholder loan (€105 million) and the payment of dividends (€40 million)

<sup>18</sup> Total transaction amount of €235 million, including the divestiture of industrial assets

In 2020, financial divestitures totaled €174 million (including disposal costs) and mainly comprised the sale of SADE's Telecom branch (€52 million), the sale of assets in Germany (€31 million), the sale of the investment in the Liuzhou water concession in China (€47 million) and the sale of Campus X in Italy (€20 million), as well as the share capital increase by Southa in Hong Kong subscribed by minority shareholders for €14 million.

## 2. OPERATING WORKING CAPITAL

(4)

The change in operating working capital requirements (excluding discontinued operations) was €382 million for the year ended December 31, 2021, compared with €233 million for the year ended December 31, 2020.

This change reflects the regular monitoring and improvement of the collection and billing processes in a context of increased vigilance and denotes the resilience of the Group's municipal and industrial customers.

The net WCR position on the balance sheet as of December 31, 2021 is a resource of €1,854 million compared to €1,511 million as of December 31, 2020, a change of €342 million including -€41 million relating to changes in consolidation scope and €0.4 million relating to foreign exchange impacts.

## 3. EXTERNAL FINANCING

### 3.1 STRUCTURE OF NET FINANCIAL DEBT

(€ million)	As of December 31, 2020	As of December 31, 2021
Non-current financial liabilities	12,133	11,761
Current financial liabilities	7,599	9,033
Bank overdrafts and other cash position items	218	242
<b>Sub-total financial debt</b>	<b>19,949</b>	<b>21,036</b>
Cash and cash equivalents	(5,840)	(10,519)
Allocation of the fair value of hedging instruments	(57)	(13)
Liquid assets and financing financial assets	(835)	(972)
<b>Net financial debt</b>	<b>13,217</b>	<b>9,532</b>

As of December 31, 2021, net financial debt after hedging is entirely at fixed rates.

The average maturity of net financial debt was 7.8 years as of December 31, 2021 (6 years excluding the impact of the share capital increase and the hybrid bond issue) compared with 6.2 years as of December 31, 2020.

## 3.2 GROUP LIQUIDITY POSITION

Following the appearance of the health crisis in 2020, Veolia made liquidity monitoring a priority. This led to the monitoring of weekly cash flow forecasts over a five-week horizon, through the regular review of the functioning of the Finance back office (invoicing, collections, payments, suppliers) and a daily update on the situation of the financial markets at Group level.

The Group has therefore pursued a prudent and resilient financing policy, with pooled cash invested in liquid monetary assets (monetary UCITS or liquid bank deposits).

The Group's gross liquidity position at December 31, 2021 stood at €15.5 billion and mainly consists of:

- €11.5 billion in cash or cash equivalents (centralized cash mainly invested in liquid monetary assets for €10.3 billion and cash available in subsidiaries for €1.2 billion);
- €4 billion of undrawn and available credit lines and bilateral credit lines.

The Group's net liquidity as of December 31, 2021 was €6.2 billion, including current debt and bank overdrafts and other cash position items reducing gross liquidity by €9.3 billion. Current debt and bank overdrafts and other cash position items notably include €5.9 billion of commercial paper with an average maturity of 2.5 months, currently being refinanced.

Liquid assets of the Group as of December 31, 2021 break down as follows:

(€ million)	As of December 31, 2020	As of December 31, 2021
<b>Veolia Environnement</b>		
Undrawn syndicated loan facility	3,000.0	3,000.0
Undrawn MT bilateral credit lines	1,000.0	1,000.0
Undrawn ST bilateral credit lines	-	-
Letters of credit facility	21.6	22.9
Cash and cash equivalents <sup>19</sup>	5,542.2	10,333.7
<b>Subsidiaries:</b>		
Cash and cash equivalents	1,132.9	1,156.7
<b>Total liquid assets</b>	<b>10,696.7</b>	<b>15,513.3</b>
<b>Current debt and bank overdrafts and other cash position items</b>		
Current debt	7,599.6	9,034.9
Bank overdrafts and other cash position items	217.6	241.9
<b>Total current debt and bank overdrafts and other cash position items</b>	<b>7,817.2</b>	<b>9,276.8</b>
<b>Total liquid assets net of current debt and bank overdrafts and other cash position items<sup>20</sup></b>	<b>2,879.5</b>	<b>6,236.5</b>

<sup>19</sup> Including liquid assets and financing financial assets included in Net financial debt.

<sup>20</sup> Including cash equivalents from GIE Placements

The increase in net liquid assets compared to December 31, 2020 mainly reflects the proceeds from the €2.5 billion share capital increase on October 8, 2021 and the €0.5 billion hybrid debt issue on November 8, 2021, as well as the subscription of two short-term loans totaling €0.7 billion.

The multi-currency syndicated loan facility is undrawn as of December 31, 2021. Initially secured on November 2, 2015 for an amount of €3 billion and with a maturity of 2022, it was extended to 2024. In addition, Veolia Environnement has bilateral credit lines for a total undrawn amount of €1 billion as of December 31, 2021. Veolia Environnement may draw on the multi-currency syndicated loan facility and all credit lines at any time.

As of December 31, 2021, the US dollar bilateral letters of credit facility drawable in cash totaled US\$25.9 million (€22.9 million euro-equivalent) and is not used to date. It is included in the above liquidity table.

## D] RETURN ON CAPITAL EMPLOYED (ROCE)

Current EBIT after tax is calculated as follows:

<i>(€ million)</i>	<i>Year ended December 31, 2020 re-presented<sup>21</sup></i>	<i>Year ended December 31, 2021</i>
<b>Current EBIT<sup>22</sup></b>	<b>1,242</b>	<b>1,766</b>
- Current income tax expense	(160)	(330)
<b>Current EBIT after tax</b>	<b>1,082</b>	<b>1,436</b>

<sup>21</sup> See appendix for more information on this restatement

<sup>22</sup> Including the share of net income (loss) of joint ventures and associates

The table below presents the calculation of Capital Employed:

<i>(€ million)</i>	As of December 31, 2020 re-presented	<i>As of December 31, 2021</i>
Intangible assets and Property, plant and equipment, net	13,086	13,687
Right of use	1,530	1,562
Goodwill, net of impairment	5,935	6,251
Investments in joint ventures and associates	1,375	1,594
Operating financial assets	1,371	1,320
Operating and non-operating working capital requirements, net	(3,555)	(4,557)
Net derivative and other instruments	(40)	69
Provisions	(2,260)	(2,345)
<b>Capital employed</b>	<b>17,442</b>	<b>17,581</b>
Impact of discontinued operations and other restatements <sup>23</sup>	(284)	362
<b>Capital employed</b>	<b>17,158</b>	<b>17,943</b>

The Group's post-tax return on capital employed (ROCE) is as follows:

<i>(€ million)</i>	Current EBIT after tax	Average capital employed	Post-tax ROCE
2020 (incl. IFRS 16) re-presented	1,082	17,535	6.2%
<b>2021 (incl. IFRS 16)</b>	<b>1,436</b>	<b>17,550</b>	<b>8.2%</b>

<sup>23</sup> 2021 restatements mainly concern the add-back of the capital employed of activities sold in Norway and Sweden and the prorating of the capital employed of OSIS acquired in 2021. 2020 restatements concern the prorating of the value of securities acquired in the last quarter of 2020 (Prague Right Bank and Bert Hungary), and the add-back of the capital employed of the Shenzhen water concession which gave rise to a restatement in assets and liabilities held for sale as of December 31, 2020.

## APPENDICES

### 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.

#### Impact of personnel costs share-based payments (IFRS2) reclassification as a current item

<i>(en millions d'euros)</i>	31 Dec 2019 published	IFRS 2 impact	31 Dec 2019 represented	31 Déc 2020 publié	IFRS 2 impact	31 Dec 2020 represented
<b>Revenue</b>	<b>27 189</b>		<b>27 189</b>	<b>26 010</b>		<b>26 010</b>
<b>EBITDA</b>	<b>4 022</b>		<b>4 022</b>	<b>3 641</b>		<b>3 641</b>
EBITDA margin	14,8%		14,8%	14,0%		14,0%
Share based payments		-21	-21		-33	-33
<b>Current EBIT</b>	<b>1 730</b>	<b>-21</b>	<b>1 709</b>	<b>1 275</b>	<b>-33</b>	<b>1 242</b>
<b>Net current income - Group share</b>	<b>760</b>	<b>-21</b>	<b>738</b>	<b>415</b>	<b>-33</b>	<b>382</b>
<b>Net current income - Group share</b> excluding capital gain (loss) on financial disposals	<b>734</b>	<b>-21</b>	<b>713</b>	<b>396</b>	<b>-33</b>	<b>363</b>
<b>Operating income</b>	<b>1 465</b>	<b>0</b>	<b>1 465</b>	<b>920</b>	<b>0</b>	<b>920</b>
<b>Net income group share</b>	<b>625</b>	<b>0</b>	<b>625</b>	<b>89</b>	<b>0</b>	<b>89</b>
Net capex	-2 201		-2 201	-2 151		-2 151
Net Free cash flow	868		868	508		508
<b>Opening Net financial debt</b>	<b>-11 564</b>		<b>-11 564</b>	<b>-10 680</b>		<b>-10 680</b>
<b>Closing Net financial debt</b>	<b>-10 680</b>		<b>-10 680</b>	<b>-13 217</b>		<b>-13 217</b>

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.

## 2. RECONCILIATION OF GAAP INDICATORS AND THE INDICATORS USED BY THE GROUP

### 2.1 EBITDA

The reconciliation of Operating cash flow before change in working capital with EBITDA is as follows:

<i>(€ million)</i>	<i>Year ended December 31, 2020</i>	<i>Year ended December 31, 2021</i>
<b>Operating cash flow before changes in working capital</b>	<b>2,892.8</b>	<b>3,213.2</b>
o/w Operating cash flow from financing activities	(20.8)	(70.1)
o/w Adjusted operating cash flow	2,913.5	3,283.3
Less:		
Renewal expenses	260.5	291.9
Cash restructuring charges	116.4	77.0
Share acquisition and disposal costs	37.6	170.7
Other non-current expenses	113.6	159.5
Plus:		
Principal payments on operating financial assets	199.2	251.4
<b>EBITDA</b>	<b>3,640.8</b>	<b>4,233.8</b>

### 2.2 NET FREE CASH FLOW

The reconciliation of Net cash from operating activities of continuing operations (included in the Consolidated Cash Flow Statement) with net free cash flow is as follows:

<i>(€ million)</i>	<i>Year ended December 31, 2020</i>	<i>Year ended December 31, 2021</i>
<b>Net cash from operating activities of continuing operations</b>	<b>2,737.7</b>	<b>3,163.8</b>
Plus:		
Industrial investments, net of grants	(1,608.6)	(1,728.8)
Proceeds on disposal of industrial assets	235.9	316.4
New operating financial assets	(160.0)	(166.6)
Principal payments on operating financial assets	199.2	251.4
New finance lease debt	(488.7)	(483.8)
Dividends received	75.3	223.1
Net financial interest	(516.8)	(462.1)
Less:		
Share acquisition and disposal costs	33.5	227.1
<b>Net free cash flow</b>	<b>507.5</b>	<b>1,340.5</b>

## 2.3 INDUSTRIAL INVESTMENTS

The reconciliation of Industrial investments, net of grants (included in the Consolidated Cash Flow Statement) with industrial investments is as follows:

(€ million)	Year ended December 31, 2020	Year ended December 31, 2021
<b>Industrial investments, net of grants</b>	<b>(1,608.6)</b>	<b>(1,728.8)</b>
New finance lease debt	(488.7)	(483.8)
Change in concession working capital requirements	(130.0)	(146.3)
New operating financial assets	(160.0)	(169.0)
<b>Gross industrial investments</b>	<b>(2,387.3)</b>	<b>(2,528.2)</b>

## 3. DEFINITIONS

### 3.1 Strictly accounting indicators (GAAP: IFRS)

**Cost of net financial debt** is equal to the cost of gross debt excluding IFRS 16 financial interest presented as other financial expenses and including related gains and losses on interest rate and currency hedges, less income on cash and cash equivalents.

**Operating cash flow before changes in working capital**, as presented in the Consolidated Cash Flow Statement, is comprised of three components: operating cash flow from operating activities (referred to as “adjusted operating cash flow” and known in French as “*capacité d’autofinancement opérationnelle*”) consisting of operating income and expenses received and paid (“cash”), operating cash flow from financing activities including cash financial items relating to other financial income and expenses and operating cash flow from discontinued operations composed of cash operating and financial income and expense items classified in net income from discontinued operations pursuant to IFRS 5. Adjusted operating cash flow does not include the share of net income attributable to equity-accounted entities.

**Net income (loss) from discontinued operations** is the total of income and expenses, net of tax, related to businesses divested or in the course of divestiture, in accordance with IFRS 5.

### 3.2 Non-strictly accounting indicators (non GAAP)

The term “**change at constant exchange rates**” represents the change resulting from the application of exchange rates of the prior period to the current period, all other things being equal.

**The municipal sector** encompasses services in the Water, Waste and Energy business lines aimed at users, performed under contracts with municipal governments, groups of municipal governments, or regional or national governments.

**The industrial sector** covers Water, Waste and Energy management services, offered to industrial or service sector customers.

**EBITDA** comprises the sum of all operating income and expenses received and paid (excluding restructuring charges, non-current WCR impairments, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

**The EBITDA margin** is defined as the ratio of EBITDA to revenue.

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

- impairment of goodwill of 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.

**Current net income attributable to owners of the Company** is defined as the sum of the following items:

- current EBIT;
- current net finance expenses, including the current cost of net financial debt and other current financial income and expenses, including capital gains or losses on financial divestitures (including gains or losses included in the share of net income of equity-accounted entities);
- current tax items ;
- minority interests (excluding the portion of minority interests relative to non-current items in the income statement).

**Current net income attributable to owners of the Company per share** is defined as the ratio of current net income (not restated for the cost of the coupon attributable to hybrid debt holders) by the weighted average number of outstanding shares during the year.

**Net industrial investments**, as presented in the statement of changes in net financial debt, include industrial investments (purchases of intangible assets and property, plant and equipment, and operating financial assets), net of industrial asset divestitures.

The Group identifies three categories of investment:

- maintenance investments which reflect the replacement of equipment and installations used by the Group;
- growth investments which include investments in new equipment and installations embedded in existing contracts or in line with contractual requirements;
- discretionary growth investments which reflect investments in new equipment and installations linked to new projects, contract wins or significant new developments and extensions to existing projects or contracts.

The last two categories are defined as growth investments.

**Net financial investments** as presented in the statement of changes in net financial debt include financial investments, net of financial divestitures.

Financial investments include purchases of financial assets, including the net financial debt of companies entering the scope of consolidation, and partial purchases resulting from transactions with shareholders where there is no change in control.

Financial divestitures include disposals of financial assets including the net financial debt of companies leaving the scope of consolidation, and partial divestitures resulting from transactions with shareholders where there is no change in control, as well as share capital issues subscribed by non-controlling interests.

**Net free cash flow** corresponds to free cash flow from continuing operations, and is equal to the sum of EBITDA, dividends received, changes in operating working capital and operating cash flow from financing activities, less net interest expenses, net industrial investments, taxes paid, renewal expenses, restructuring charges and other non-current expenses.

**Net financial debt (NFD)** represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items) which includes IFRS 16 lease debt, net of cash and cash equivalents, liquid assets and financing-related assets, including fair value adjustments to derivatives hedging debt. Liquid assets are financial assets composed of funds or securities with an initial maturity of more than three months, easily convertible into cash, and managed with respect to a liquidity objective while maintaining a low capital risk. The leverage ratio is the ratio of closing net financial debt including IFRS 16 to EBITDA including IFRS 16.

**The financing rate** is defined as the ratio of the cost of net financial debt (excluding IFRS 16 lease debt and fair value adjustments to instruments not qualifying for hedge accounting) to average monthly net financial debt excluding IFRS 16 lease debt for the period, including the cost of net financial debt of discontinued operations.

**The post-tax return on capital employed (ROCE)** is defined as the ratio of:

- current EBIT, including the share of net income or loss of equity-accounted entities, after tax. It is calculated by subtracting the current tax expense from current EBIT, including the share of net income or loss of equity-accounted entities. The current tax expense is the tax expense in the income statement re-presented for tax effects on non-current items;
- average capital employed in the year, including operating financial assets and investments in joint ventures and associates. Capital employed used in the post-tax ROCE calculation is therefore equal to the sum of net intangible assets and property, plant and equipment, goodwill net of impairment, investments in joint ventures and associates, operating financial assets, net operating and non-operating working capital requirements and net derivative instruments less provisions. It also includes the capital employed of activities classified within assets and liabilities held for sale, excluding discontinued operations.

## CONSOLIDATED INCOME STATEMENT

(€ million)	Year ended December 31, 2020 re-presented	Year ended December 31, 2021
<b>Revenue</b>	<b>26,009.9</b>	<b>28,508.1</b>
Cost of sales	(22,121.8)	(23,905.9)
Selling costs	(562.1)	(584.0)
General and administrative expenses	(2,144.0)	(2,308.6)
Other operating revenue and expenses	(373.0)	(496.9)
<b>Operating income before share of net income (loss) of equity-accounted entities</b>	<b>809.0</b>	<b>1,212.7</b>
<b>Share of net income (loss) of equity-accounted entities</b>	<b>110.5</b>	<b>104.8</b>
o/w share of net income (loss) of joint ventures	87.4	74.0
o/w share of net income (loss) of associates	23.1	30.8
<b>Operating income after share of net income (loss) of equity-accounted entities</b>	<b>919.5</b>	<b>1,317.5</b>
Cost of net financial debt	(414.4)	(342.6)
Other financial income and expenses	(139.7)	(74.2)
<b>Pre-tax net income (loss)</b>	<b>365.4</b>	<b>900.7</b>
Income tax expense	(137.0)	(345.8)
<b>Net income (loss) from continuing operations</b>	<b>228.4</b>	<b>554.9</b>
Net income (loss) from discontinued operations	(19.9)	-
<b>Net income (loss) for the year</b>	<b>208.5</b>	<b>554.9</b>
<b>Attributable to owners of the Company</b>	<b>88.8</b>	<b>404.3</b>
Attributable to non-controlling interests	119.7	150.6
<b>NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE</b>		
Basic	0.16	0.68
Diluted	0.15	0.65
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE</b>		
Basic	0.20	0.68
Diluted	0.19	0.65
<b>NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE</b>		
Basic	(0.04)	-
Diluted	(0.04)	-

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

(€ million)	As of December 31, 2020 re-presented (*)	As of December 31, 2021
Goodwill	5,888.9	6,201.2
Concession intangible assets	3,544.9	3,706.0
Other intangible assets	1,371.3	1,328.6
Property, plant and equipment	8,216.6	8,701.9
Right of use (net)	1,529.5	1,562.4
Investments in joint ventures	1,020.8	1,238.5
Investments in associates	353.9	354.2
Non-consolidated investments (**)	3,102.2	3,770.3
Non-current operating financial assets	1,198.1	1,191.4
Non-current derivative instruments - Assets	53.4	88.5
Other non-current financial assets	427.3	431.2
Deferred tax assets	1,036.5	1,059.2
<b>Non-current assets</b>	<b>27,743.6</b>	<b>29,633.4</b>
Inventories and work-in-progress	797.7	816.3
Operating receivables	9,106.2	10,015.3
Current operating financial assets	172.8	129.0
Other current financial assets	1,073.2	1,521.0
Current derivative instruments - Assets	174.8	344.9
Cash and cash equivalents	5,840.0	10,518.7
Assets classified as held for sale	455.7	98.7
<b>Current assets</b>	<b>17,620.3</b>	<b>23,443.9</b>
<b>TOTAL ASSETS</b>	<b>45,363.9</b>	<b>53,077.3</b>

(\*) Restatements concern the application of the IFRS Interpretations Committee's decision regarding IAS 19, retroactively from January 1, 2020

(\*\*) Non-consolidated investments consist of Suez shares for €3,721.0 million as of December 31, 2021, compared with €3,046.0 million as of December 31, 2020 and other securities for €49.3 million as of December 31, 2021 compared with €56.2 million as of December 31, 2020.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

<i>(€ million)</i>	As of December 31, 2020 re-presented (*)	As of December 31, 2021
Share capital	2,893.1	3,498.6
Additional paid-in capital	7,291.8	9,309.5
Deeply-subordinated perpetual securities	1,987.1	2,460.7
Reserves and retained earnings attributable to owners of the Company	(4,932.6)	(3,750.8)
<b>Total equity attributable to owners of the Company</b>	<b>7,239.4</b>	<b>11,518.0</b>
Total equity attributable to non-controlling interests	1,099.3	1,252.0
<b>Equity</b>	<b>8,338.7</b>	<b>12,770.0</b>
Non-current provisions	1,815.8	1,876.6
Non-current financial liabilities	10,836.4	10,462.5
Non-current IFRS 16 lease debt	1,296.8	1,298.1
Non-current derivative instruments - Liabilities	65.5	68.8
Concession liabilities - non-current	1,459.9	1,588.4
Deferred tax liabilities	1,101.4	1,196.4
<b>Non-current liabilities</b>	<b>16,575.6</b>	<b>16,490.8</b>
Operating payables	11,850.4	13,548.9
Concession liabilities - current	145.6	169.4
Current provisions	510.7	538.5
Current financial liabilities	7,196.7	8,624.3
Current IFRS 16 lease debt	402.9	410.6
Current derivative instruments - Liabilities	117.9	261.5
Bank overdrafts and other cash position items	217.6	241.9
Liabilities directly associated with assets classified as held for sale	7.8	21.4
<b>Current liabilities</b>	<b>20,449.6</b>	<b>23,816.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45,363.9</b>	<b>53,077.3</b>

(\*) Restatements concern the application of the IFRS Interpretation Committee's decision regarding IAS 19, retroactively from January 1, 2020

## CONSOLIDATED CASH-FLOW STATEMENT

(€ million)	Year ended December 31, 2020 re-presented	Year ended December 31, 2021
<b>Net income (loss) for the year</b>	<b>208.5</b>	<b>554.9</b>
<b>Net income (loss) from continuing operations</b>	<b>228.4</b>	<b>554.9</b>
<b>Net income (loss) from discontinued operations</b>	<b>(19.9)</b>	<b>-</b>
Operating depreciation, amortization, provisions and impairment losses	2,058.2	2,117.2
Financial amortization and impairment losses	15.6	3.8
Gains (losses) on disposal of operating assets	19.2	(39.2)
Gains (losses) on disposal of financial assets	(46.6)	1.2
Share of net income (loss) of joint ventures	(87.4)	(74.1)
Share of net income (loss) of associates	(23.1)	(30.8)
Dividends received	(2.8)	(124.2)
Cost of net financial debt	414.4	342.6
Income tax expense	137.0	345.8
Other items	179.9	116.0
<b>Operating cash flow before changes in working capital</b>	<b>2,892.8</b>	<b>3,213.2</b>
Change in operating working capital requirements	233.2	382.5
Change in concession working capital requirements	(130.0)	(146.3)
Income taxes paid	(258.3)	(285.6)
<b>Net cash from operating activities of continuing operations</b>	<b>2,737.7</b>	<b>3,163.8</b>
<b>Net cash from operating activities of discontinued operations</b>	<b>(12.7)</b>	<b>(16.6)</b>
<b>Net cash from operating activities</b>	<b>2,725.0</b>	<b>3,147.2</b>
Industrial investments, net of grants	(1,608.6)	(1,728.8)
Proceeds on disposal of industrial assets	235.9	316.4
Purchases of investments	(5,026.2)	(327.2)
Proceeds on disposal of financial assets	188.0	470.1
Operating financial assets	-	-
New operating financial assets	(160.0)	(166.6)
Principal payments on operating financial assets	199.2	251.4
Dividends received (including dividends received from joint ventures and associates)	75.3	223.1
New non-current loans granted	(526.0)	(141.8)
Principal payments on non-current loans	480.5	224.6
Net decrease/increase in current loans	6.6	28.2
<b>Net cash used in investing activities of continuing operations</b>	<b>(6,135.3)</b>	<b>(850.6)</b>
<b>Net cash used in investing activities of discontinued operations</b>	<b>(4.7)</b>	<b>-</b>
<b>Net cash used in investing activities</b>	<b>(6,140.0)</b>	<b>(850.6)</b>

## CONSOLIDATED CASH FLOW STATEMENT CONTINUED

<i>(€ million)</i>	Year ended December 31, 2020 re-presented	Year ended December 31, 2021
Net increase (decrease) in current financial liabilities	1,083.5	(38.6)
Repayment of current IFRS 16 lease debt	(478.9)	(455.2)
Other changes in non-current IFRS 16 lease debt	(140.5)	(123.3)
New non-current borrowings and other debt	2,314.7	931.4
Principal payments on non-current borrowings and other debt	(70.6)	(51.2)
Change in liquid assets and financing financial assets	(368.7)	(135.5)
Proceeds on issue of shares	147.2	2,672.3
Share capital reduction	-	-
Transactions with non-controlling interests: partial purchases	(4.8)	(2.7)
Transactions with non-controlling interests: partial sales	2.4	0.5
Proceeds on issue of deeply subordinated securities	1,987.1	497.5
Coupons on deeply subordinated securities	-	(23.9)
Purchases of/proceeds from treasury shares	(8.3)	20.0
Dividends paid	(426.0)	(534.3)
Interest paid	(404.8)	(357.4)
Interest on IFRIC 12 operating assets	(79.8)	(76.5)
Interest on IFRS 16 lease debt	(32.2)	(28.2)
<b>Net cash from (used in) financing activities of continuing operations</b>	<b>3,520.3</b>	<b>2,294.9</b>
<b>Net cash from (used in) financing activities of discontinued operations</b>	<b>(0.1)</b>	<b>(0.3)</b>
<b>Net cash from (used in) financing activities</b>	<b>3,520.2</b>	<b>2,294.6</b>
Effect of foreign exchange rate changes and other	(25.7)	63.2
<b>Increase (decrease) in external net cash of discontinued operations</b>	<b>1.8</b>	<b>-</b>
<b>NET CASH AT THE BEGINNING OF THE YEAR</b>	<b>5,541.1</b>	<b>5,622.4</b>
<b>NET CASH AT THE END OF THE YEAR</b>	<b>5,622.4</b>	<b>10,276.8</b>
Cash and cash equivalents	5,840.0	10,518.7
Bank overdrafts and other cash position items	217.6	241.9
<b>NET CASH AT THE END OF THE YEAR</b>	<b>5,622.4</b>	<b>10,276.8</b>