AMENDMENT TO THE 2021 UNIVERSAL REGISTRATION DOCUMENT
Half-yearly financial report 2022

CONTENTS

This update to the Universal Registration Document was filed on August 4, 2022 with the Autorité des Marchés Financiers (AMF, the French Financial Markets Authority), in accordance with Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of this Regulation.

The Universal Registration Document may be used when securities are offered to the public or admitted to trading on a regulated market, if supplemented by a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. The resulting documents are approved as a whole by the AMF in accordance with Regulation (EU) 2017/1129.

This update (the "Update") supplements and must be read in conjunction with the 2021 Universal Registration Document filed with the AMF on April 21, 2022 under number D.22-0328.

A cross-reference table is presented in this Update [Chapter 7], to facilitate the identification of information incorporated by reference and information updated or amended

Message from Estelle Brachlianoff

Estelle Brachlianoff, Chief Executive Officer of the Group, said: « *Veolia's performance during the first half of the year was once again very good. Q2 activity was on a very similar trajectory as in the first quarter. The integration of Suez's activities since mid-January was very successful. Their contribution in terms of revenue and synergies is up to our expectations, which confirms the merits of this acquisition. These very good results also benefited from the continued strict cost discipline which allowed us to fully confirm our 2022 objectives.*

Veolia, world leader in ecological transformation, continues to fully benefit from good trends in its markets thanks to its value-added offerings, perfectly adapted to the environmental challenges of our clients. The resilience, the adaptability and the relevance of our strategic positioning allow us to face the uncertain macroeconomic and geopolitical context with confidence ».

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KEY FIGURES - SELECTED FINANCIAL INFORMATION

(*€ million*)	**Half year ended June 30, 2022**	**Year ended December 31, 2021**	**Half year ended June 30, 2021**	**Year ended December 31, 2020 re-presented(*)**
Revenue	20,195.6	28,508.1	13,645.1	26,009.9
EBITDA	2,952.7	4,233.8	2080.7	3,640.8
Current EBIT	1,475.0	1,765.7	900.7	1,242.0
Current net income - Group share	527.6	895.8	515.5	381.8
Operating cash flow before changes in working capital	2,201.7	3,213.2	1,646.7	2,892.8
Operating income after share of net income (loss) of equity-accounted entities (1)	1,184.2	1,317.5	739.8	919.5
Net income (loss) attributable to owners of the Company	236.0	404.3	300.5	88.8
Dividends paid (2)	688.0	397.0	397.0	277.1
Dividend per share paid during the fiscal year (in euros)	1.00	1.00	0.70	0.70
Total assets	72,188.2	53,077.3	46,643.4	45,363.9
Net financial debt(3)	22,352.9	9,532.2	13,766.5	13,216.8
Industrial investments (including new operating financial assets) (4)	(1,585)	(2,528)	(972)	(2,387)
Net free cash flow (5)	(303.5)	1,340.5	270.6	507

(1) Operating income after share of net income of equity-accounted entities does not include capital gains or losses on financial divestitures, booked in other financial income and expenses.
(2) Dividends paid by the parent company.
(3) Subject to the approval of the General Shareholders' Meeting on June 15, 2022.
(4) Net financial debt represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items), including FRS 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, readily convertible into cash, and managed with respect to a liquidity objective while maintaining a low capital risk.
(5) Gross industrial investments (excluding discontinued operations).
(6) 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 the net interest expense, net industrial investments, taxes paid, renewal expenses, restructuring costs and other non-current expenses.
(*) See Section 5.6.1 below for more information on this restatement.

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RISK FACTORS

In light of the information available at the date of publication of this Update to the 2021 Universal Registration Document, the risk matrix published in the 2021 Universal Registration Document filed on April 21, 2022 remains unchanged, with the same risk categories, potential impacts and probabilities of occurrence.

In addition, the Veolia Environnement Executive Committee met as the Risk Committee in April 2022. The new Group risk mapping was presented during this meeting.

The Group identified certain risks, controlled at this stage, but which require particular vigilance (foreign exchange risk, liquidity risk, risks inherent to fluctuations in the price of energy and commodities). However, certain risks presented in Chapter 2.2.2 of the 2021 Universal Registration Document are exacerbated by the current global context.

2.1 Description of risk factors

2.1. 1 RISKS RELATING TO THE BUSINESS ENVIRONMENT IN WHICH THE GROUP OPERATES

Economic risks

Risk identification

Potential effects for the Group	Correlated risks
▪ Decrease in investments by customers ▪ Pressure on the selling price of services ▪ Decrease in sales volume ▪ Non-payment or late payment by customers ▪ Economic balance of contracts compromised	▪ Counterparty risks relating to operating activities ▪ Currency risk ▪ Risks inherent to fluctuations in the price of energy and commodities ▪ Liquidity risks

Description of the risk

The economic impact of the Covid-19 health crisis is tending to wane, notably through access to vaccination and a decrease in case numbers and mortality due to the emergence of new variants, such as Omicron. Nonetheless, there is a risk that current geopolitical tension will significantly impact the global economy.

In this highly uncertain context, global economic growth is expected to be impacted, falling from 5.9% in 2021 to 2.9% in 2022.

Due to higher energy prices and disruption to supply, exacerbated by geopolitical tension, inflation is higher and more widespread than forecast. The growth outlook has also been impacted by the downturn in the Chinese real estate sector and the slower than expected recovery in private consumption.

Economic slowdowns in many countries and the consequences for global trade will continue to negatively affect the global economic environment, impacting production, investment, supply chains and consumer expenditure and therefore the activities of the Group, its customers and counterparts.

Certain Group businesses (especially waste) are sensitive to this type of economic shock, which could have major consequences for the Group's results.

Risk management

The Group's resilience to a global economic slowdown is managed through debt control actions, active management of efficiency efforts, management of investments and Group performance.

Veolia operates in a portfolio of activities, business models and regions, which supports its resilience to potential economic shocks. In order to anticipate such economic conditions, initiatives were taken in the context of favorable market conditions.

Since 2020, the Group has continued the work of the anticipation unit to assess health and economic impacts. The aim is to implement specific operating processes, in line with the pace and phase of the crisis in each country. In order to adapt the Impact 2023 strategic program, prospective studies were conducted (jointly by the Risk Department and the Strategy and Innovation Department) to measure country resilience to economic risks and thereby assess the consequences of Covid-19 on the business environment.

Following the prudent management of its liquidity due to economic uncertainties in 2020, the Group continued this policy in 2021. The only bond repayment due in 2021 (€0.6 billion paid in January 2021), was refinanced in advance at the end of 2020. In addition, the Group performed a new six-year €0.7 billion bond issue in January 2021 and issued a new €0.5 billion hybrid debt in November 2021. The Group also performed a €2.5 billion share capital increase in October 2021, in the context of the combination with Suez. Finally, the Group has a €6 billion commercial paper program and undrawn credit lines totaling €4 billion. Its gross liquidity is therefore €15.5 billion as of December 31, 2021 (compared with €10.7 billion at end-2020), and its net liquidity is €6.2 billion (compared with €2.9 billion).

The Group is also continuing its efficiency actions with a strong commitment to savings in the strategic program. Synergies and efficiency levers are anticipated in investment projects. Finally, Capex management and the monitoring of financial performance are ensured through monthly activity reviews between the Business Units and head office.

2.1.2 OPERATIONAL RISKS

Risks relating to the selection and integration of acquisitions

Risk identification

Potential effects for the Group	Correlated risks
▪ Difficulty in gaining new market share ▪ Competitive pressure from certain sectors ▪ Operating performance of facilities	▪ Risks of skills availability ▪ Risks related to tangible and intangible property, and information systems

Description of the risk

The Group's development is based on organic growth and external growth through acquisitions. The integration procedure and the procedure for reviewing major projects allows risks relating to merger or acquisition projects to be anticipated.. The operational and financial performance of acquired companies may deviate from forecasts, with this risk present from the initial stage of company selection.

These acquisitions could give rise to certain risks related to synergy with the new companies acquired, in particular concerning integrating employees and the adequacy of information systems which could lead to difficulties in achieving the expected savings.

Veolia- Suez combination project

On January 7, 2021, the Group announced it had sent to the Suez Board of Directors the draft public tender offer it intended to file for the 70.1% of Suez shares not yet in its possession. This formal proposal described all the components of the industrial project, social project and financial conditions that Veolia would propose when filing the offer.

On May 14, 2021, Veolia and Suez signed a combination agreement to enable Veolia to create a global champion of ecological transformation, thanks to a solid management team, post-merger revenue of around €37 billion, including strategic assets, as well as industrial synergies enabling significant value creation, shared among the stakeholders. This combination will have a unique, long-term impact for employees, whose commitment is key for a successful integration.

On July 20, 2021, the AMF declared the public tender offer for the Suez shares filed by Veolia on June 30, 2021 to be compliant. The offer was closed on January 10, 2022, following which the Suez shares were delisted on February 18, 2022. The project obtained 17 authorizations from the main competition authorities. On December 21, 2021, the UK Competition and Markets Authority (CMA) opened an in-depth investigation which is still ongoing.

While the acquisition of Suez is major, it is one of many acquisitions performed by the Group. The risks associated with this acquisition are the risks generally monitored: (i) the assumptions underlying the business plans supporting the valuations may prove inaccurate, particularly with regard to expected synergies and commercial demand; (ii) performance levels expected of the new scope may not be attained; (iii) the transfer of responsibility for acquired or merged companies could negatively impact the Group; (iv) expected synergies for acquired or merged companies could take longer than anticipated to achieve; (v) the commitment of new employees and retaining employees, customers and key suppliers of acquired or merged companies may prove more difficult than anticipated; (vi) certain co-contractors could terminate pre-existing contractual relationships; (vii) the transaction may generate tax risks (including those relating to disposals).

On June 16, 2022, the Group informed the UK Competition and Markets Authority (CMA) of its intention to sell all Suez waste activities in the United Kingdom. This decision seeks to close the CMA's investigation into the impacts of the merger on the UK market that has been ongoing for more than 16 months. The Group has therefore chosen to focus fully on developing the global champion of ecological transformation, particularly by integrating the activities acquired from Suez and through the related expected synergies.

The Group is implementing an integrated acquisition strategy and is strengthening its system for selecting and integrating acquisitions (procedures, training, etc.).

The merger and acquisition process is strategic for the Group. Acquisition projects result from an individual analysis for each Business Unit of the opportunity to grow externally in light of the growth challenges of its business, its potential market, its competitive environment and an examination of potential targets.

Acquisition projects are subject to the review and approval of Country, Zone and Group Commitment Committees according to financial thresholds and particularly investment thresholds. These projects are subject to systematic, comprehensive review (strategic, technical, operational, financial, legal, human resources, ethical, etc.) in which all risks are analyzed and assessed. Development procedures have been strengthened to detail acquisition procedures, both upstream and downstream.

In addition, a procedure for integrating acquisitions and post-acquisition follow-up has been established and published on the Group's Intranet. Post-acquisition audits are carried out to enable better monitoring of projects approved by the Commitment Committees and to encourage the sharing of experience within the Group. For projects that do not meet the objectives of the initial business plan, action plans are drawn up and new investments are deferred in the Business Unit concerned.

Finally, best practices on the identification and integration of targets have been established on the basis of feedback, within the framework of the Business Development Center of Excellence (2018). The sharing of these practices within the community of development directors contributes to the appropriation of acquisition-related issues by operational teams in the upstream and downstream phases of acquisitions.

Veolia-Suez combination project

The context and the reasons for this transaction, as well as the terms and conditions of the tender offer, are described in the draft offer document filed with the AMF and available on Veolia's website dedicated to the merger project (www.suez-merger.veolia.com) and the AMF's website (www.amf-france.org). Investors and shareholders are strongly recommended to familiarize themselves with the documentation on the tender offer and, where applicable, any amendment or addition to these documents as they contain important information for Veolia, Suez and the proposed transaction.

3

CORPORATE GOVERNANCE

3.1 Members of the Board of Directors

3.1.1 MEMBERS OF THE BOARD OF DIRECTORS AND POSITIONS AND OFFICES HELD BY DIRECTORS

The Combined General Meeting of Veolia Environnement on June 15, 2022 renewed the term of office as Director of Mr. Antoine Frérot and appointed Mrs. Estelle Brachlainoff as a Direct 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, 2025. The Board of Directors' Meeting of January 10, 2022 having duly noted the segregation of the duties of Chairman and Chief Executive Officer from July 1, 2022, Mr. Antione Frérot was reappointed as Chairman of the Board of Directors and Mrs. Estelle Brachlianoff succeeded him as Chief Executive Officer from this date.

This Shareholders' Meeting also appointed Mrs. Agata Mazurek-Bąk as a Director representing employee shareholders, with Mr. Romain Ascione as her replacement.

At the date of filing of this Update, the Company's Board of Directors comprises thirteen directors (including two directors representing employees, one director representing employee shareholders and six women) and one non-voting director (*censeur*).

	Independence	Date of first appointment	Expiry of current office
Antoine Frérot *Chairman of the Board of Directors*		May 7, 2010	2026 GSM
Estelle Brachlianoff *Chief Executive Officer*		June 15, 2022	2026 GSM
Louis Schweitzer *Vice-Chairman*		April 30, 2003	2023 GSM
Maryse Aulagnon *Senior Independent Director*	✦	May 16, 2012	2023 GSM
Pierre-André de Chalendar	✦	April 22, 2021	2025 GSM
Isabelle Courville	✦	April 21, 2016	2024 GSM
Clara Gaymard	✦	April 22, 2015	2023 GSM
Marion Guillou	✦	December 12, 2012	2025 GSM
Franck Le Roux(1)✪		October 15, 2018	October 2022
Agata Mazurek-Bąk(1)*		June 15, 2022	2026 GSM
Pavel Páša(1)✪		October 15, 2014	October 2022
Nathalie Rachou	✦	May 16, 2012	2024 GSM
Guillaume Texier	✦	April 21, 2016	2024 GSM

✪ Director representing employees
** Director representing employee shareholders*
✦ Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors
(1) Directors representing employees or employee shareholders not taken into account when calculating independence percentages pursuant to Article 9.3 of the AFEP-MEDEF Code.

The five Board Committees are comprised as follows:

- **Accounts and Audit Committee**: Mrs. Nathalie Rachou (Chairwoman), Mrs. Isabelle Courville, Mr. Franck Le Roux, Mrs Agata Mazurek-Bąk and Mr. Guillaume Texier;
- **Nominations Committee**: Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar, Mr. Isabelle Courville and Mr. Antoine Frérot;
- **Compensation Committee**: Mrs. Maryse Aulagnon (Chairwoman), Mrs. Marion Guillou, Mr. Franck Le Roux and Mr. Louis Schweitzer;
- **Research, Innovation and Sustainable Development Committee**: Mrs. Isabelle Courville (Chairman), Mrs. Clara Gaymard, Mrs. Marion Guillou, Mr. Pavel Páša and Mr. Guillaume Texier;
- **Purpose Committee:** Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar, Mrs. Isabelle Courville, Mr. Antoine Frérot, Mr. Franck Le Roux and Mrs. Nathalie Rachou.

3.2 Long-term incentive plans

3.2.1 2022 LONG-TERM COMPENSATION

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement Extraordinary General Meeting of June 15, 2022 (25th resolution), the Board of Directors' Meeting of August 2, 2022 decided, at the recommendation of the Compensation Committee, to grant 1,461,804 performance shares (representing around 0.21% of the share capital compared with 0.35% authorized by the General Shareholders' Meeting) to a group of approximately 550 beneficiaries, including former Suez employees and comprising top executives, high potential employees and key contributors of the Group.

In this context, 21,994 performance shares were granted to Mrs. Estelle Brachlianoff as Chief Executive Officer (representing around 0.01% of the share capital compared with 0.02% authorized by the General Shareholders' Meeting authorization of 0.02%).

The detailed features and performance conditions of this performance share plan are presented in Section 3.4.3 (page 163 *et seq.*) of the 2021 Universal Registration Document.

Furthermore, pursuant to the aforementioned authorization granted by the Veolia Environnement Extraordinary General Meeting of June 15, 2022 (25th resolution) and at the recommendation of the Compensation Committee, the Board of Directors' Meeting of June 15, 2022 granted 145,200 free shares to certain Group employees to take account of their exceptional contribution to the acquisition of the Suez group, finalized at the beginning of 2022. The vesting of these shares is subject to a 3-year presence condition.

3.2.2 SHARES VESTED UNDER THE 2019 PERFORMANCE SHARE PLAN

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement General Shareholders' Meeting of April 18, 2019, the Board of Directors' Meeting of April 30, 2019 decided, at the recommendation of the Compensation Committee, to grant:

- 1,131,227 performance shares, i.e. 0.20% of the share capital at this date, to approximately 450 beneficiaries including top executives, high-potential employees and key contributors of the Group.

In this context, 47,418 performance shares were initially granted to Mr. Antoine Frérot as Chairman and Chief Executive Officer (i.e. approximately 0.01% of the share capital compared with 0.04% authorized by the General Shareholders' Meeting).

In addition, 1,083,809 performance shares (i.e. 0.19% of the share capital, with a fair value under IFRS 2 of €18,576,486) were granted to other employee beneficiaries as follows:

- key positions (227 beneficiaries including the Executive Committee and the Management Committee): 748,809 performance shares (i.e. 0.13% of the share capital);
- high potential employees (102 beneficiaries): 178,000 performance shares (i.e. 0.03% of the share capital);
- key contributors (99 beneficiaries): 157,000 performance shares (i.e. 0.03% of the share capital).

These performance shares will vest subject to the following conditions:

- beneficiaries must remain with the Group until the end of the three-year vesting period i.e. until expiry of the plan on May 1, 2022; and
- performance conditions tied to the attainment of the following internal and external criteria:
  - an economic criterion,
  - a stock market criterion,
  - CSR (Corporate Social Responsibility) criteria.

Mr. Antoine Frérot, as Chairman and Chief Executive Officer, acting pursuant to the delegation of authority granted by the Board of Directors' Meeting of April 30, 2019, duly noted on May 2, 2022 (i) the expiry on May 1, 2022 of the performance share vesting period, (ii) the 100% attainment of the aforementioned performance criteria and (iii) with regard to the conditions set out in the Plan rules and given the aforementioned adjustments to rights, the vesting of 846,450 shares to 380 beneficiaries (including 40,940 shares to Mr. Antoine Frérot).

The detailed features and performance conditions of this performance share plan are presented in Section 3.4.3 (page 163 *et seq.*) of the Company's 2021 Universal Registration Document.

3.3 Corporate officer and executive share ownership

3.3.1 TRANSACTIONS IN VEOLIA ENVIRONNEMENT SECURITIES BY EXECUTIVES

The table below details transactions in Veolia shares by members of the Company's Executive Committee between April 21, 2022 and the date of filing of this Update. To the best of the Company's knowledge, no other transactions involving the purchase or sale of Veolia shares by members of the Executive Committee or any person with close personal links to them were reported during this period:

Executive	Financial instrument	Type of transaction	Transaction date	Transaction location	Unit price *(in euros)*	Volume of securities	Total transaction amount *(in euros)*
Estelle Brachlianoff	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	12,531	-
Antoine Frérot	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	40,940	-
Gavin Graveson	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	5,794	-
Gavin Graveson	Shares	Disposal	05/13/2022	Euronext Paris	25.3772	2,796	70,954.65
Philippe Guitard	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	5,989	-
Eric Haza	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	5,601	-
Claude Laruelle	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	12,531	-
Helman le Pas de Sécheval	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	7,148	-
Christophe Maquet	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	2,662	-
Jean-François Nogrette	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	5,989	-
Laurent Obadia	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	4,996	-
Laurent Obadia	Shares	Disposal	05/13/2022	Euronext Paris	25.3772	2,411	61,184.43
Frédéric Van Heems	Shares	Acquisition[1]	05/01/2022	Outside a trading platform	0	6,547	-
Frédéric Van Heems	Shares	Disposal	05/13/2022	Euronext Paris	25.3772	2,904	73,695.39

1 Vesting of rights to performance shares granted on April 30, 2019 (acquisition price: €27.64)

4

OPERATING AND FINANCIAL REVIEW

4.1 Suez Integration

4.1.1 INTEGRATION OF THE SUEZ SCOPE

4.1.1.1 Acquisition of control

Veolia acquired control of Suez on January 18, 2022, following the settlement-delivery of the Public Tender Offer which increased its shareholding to 86.22%. The Suez results are consolidated in the Veolia consolidated financial statements from this date.

The reopening of the offer and the squeeze out procedure then enabled Veolia to hold Suez's entire share capital. The Suez shares were delisted from Euronext on February 18, 2022.

The accounting recognition of the transaction is disclosed in the notes to the consolidated financial statements - Note 3 Integration of Suez. As of, June 30. 2022, the evaluation of the opening balance sheet is still ongoing and will be finalized during the second half of the year, taking into account any new information relating to the facts and circumstances that existed on the acquisition date. As a consequence, as of June 30. 2022, no allocation of the acquisition price to the assets and liabilities of the acquired company has been carried out.

4.1.1.2 Anti-trust process

On December 14, 2021, the European Commission authorized the acquisition of Suez by Veolia subject to commitments to divest certain activities and primarily Suez's municipal water, non-hazardous waste and regulated activities in France: these activities were sold to the Consortium (Meridiam, Caisse des Dépôts et Consignations, CNP Assurances and Global Infrastructure Partners) as part of the creation of New Suez on January 31, 2022.

With regard to the other divestitures (Veolia's activities in the mobile water solutions market in Europe, industrial water treatment in France and a part of hazardous waste activities in France), unilateral purchase commitments were signed with the buyers in favor of Veolia. Given the duration of the processes involving employee representative bodies that must be completed prior to signature of the final sales agreements, the EU extended the deadline (initially set at June 14, 2022) for the signature of these sales agreements. These should therefore be signed between August and the end of September depending on the case.

The UK Competition and Markets Authority (CMA), for its part decided to launch a phase 2 investigation on the effects of the Veolia Suez transaction. It validated the takeover during the first quarter of 2022.

On May 19, 2022, the CMA published the provisional findings of its phase 2 investigation indicating that the acquisition of Suez by Veolia may be expected to result in a substantial lessening of competition in several waste and water management markets in the United Kingdom.

On June 16, 2022, the CMA published possible remedies by Veolia:

- the divestment of all Suez waste activities in the United Kingdom;
- the divestment of Veolia industrial O&M water activities in the United Kingdom;
- the divestment of Veolia mobile water solutions in the United Kingdom and Europe (it is recalled that this is one of Veolia's commitments to the European Commission).

Given the CMA's provisional findings, Veolia issued a press release on the same day indicating its intention to perform the aforementioned divestments.

On June 30, 2022, the CMA announced the extension of the inquiry period and the issuing of its closing report by September 11 at the latest; this report, which will set out its conclusions on the analysis of the transaction and outline the remedies adopted, will be followed by a decision within approximately 3 months detailing the practicalities of the remedies it has validated.

4.1.1.3 Integration and synergy plan

The integration of the new scope acquired from Suez is progressing in line with the initial schedule. Suez employees have been progressively joining Veolia since January 19, 2022, the first day of integration, except for the United Kingdom and WTS scopes due to the ongoing CMA proceedings.

Integration plans have been implemented since the beginning of the year in all geographies, except the United Kingdom and WTS. Good progress with integration generated synergies of €52 million in H1 2022, in line with the synergies plan.

4.1.2 IMPACT OF THE INTEGRATION ON THE PREPARATION OF THE H1 2022 FINANCIAL STATEMENTS

The H1 2022 consolidated financial statements include the contribution of activities acquired from Suez from January 18, 2022, the date of acquisition of control. Due to the availability of accounting information, income statement items for the acquired scope are included in the financial statements from January 1, 2022 and adjusted for items relating to the period from January 1 to 17, 2022. The impact of the adjustment for the first 17 days of the year is €400 million in revenue, €49 million in EBITDA and €11 million in Current EBIT.

To enable comparability of 2022 financial data, published key figures for the half year ended June 30, 2021 were restated to present the financial data of the new Veolia group including activities acquired from Suez for the indicators for which information was available (revenue, EBITDA, Current EBIT).

H1 2022 results are therefore, compared and explained with respect to June 30, 2021 published figures and June 30, 2021 combined figures including activities acquired from Suez (see Chapter 3 - Accounting and financial information).

In Q1 2022, the Group reviewed its governance and management structure due to the integration of the Suez scope and the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer. This led to a managerial system based on eight resized geographic zones that comply with regulatory authorizations obtained.

Following this change in Group operational governance effective February 2022, segment reporting was updated in accordance with IFRS 8 to reflect the new breakdown by management zone. The new operating segments are as follows:

- **France and Special Waste Europe**
- **Europe excluding France**: Central and Eastern Europe, Northern Europe, Iberia and Italy
- **Rest of the world**: Asia/Pacific, North America, Latin America and Africa/Middle East
- **Water technologies**
- **Other**, including Holdings

Published financial information for the half year ended June 30, 2021 has been re-presented in line with the new operating segments. Reconciliation tables can be found in Chapter 6.2 “Reconciliation of 2021 published data and IFRS 8 re-presented data”.

4.2 Major events of the priod

4.2.1 BUSINESS AND INCOME TRENDS

Strong growth in H1 2022 results

H1 2022 results are up significantly and reflect the positive impact of the entry into the consolidation scope of activities acquired from Suez, organic growth and robust operating performance and the contribution of synergies.

				Change at constant exchange rates		Change at constant scope and exchange rates	
(in € million)	H1 2021 published	H1 2021 combined	H1 2022	vs H1 2021 published	vs H1 2021 combined	vs H1 2021 published	vs H1 2021 combined
Revenue	13,645	17,774	20,196	+46.2%	+11.3%	+14.4%	+12.9%
EBITDA	2,081	2,792	2,953	+40.4%	+3.9%	+5.6%	+6.1%

H1 **revenue** is €20,196 million, up significantly year-on-year: +46.2% at constant exchange rates compared with June 30, 2021 published revenue. This growth is due to the entry into the scope of consolidation of the activities acquired from Suez for €4,416 million, and robust organic growth of +14.4%.

Compared with June 30, 2021 combined figures, revenue rose +12.9% at constant scope and exchange rates, driven by:

- continued high recyclate prices in **Waste** (organic growth of +9.9%) and good hazardous waste activity levels,
- the good performance of **Water** activities benefiting from contractual tariff reviews (organic growth of +5.9%),
- strong growth in **Energy** activities (organic growth of +35.9%) mainly due to higher prices and volumes despite an unfavorable weather effect.

In addition, in order to adapt to the new energy context the Group launched its "ReSource" plan in the first quarter, aimed at increasing energy production at Group sites by 5%, while decreasing energy consumption by 5% through energy efficiency measures.

H1 2022 **EBITDA** is €2,953 million, up +40.4% at constant exchange rates compared with June 30, 2021 published figures, due to a scope effect of +34.8% primarily tied to the consolidation of Suez activities and organic growth in EBITDA of +5.6%.

Compared with June 30, 2021 combined figures, EBITDA rose +6.1% at constant scope and exchange rates. EBITDA growth is due to higher revenues, the continuation of operating efficiency programs which generated €178 million and the synergies plans implemented on the integration of Suez for €52 million in the first half of the year. Excluding the unfavorable weather effect on energy activities, EBITDA recorded organic growth of +7.5%.

Current EBIT is €1,475 million, a surge of +63.0% at constant exchange rates compared with June 30, 2021 published figures and +20.2% at constant scope and exchange rates compared with June 30, 2021 combined figures.

Current net income - Group share is €528 million compared with €516 million one year previously (published) and €394 million excluding dividends received from Suez in 2021 in respect of 2020 net income.

Free Cash Flow before financial investments and dividends is -€304 million for the half year and reflects higher seasonality in working capital requirements mainly due to the rise in energy prices, increased finance costs and interest due to higher rates and a rise in the income tax expense following the entry of Suez into the consolidation scope.

Net Financial Debt is €22,353 million as of June 30, 2022 compared with €13,767 million as of June 30, 2021 (published) and mainly reflects the impact of changes in scope tied to the acquisition of Suez for €10,501 million, including acquired debt and a negative foreign exchange impact of €464 million.

4.2.2 IMPACT OF THE RUSSIAN-UKRAINIAN CONFLICT

The Group has condemned this conflict since the beginning of the war between Ukraine and Russia and is closely monitoring developments.

The Veolia Group continues to operate essential heating networks, waste management and water services for local populations in Ukraine and Russia. These activities are being continued in strict compliance with international and European Union sanctions, as they can be operated autonomously using local supplies. The Group's priorities are the health and safety of its employees.

Group activities located in Russia and Ukraine are not material and represent 0.2% of total revenue and 0.2% of capital employed in the first half of 2022.

The Group has not performed any new investments or secured new financing in Russia. Current funds are used to pay salaries and operating expenses.

In the context of the June 30, 2022 accounts closure and given the Russian-Ukrainian conflict, the Group assessed its financial exposure in Russia and Ukraine leading it to recognize asset impairments totalling €80 million in respect of these two countries.

In addition, since the beginning of the conflict, the Veolia foundation has worked with its partners (French Red Cross, Doctors Without Borders, Solidarités International, the Ministry for Europe and Foreign Affairs, UN agencies, etc.) to support Ukrainian populations affected by the conflict. Priority needs were identified with respect to accessing hygiene in the transit and accommodation centers welcoming refugees.

Veolia is closely monitoring developments in the situation in Ukraine and Russia, as well as impacts on the economic environment and energy supplies. In this respect, Veolia has taken measures to secure energy supplies through a purchases hedging policy.

4.2.3 CHANGES IN GROUP STRUCTURE – STRATEGIC PROGRAM

4.2.3.1 Innovations and commercial developments

In line with the Impact 2023 program, the Group's commercial innovations and developments continued during 2022, confirming the Group's ability to renew its offers and services.

Wastewater reuse

On July 6, 2022, the Group announced that Vendée Eau has awarded the Group a contract to build and operate a refining unit as part of its Jourdain program to secure drinking water supply in France and Europe. Vendée Eau is a pioneer in indirect RTW (reuse of treated wastewater). Construction started in February 2022 and Veolia will contribute its expertise and know-how in wastewater treatment by proposing a comprehensive high performance sector enabling the production of high quality water from wastewater from the end of 2023.

Industrial ecology project

Through its subsidiary Norske Skog Golbey, the Norwegian group Norske Skog, in partnership with Veolia and Pearl Infrastructure Capital, a private equity investment fund, finalized the launch of the "Green Valley Energy" industrial ecology project, located at the Golbey paper mill. The project contributes to decarbonizing industrial activity and reducing dependency on natural gas. The partners have launched the construction of a biomass cogeneration plant, saving around 210,000 metric tons of CO_2 emissions per year. The project represents an investment of around €200 million. Pearl Infrastructure Capital is the main investor (80%) alongside Norske Skog Golbey (10%) and Veolia (10%).

Water technologies

Through its subsidiary, Veolia Water Technologies, the Group won a contract to design and supply a seawater desalination unit for an offshore oil project in French Guyana, aimed at treating 15,350 m3/h of seawater.

Industrial utilities

The Group signed several industrial utility contracts and notably a 17-year water treatment operation and maintenance contract with HPC, representing total revenue of €38 million, in Korea; a 10-year water treatment operation and maintenance contract with Tsinda Biotech, representing total revenue of €38 million, in China; a 12-year water and energies industrial utilities contract with Dupont, representing total revenue of €110 million, in France.

4.2.3.2 Changes in Group structure

In H1 2022, the Group confirmed its ambition to become the global champion of ecological transformation, an ambition accelerated by the merger with Suez.

The main scope transactions in the first half of 2022, other than the acquisition of Suez, concerned the acquisition of a 47.4% stake in Lyonnaise des eaux de Casablanca (Lydec) in Morocco, the sale to the consortium of the activities comprising “New Suez”, asset sales in Australia and France and the financial divestiture of Huancheng Puxi in China.

Significant acquisitions

Acquisition of Suez

On January 18, 2022, Veolia acquired control of Suez following the Public Tender Offer.

The Group now holds the entire share capital of Suez, following completion of the squeeze-out procedure on February 18, 2022. The amount paid in 2022 for the Public Tender Offer and the squeeze-out was €9,318.0 million, including the price supplement paid to Engie (excluding the 29.9% share block acquired on October 6, 2020) and related acquisition costs of €62.0 million as of June 30, 2022.

Net financial debt of the Suez scope on acquisition as of January 18, 2022 was -€9,073 million. The provisional goodwill recorded on June 30.2022 amounted to €7,493 million.

Acquisition of Lydec “Lyonnaise des Eaux de Casablanca” (Morocco)

Following the tender offer for Suez, on May 27, 2022, the Group acquired an additional 47.4% stake in Lydec a Moroccan subsidiary of Suez Group which manages water and electricity distribution, wastewater and rainwater collection and public lighting in the city of Casablanca. This acquisition for a total of €98 million increases Veolia’s stake in Lydec to 98.4%. The squeeze-out procedure was declared admissible by the Moroccan Capital Markets Authority on July 25, 2022.

Pursuant to the acquisition contract between the consortium and Veolia, the investment in Lydec must be sold to the Consortium.

In this context, two monitoring trustees were nominated in order to guarantee the statute of Lydec as being held separately. As such Veolia does not have the means to pilot the operational activities of Lydec and as such does not control it. Veolia’s holding in Lydec as a consequence is accounted for in non-consolidated securities. In addition as it is an investment destined to be sold to the consortium in accordance with IFRS 5, the shares of Lydec are classified on June 30, 2022 as assets held for sale for a total of €196 million.

Significant Divestitures

Sale of New Suez

On January 31, 2022, in accordance with the terms of the purchase agreement dated October 22, 2021, Veolia sold New Suez to the Consortium of investors comprising Meridiam, GIP, CDC and CNP Assurances.

New Suez comprises Suez’s Water and Waste Solutions 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, thereby maintaining real growth prospects and innovation capacities in France and internationally.

A disposal price of €8,018 million was received on January 31. This disposal price for the divestiture of New Suez assets and liabilities to the Consortium does not currently include the earn-out and is determined provisionally based on the New Suez accounts. It will be adjusted following the divestiture to take account, in particular, of any adjustments to working capital requirements recognized as of January 31, 2022.

Sale of Integrated Waste Services assets in Australia

On January 17, 2022, the Group sold the assets of its waste processing subsidiary, Integrated Waste Services (IWS), in Australia for AUD155 million (€102 million as of June 30, 2022).

IWS assets were presented in Assets classified as held for sale (IFRS 5) as of December 31, 2021.

Sale of Osis Greater Paris (SARP) assets

In accordance with the initial plan and in line with competition authority requests, the divestiture process for the Greater Paris branches (8 sites only) was signed at the end of July 2021 and the transaction was closed in early January 2022 for a disposal price of €32.3 million.

OSIS Greater Paris assets were presented in Assets classified as held for sale (IFRS 5) as of December 31, 2021.

Huancheng Puxi (China) financial divestiture

On June 24, 2022, the Group sold PUXI, a waste-to-energy subsidiary, for €27 million.

It is recalled that an ETA (Equity Transfer Agreement) was signed in December 2021 and the contract was recorded in assets classified as held for sale (IFRS 5) in the financial statements for the year ended December 31, 2021.

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4.2.4 GROUP FINANCING

4.2.4.1 Changes in Group debt

The €9.3 billion Public Tender Offer for Suez was financed in full by a €2.5 billion share capital increase performed at the end of 2021 and the sale of New Suez on January 31, 2022.

Net financial debt is €22.4 billion as of June 30, 2022.

Cash and cash equivalents total €7.2 billion at June 30, 2022 after three bond repayments at maturity: nominal amount of €650 million on March 30, 2022, nominal amount of €644.6 million on May 24, 2022 and nominal amount of €612.9 million on June 24, 2022; as well as the repayment of deeply subordinated perpetual securities (hybrid) for €500 million.

In addition, the Group has a €3 billion syndicated credit facility, plus a €2.5 billion facility inherited from Suez and bilateral credit facilities totaling €1 billion, providing it with a strong net liquidity position.

4.2.4.2 Bond issues

Veolia Environnement SA did not need to issue new bonds in the first half of 2022, as its liquidity position was sufficient to cover its maturities.

4.2.4.3 Confirmation of the credit outlook

On March 17, 2022, Standard and Poor's confirmed Veolia Environnement's credit rating at A-2/BBB with a stable outlook. On May 31, 2022, S&P confirmed the Group's rating at P-2/Baa1 with a stable outlook.

4.2.4.4 Dividend payment

The Combined General Meeting of June 15, 2022 approved payment of a dividend of €1 per share for 2021, payable in cash. The ex-dividend date was set at July 5, 2022 and the 2021 dividend of €688 million was paid from July 7, 2022.

4.2.5 FREE SHARE AND PERFORMANCE SHARE PLANS

Pursuant to the Combined General Meeting authorization and at the recommendation of the Compensation Committee, the Board of Directors meeting of June 15, 2022 granted free shares to certain Group employees. The vesting of these shares is subject to a 3-year presence condition.

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 August 2nd 2022, at the recommendation of its Compensation Committee, to grant performance shares to approximately 550 beneficiaries, including Suez employees and comprising top executives, high potential employees and key contributors including the chief executive officer of Veolia Environment of the Group, 1,461,804 performance shares (i.e. approximately 0.21% of the share capital, compared with 0.35% authorized by the General Shareholders' Meeting). The vesting of these shares is subject to presence and performance conditions.

The detailed features of these Plans can be found in Chapter 3, Section 3.4.3 of the 2020 Universal Registration Document.

4.2.6 CHANGES IN GOVERNANCE

At its meeting of January 10, 2022, the Veolia Environnement Board of Directors decided to separate the duties of Chairman of the Board of Directors and Chief Executive Officer from July 1, 2022. Mr. Antoine Frérot was reappointed as Chairman of the Board of Directors and Mrs. Estelle Brachlianoff succeeded him as Chief Executive Officer of the Company from this date.

In addition, the Veolia Environnement Board of Directors' Meeting of March 16, 2022 took due note of the resignation of Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse, as a director and member of the Accounts and Audit Committee from January 31, 2022.

The Combined General Meeting of Veolia Environnement on June 15, 2022 renewed the term of office as Director of Mr. Antoine Frérot and appointed Mrs. Estelle Brachlianoff as a Director and Mrs. Agata Mazurek-Bąk as a Director representing employee shareholders, with Mr. Romain Ascione as her replacement, 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, 2025.

At the date of this amendement, the Veolia Environnement Board of Directors had thirteen directors, including seven independent directors out of a total of ten (excluding the two directors representing employees and the director representing employee shareholders), or 70%, and six women, i.e. 60%[1], and one non-voting member (*censeur*):

- M. Antoine Frérot, Chairman of the Board of Directors[2] ;
- M. Louis Schweitzer, vice-chairman ;
- Mme Maryse Aulagnon*, Senior Independent Director;
- Mme Estelle Brachlianoff, Chief Executive Officer [2] ;
- M. Pierre-André de Chalendar* ;
- Mme Isabelle Courville* ;
- Mme Clara Gaymard* ;
- Mme Marion Guillou* ;
- M. Franck Le Roux, Director representing employees ;
- Mme Agata Mazurek-Bąk, Director representing employee shareholders ;
- M. Pavel Páša, Director representing employees ;
- Mme Nathalie Rachou* ;
- M. Guillaume Texier* ;
- M. Enric Amiguet y Rovira, non-voting member censeur.

The composition of the Board Committees is :

- **Accounts and Audit Committee**: Mrs. Nathalie Rachou (Chairwoman), Mrs. Isabelle Courville, Mr. Franck Le Roux, Mrs. Agata Mazurek-Bąk and Mr. Guillaume Texier.
- **Nominations Committee**: Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar, Mr. Antoine Frérot and Mrs. Isabelle Courville.
- **Compensation Committee**: Mrs. Maryse Aulagnon (Chairwoman), Mrs. Marion Guillou, Mr. Franck Le Roux and Mr. Louis Schweitzer.
- **Research, Innovation and Sustainable Development Committee**: Mrs. Isabelle Courville (Chairman), Mrs. Clara Gaymard, Mrs. Marion Guillou, Mr. Pavel Páša and Mr. Guillaume Texier.
- **Purpose Committee** : Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar, Mrs. Isabelle Courville, Mr. Antoine Frérot, M. Franck Le Roux and Mrs. Nathalie Rachou.

The Chief Executive Officer is assisted in the performance of her duties by an Executive Committee, a discussion, consultation and general policy decision-making body which seeks to implement the Group's strategic direction. The Committee is also consulted on major issues concerning the Group's corporate life.

The Executive Committee meets monthly.

As of the date of this amendement, the Company's Executive Committee had 14 members:

- Estelle Brachlianoff, Chief Executive Officer ;
- Gavin Graveson, Senior Executive Vice-President, Northern Europe ;
- Sébastien Daziano[3], Senior Executive Vice President, Strategy and Innovation ;
- Philippe Guitard, Senior Executive Vice President, Central and Eastern Europe;
- Éric Haza, Chief Legal Officer;
- Azad Kibarian, Senior Executive Vice President, Italy and Middle East;
- Helman le Pas de Sécheval, General Counsel;
- Isabelle Calvez, Senior Executive Vice-President, Human Resources;
- Claude Laruelle, Deputy Chief Officer of Finance, Ditigal and Purchasing;
- Christophe Maquet, Senior Executive Vice President, Asia and Pacific;
- Jean-François Nogrette, Senior Executive Vice-President, France and Special Waste Europe;
- Laurent Obadia, Senior Executive Vice President, Stakeholders and Communications; Advisor to the Chairman
- Angel Simon, Senior Executive Vice President, Iberia and Latin America;
- Frédéric Van Heems, Senior Executive Vice President, North America

In addition, Management Committee meetings bring together, each quarter, all the Group's functions and geographies in order to share and commit to the Group's challenges and outlook. At the date of this report on the results for the half year ended June 30, 2022, this Committee had 39 members, including the 14 members of the Executive Committee; its composition can be viewed on Veolia's website (www.veolia.com).

1 *Excluding Directors representing employees and employee shareholders in accordance with Articles L. 225-27-1 and L. 22-10-7 of the French Commercial Code (Code de commerce).*
2 *The duties of Chairman of the Board of Directors and Chief Executive Officer were separated from July 1, 2022*

* *Independent member.*
3 *Subject to receipt of the derogation requested from the UK Competition and Markets Authority.*

4.3 Accounting and financial information

4.3.1 KEY FIGURES

Group key figures as of June 30, 2022 include the contribution of activities acquired from Suez from January 18, 2022. To enable the comparison of financial information, key figures as of June 30, 2021 were restated to present combined data including the Suez acquired scope (see Chapter 6.1, Combined data as of June 30, 2021).

				Change 2022 / 2021 re-presented for IFRS 8			Change 2022 / 2021 re-presented for IFRS 8 and combined		
(€ million)	June 30, 2021 published	June 30, 2021 combined	June 30, 2022	Δ	Δ at constant exch. rates	Δ at constant scope and exch. rates	Δ	Δ at constant exch. rates	Δ at constant scope and exch. rates
Revenue	**13,645**	**17,774**	**20,196**	**48.0%**	**46.2%**	**14.4%**	**13.6%**	**11.3%**	**12.9%**
EBITDA[1]	**2,081**	**2,792**	**2,953**	**41.9%**	**40.4%**	**5.6%**	**5.8%**	**3.9%**	**6.1%**
Current EBIT[2]	**901**	**1,267**	**1,475**	**63.8%**	**63.0%**	**20.4%**	**16.4%**	**15.1%**	**20.2%**
Current net income - Group Share[3]	516		528	**2.3%**	**1.6%**				
Current net income - Group Share excluding capital gains and losses on financial divestitures net of tax	520		534	**3.5%**	**2.8%**				
Net income - Group share [4]	301		236						
Net industrial investments	(834)		(1,310)						
Net free cash flow [1]	270		(304)						
Opening net financial debt	**(13,217)**		**(9,532)**						
Closing net financial debt	**(13,767)**		**(22,353)**						

1 *The indicators are defined in Section 4.6.4 below.*
2 *Including the share of current net income of joint ventures and associates viewed as core Company activities.*
3 *2021 Current net income - Group share, re-presented for Suez dividends (€122 million) is €394 million, representing an increase in Current net income - Group Share for the first half of 2022 compared with June 2021 of 33.1% at constant exchange rates.*
4 *2021 Net income - Group share re-presented for Suez dividends (€122 million) is €179 million.*

The main foreign exchange impacts between June 30, 2022 and June 30, 2021 are as follows:

FX impacts for the half year ended June 30, 2022 ***(vs. June 30, 2021 combined)***	*%*	*(in € million)*
Revenue	2.3%	408
EBITDA	1.8%	52
Current EBIT	1.3%	17

FX impacts for the half year ended June 30, 2022 ***(vs. June 30, 2021 published)***	*%*	*(in € million)*
Revenue	1.8%	240
EBITDA	1.5%	30
Current EBIT	0.8%	7
Current net income	0.8%	4
Net financial debt (vs. December 31, 2021)	-4.9%	(464)

4.3.2 GROUP REVENUE

4.3.2.1 Revenue by operating segment

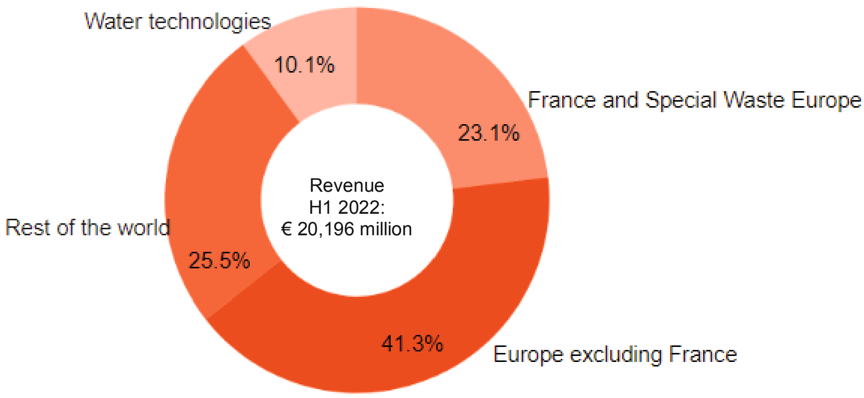
Consolidated revenue totaled €20,196 million for the half year ended June 30, 2022, compared with €17,774 million for the half year ended June 30, 2021 combined and €13,645 million for the half year ended June 30, 2021 (published).

All operating segments reported growth in H1 2022.

				Change 2022 / 2021 re-presented for IFRS 8			Change 2022 / 2021 re-presented for IFRS 8 and combined		
(in € million)	Half year ended June 30, 2021 re-presented for IFRS 8	Half year ended June 30, 2021 re-presented for IFRS 8 and combined	Half year ended June 30, 2022	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France and Special Waste Europe	4,316	4,577	4,754	10.2%	10.1%	3.9%	3.9%	3.8%	3.9%
Europe excluding France	5,278	6,958	8,505	61.1%	60.4%	28.1%	22.2%	21.4%	23.7%
Rest of the world	3,310	4,767	5,256	58.8%	53.5%	9.9%	10.3%	5.3%	7.8%
Water technologies	739	1,869	2,075	180.8%	177.8%	-2.3%	11.0%	5.1%	5.3%
Other[1]	2	(398)	(394)	-	-	-		-	-
Group	**13,645**	**17,774**	**20,196**	**48.0%**	**46.2%**	**14.4%**	**13.6%**	**11.3%**	**12.9%**

1 *For 2021 and 2022 combined figures, including impacts of Restatement of the first 17 days of the contribution of Suez activities.*

H1 2022 revenue breaks down by operating segment as follows:



Compared with H1 2021 combined, quarterly revenue trends at constant exchange rates by operating segment for H1 2022 are as follows:

	Δ at constant scope and exchange rates vs. 2021 re-presented for IFRS8 and combined		
	Q1 2022	Q2 2022	H1 2022
France and Special Waste Europe	5,4%	2,6%	3,9%
Europe excluding France	26,8%	20,3%	23,7%
Rest of the world	7,8%	7,8%	7,8%
Water technologies	2,6%	7,7%	5,3%
Groupe	**14,7%**	**11,3%**	**12,9%**

The increase in Q2 2022 revenue is consistent with trends observed in the first quarter:

- continued high recyclate prices in waste and good activity levels in hazardous waste, except in China, negatively impacted by the health crisis,
- good water performance, capitalizing on contractual tariff reviews and higher second quarter volumes, particularly in France, the decline in the works activity in the second quarter is explained by the base, the second quarter of 2021 benefiting from a catchup effect.
- strong growth in Energy activities mainly due to higher prices and volumes despite an unfavorable weather effect and seasonality.

Compared with published figures for the half year ended June 30, 2021, segment revenue increased +46.2% at constant exchange rates, due to a scope effect of €4,350 million, mainly tied to the integration of Suez activities (€4,416 million) and organic growth of €1,961 million (+14.4%).

The scope effect of the integration of Suez activities impacts all operating segments:

- The **France and Special Waste Europe** segment includes the scope effect of IWS hazardous waste activities acquired from Suez,
- The **Europe excluding France** segment mainly includes the scope effect of Suez waste activities in Northern Europe and Germany and Suez water activities in Spain,
- The **Rest of the world** segment includes the scope effect of activities acquired from Suez in North America and Latin America, as well as Suez waste activities in Asia and Australia,
- The **Water Technologies** segment includes the scope effect of the acquisition of Suez Water Solutions and Technologies activities,
- The “Other” segment includes the revenue adjustment for the first seventeen days of the year for the Suez scope prior to acquisition of control.

Organic growth of +14.4% is primarily driven by Europe excluding France (+28,1%), the Rest of the world (+9.9%) and France and Special Waste Europe (+3.9%). The Water Technologies segment reported a slight -2.3% dip in revenue on published figures for the half year ended June 30, 2021 at constant scope and exchange rates, due to a high 2021 comparison base in major Middle East desalination projects where construction is now complete or almost complete. Europe excluding France enjoyed strong growth in energy activities in Central and Eastern Europe and growth in waste activities in Northern Europe, supported by higher recyclate prices.

Compared with combined figures for the half year ended June 30, 2021, revenue rose +12.9% at constant scope and exchange rates, increasing across all operating segments.

Revenue for the **France and Special Waste Europe** segment totaled €4,754 million, with organic growth of +3.9% compared with June 30, 2021 combined figures:

- **France Water** revenue slipped slightly by -0.8%, mainly due to asset transfers within the Group, partially offset by the positive impact of tariff reviews (+3.4% in H1 2022) and good activity levels in the second quarter, with billed volumes up +0.3% at the end of June.
- **France Waste** revenue increased +6%, continuing to benefit from high recyclate prices, particularly for paper (recycled paper price of €183/t in June 2022 vs. €152/t in June 2021), and the positive impact of tariff reviews, despite a slight decline in volumes year-on-year.
- **Hazardous waste activities in Europe** grew +7.4%, with strong commercial development in sanitation and industrial maintenance activities, higher volumes and prices in oil and lubricant treatment activities in a context of increased oil prices and the positive impact of tariff reviews.
- **SADE** reported growth of +2.5%, thanks to strong commercial momentum in France.

Revenue for the **Europe excluding France** segment totaled €8,505 million for the half year ended June 30, 2022, with organic growth of +23.7% mainly due to higher energy and recyclate prices.

- In **Central and Eastern Europe**, revenue rose +31.4% to €4,301 million. Following on from the first quarter, activity remained robust in this region driven by:
  - favorable positive tariff indexation in energy (Poland, Hungary, Czech Republic, Slovakia and Romania) and water (Czech Republic and Romania) and higher volumes distributed (Poland and Czech Republic), despite a less favorable weather effect in Energy compared with H1 2022 (-€96 million).
  - a surge in recyclate prices, particularly for paper and plastic and energy prices in Germany.
- In **Northern Europe**, revenue rose 12.3% to €2,511 million. This increase was primarily driven by the **United Kingdom and Ireland**, which reported revenue growth of +12.4% at constant scope and

exchange rates, with the favorable impact of recyclate prices (paper and plastic), higher energy volumes and prices and the good performance of incinerators (facility available rate of 94.8% in 2022 compared with 93.1% in 2021), despite a slight downturn in waste landfill volumes due to unfavorable weather conditions in H1 2022. In **Belgium**, organic growth was +16.2% compared with June 30, 2021 combined figures, fueled by good operating performances, benefiting from the positive impact of recyclate prices and contractual tariff reviews in waste recycling and incineration activities.

- In **Italy**, organic revenue growth reached +49.1%, following the start-up of contracts won in 2021 and the highly favorable effect of energy prices.
- In **Iberia,** revenue increased +14.8%, driven primarily by strong water activities in Spain (Agbar) which enjoyed increased volumes (+2.2% at end-June 2022) thanks to the return of tourism and high Spring temperatures, as well as by energy activities.

In the **Rest of the world**, revenue totaled €5,256 million, representing organic growth of +7.8% across all geographies, including Asia despite the slowdown in China:

- Revenue increased +13.8% in **Latin America**, driven notably by favorable tariff indexation in Chile in water activities, despite a drop in volumes linked to the drought. Colombia, Brazil and Ecuador reported good activity levels in waste and stable water activities in the half-year.
- In **Africa/Middle East**, revenue increased +9.0%, mainly driven by growth in water contracts in Morocco, thanks to higher volumes and the positive impact of tariff reviews in the first half of the year.
- In **North America**, revenue rose +9.6% to €1,538 million. This growth was mainly driven by robust hazardous waste activities, with higher volumes processed and the impact of increased tariffs (+10%), and in water, by favorable tariff indexation, particularly in Regulated Water activities, and good construction volumes.
- Revenue increased +3.3% in **Asia**. The slowdown in growth in China negatively impacted activities in the second quarter, with lower hazardous waste volumes and reduced activity in energy and industrial services. This slowdown was offset by strong growth in other counties and particularly Taiwan, Hong Kong and Japan.
- In the **Pacific**, revenue rose +5.7%, marked by higher waste collection and landfill volumes despite severe weather events in the half-year (flooding in the Queensland and New South Wales regions), strong industrial maintenance activities and good municipal water performance.

The **Water Technologies** activity reported an increase of +5.3%, driven by growth in VWT's and WTS's Services and Technology activities. The major projects activity reported a slight decline, however, due to a high comparison base in 2021 which benefited from three major desalination projects in the Middle East. VWT bookings totaled €687 million as of June 30, 2022, compared with €733 million one year earlier.

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4.3.2.2 Revenue by business

Compared with published figures for the half year ended June 30, 2021, revenue by business rose +46.2% at constant exchange rates.

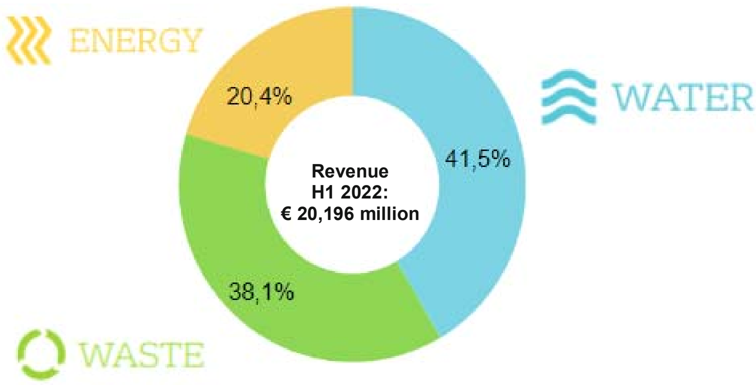
The scope effect of the integration of Suez activities (€4,416 million in total) is €2,998 million in Water and €1,818 million in Waste. It is recalled that the revenue adjustment for the first seventeen days of the year for the Suez scope, prior to acquisition of control, is recorded in the "Other" segment (-€400 million).

Excluding scope effect, organic growth compared with published figures for the half year ended June 30, 2021 is +14.4%, mainly driven by:

- strong growth in **Energy** of +40.5%, underpinned by higher energy prices (electricity and heat) and the favorable impact of tariff reviews,
- **Waste** growth of +12.2%, due to higher recyclate prices, favorable tariff reviews and good activity levels across all geographies,
- **Water** activities up +4.8%, thanks to contract tariff indexation, higher volumes distributed in Q2 2022 despite a slight drop in Technology and Construction activities due to a 2021 base with large desalination projects in the Middle-East.

				Change 2022 / 2021 published			Change 2022 / 2021 combined		
(€ million)	June 30, 2021 published	June 30, 2021 combined	June 30, 2022	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Water	5,215	7,873	8,556	64.1%	61.4%	4.8%	8.7%	5.8%	5.9%
of which Water Operations	*3,974*	*5,502*	*5,967*	*50.2%*	*48.1%*	*6.4%*	*8.5%*	*6.3%*	*6.4%*
of which Technology and Construction	*1,240*	*2,371*	*2,589*	*108.8%*	*106.9%*	*-0.4%*	*9.2%*	*4.6%*	*4.7%*
Waste	5,304	7,175	7,845	47.9%	45.4%	12.2%	9.3%	6.9%	9.9%
Energy	3,126	3,127	4,194	34.2%	33.9%	40.5%	34.1%	33.9%	35.9%
Other	-	(400)	(400)		-	-		-	-
Group	**13,645**	**17,774**	**20,196**	**48.0%**	**46.2%**	**14.4%**	**13.6%**	**11.3%**	**12.9%**

H1 2022 revenue breaks down by **business** as follows:



Compared with combined figures for the half year ended June 30, 2021, revenue by business rose +12.9% at constant scope and exchange rates. The main changes by business compared with combined figures for the half year ended June 30, 2021 break down as follows:

Water revenue

Water Operations revenue increased +6.4%, with good volumes in Spain following the return of tourism, the impact of O&M contract wins in North America, accompanied by higher tariffs and an upturn in volumes distributed in France in Q2 2022. Slightly lower volumes due to the weather, particularly in Chile, were largely offset by the positive effect of contract tariff reviews in these geographies.

Technology and Construction revenue grew +4.7%, mainly driven by increased construction activity in France and growth in VWT's Services and Technology activities, the growth in WTS of 10.3% which offsets the drop in revenue from desalination.

Waste revenue

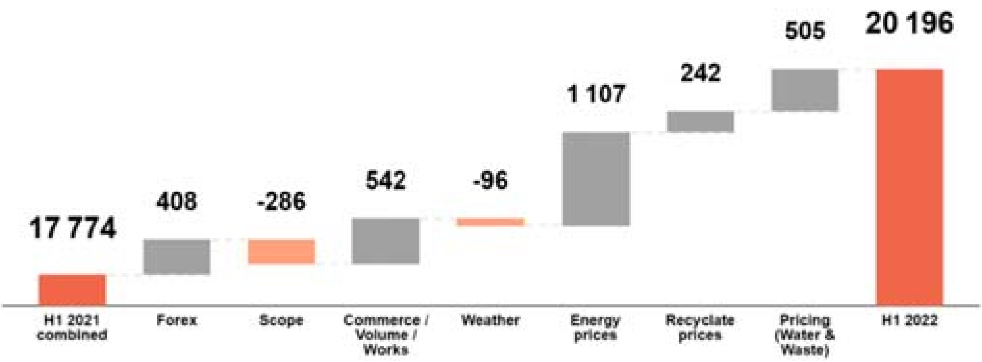
Waste revenue increased +9.9%, benefiting from the continued high level of recyclate prices (+3.4%) for paper, plastic and metals In Europe. The upward trend in oil prices and good activity levels had a favorable impact on hazardous waste activities in Europe and North America. Electricity revenues generated by incineration activities increased and favorable tariff reviews (+3.2%) were recorded across all geographies. The commerce / volume effect is also positive at +1.3%.

Energy revenue

Energy revenue rose +35.9%. The strong activity growth is founded on a positive price effect (+29.4%), notably in Europe, higher volumes distributed, tariff increases in Central and Eastern Europe and strong commercial development (+2.2%), particularly in Italy and the Middle East. The weather effect in H1 2022 was -2.5%.

4.3.2.3 Analysis of the change in Group revenue

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



The foreign exchange impact of +€408 million mainly reflects fluctuations in American, British and Chinese currencies, partially offset by a downturn in Polish and Latin American currencies[1].

The **consolidation scope impact** of -€286 million mostly concerns the sale of assets in Scandinavia in 2021 (-€154 million) and, at Suez level, sales of activities in Australia in 2021 and the impact of European Union remedies with the transfer of some hazardous waste activities in France to Assets classified as held for sale. These negative effects are partially offset by the integration of Osis by Sarp (+€96 million) in 2021.

The **Commerce / Volumes / Works impact** is +€542 million, driven by good volumes across all activities and particularly in energy, as well as growth in works and technology and construction activities in water.

1 *Main foreign exchange impacts by currency: US dollar (+€207 million), pound sterling (+€60 million), Czech koruna (+€44 million), Chinese RenMinBi yuan (+€51 million), Polish zloty (-€21 million), Hungarian forint (-€23 million), Chilean peso (-€15 million), Argentinian peso (-€14 million).*

The weather impact of -€96 million mainly concerns Central and Eastern Europe, where energy activities were impacted by a milder winter than in 2021, and, to a lesser extent, Chile where the summer was not as hot impacting Q1 water volumes.

Energy prices had an impact of +€1,107 million, driven by higher heating and electricity tariffs, mainly in Central and Eastern Europe.

Recyclate prices had an impact of +€242 million, boosted by higher recycled paper prices in France, Germany and the United Kingdom.

Favorable price effects (+€505 million) are mainly tied to tariff reviews estimated at +3.2% in waste and +3.1% in water.

4.3.3 GROUP EBITDA

Group consolidated EBITDA for the half year ended June 30, 2022 was €2,953 million, compared with €2,792 million for the half year ended June 30, 2021 combined and €2,081 million for the half year ended June 30, 2021 (published).

EBITDA is up +40.4% compared with published figures for the half year ended June 30, 2021 at constant exchange rates, due to a scope effect of +€725 million primarily due to the integration of activities acquired from Suez and organic growth of +5.6%.

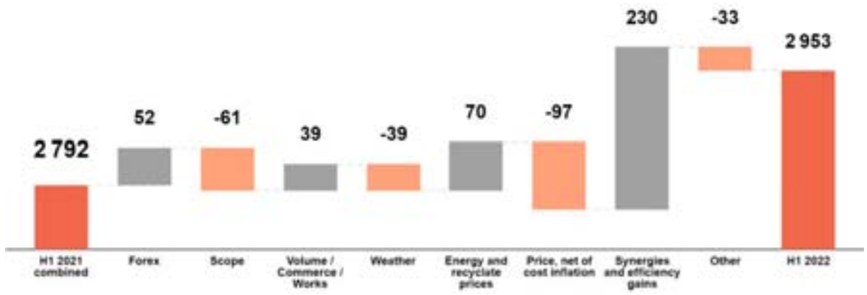
Compared with June 30, 2021 combined figures, EBITDA rose +6.1% at constant scope and exchange.

				Change 2022 / 2021 re-presented for IFRS 8			Change 2022 / 2021 re-presented for IFRS 8 and combined		
(€ million)	June 30, 2021 re-presented for IFRS 8	June 30, 2021 re-presented for IFRS 8 and combined	June 30, 2022	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France and Special Waste Europe	630	673	704	11.8%	12.0%	7.9%	4.6%	4.7%	6.8%
Europe excluding France	942	1,120	1217	29.3%	28%	6.4%	8.7%	7.4%	8.5%
Rest of the world	440	821	786	78.8%	75%	1.7%	-4.2%	-6.8%	-2.4%
Water technologies	43	213	212	368.5%	379.6%	10.6%	-0.4%	-8.1%	-8.2%
Other[1]	26	(35)	33						
Group	**2,081**	**2,792**	**2,953**	**41.9%**	**40.4%**	**5.6%**	**5.8%**	**3.9%**	**6.1%**

1 *For 2021 and 2022 combined figures, including impacts of Restatement of the first 17 days of the contribution of Suez activities.*

The growth of the EBITDA for the operational segments France and Special waste Europe (+6.8% at constant scope and exchange rates) and Europe excluding France (+8.5% at constant scope and exchange rates) results from the growth in the activity. The decline in the EBITDA for the rest of the world segment comes from China where the volumes of waste are lower as well as services to industry and energy due to restrictions related to the health crisis. In the Water Technologies segment, the EBITDA is in progression for VWT but in decline for WTS, which benefited from one-off elements in the first half of 2021

The increase in EBITDA between 2021 and 2022 breaks down by impact as follows:



The foreign exchange impact on EBITDA was +€52 million and mainly reflects the appreciation of the American, Czech, British and Chinese currencies, partially offset by unfavorable movements in South American and Middle East currencies[1].

The **consolidation scope impact** of -€61 million mostly concerns the sale of assets in Scandinavia in 2021 and, at Suez level, sales of activities in Australia and the impact of European Union remedies with the transfer of some hazardous waste activities in France to Assets classified as held for sale. These negative effects are partially offset by the integration of Osis by Sarp in 2021.

Favorable **commerce and volume impacts** of +€39 million resulted from the positive impact on revenue.

The **weather impact** is -€39 million and mainly concerns Central and Eastern Europe which was affected by a milder than normal winter and to a lesser extent Chile.

Recyclate and energy prices had a net favorable impact on EBITDA of +€70 million, mainly concerning paper and cardboard in France and Northern Europe. The increase in energy selling prices net of higher purchase costs (including CO_2 and diesel), had a neutral impact on EBITDA.

The impact of **tariff reviews net of cost inflation** was -€97 million.

Other impacts are mainly due to one-off items positively impacting 2021 EBITDA of the Suez scope.

The **contribution of cost savings plans and synergies** totaled +€230 million at the end of June and includes:

- the efficiency plan for €178 million, mainly concerning operating efficiency (64%) and purchasing (27%) across all geographic zones: France and Special Waste Europe (31%), Europe excluding France (27%) and the Rest of the world (34%),
- synergies of €52 million generated on the integration of Suez.

Gains generated by the efficiency plan in the first half of the year are consistent with the €350 million annual objective for end-2022. This is also true for synergies, where the annual objective has been attained 52% at the end of June 2022.

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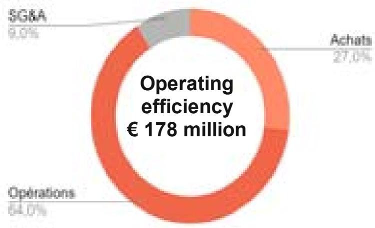
Cost-savings plans and synergies

EBITDA Impact *(in € million)*	**2022 Objective**	**Actual H1 2022**
Saving plans	350	178
Synergies	100	52



1 *Foreign exchange impacts by currency: Czech koruna (+€12 million), pound sterling (+€10 million), Chinese RenMinBi yuan (+€9 million), US dollar (+€31 million), Lebanese pound (-€8 million), Chilean peso (-€7 million).*

4.3.4 OTHER INCOME STATEMENT ITEMS

4.3.4.1 Current EBIT

Group consolidated **Current EBIT** for the half year ended June 30, 2022 was €1,475 million, up +20.2% at constant scope and exchange rates on combined figures for the half year ended June 30, 2021.

EBITDA reconciles with Current EBIT compared with the half year ended June 30, 2021 as follows:

(€ million)	June 30, 2021 published	June 30, 2021 combined	June 30, 2022
EBITDA	**2,081**	**2,792**	**2,953**
Renewal expenses	(143)	(140)	(147)
Depreciation, amortization, provisions and other[1]	(1,121)	(1,488)	(1,454)
Impairment and gains (losses) on industrial divestitures	36	42	64
Share of current net income of joint ventures and associates	48	61	59
Current EBIT	**901**	**1,267**	**1,475**

1 *Including principal payments on operating financial assets.*

The +€256 million (+20.2%) increase in Current EBIT at constant scope and exchange rates compared with combined figures for the half year ended June 30, 2021[1] is mainly due to:

- a marked improvement in EBITDA (+€171 million at constant scope and exchange rates),
- a slight decrease in depreciation, amortization and provisions, net of the change in principal payments on operating financial assets, compared with H1 2021, the increase in amortization was compensated by the reversal of provisions.
- a favorable difference in impairment and gains (losses) on divestitures, notably tied to an asset sale in Australia in Q1 2022 (waste assets of the subsidiary, Integrated Waste Services).

The foreign exchange impact on Current EBIT of +€17 million mainly reflects fluctuations in the United States (+€15 million), Czech Republic (+€7 million), United Kingdom (+€6 million) and Chinese (+€1 million) currencies, partially offset by a downturn in Chile (-€5 million) and Middle East (-€4 million) currencies.

4.3.4.2 Net financial expense

The **net financial expense** for the half year ended June 30, 2022 is -€551.3 million, compared with -€121.2 million for the half year ended June 30, 2021 (published). This decrease is mainly due to the scope effect on financial expenses of the integration of the cost of Suez debt, as well as the positive impact, in H1 2021, of dividends received of €122 million on the Group's investment in Suez.

Cost of net financial debt

The cost of net financial debt totaled -€319.6 million for the half year ended June 30, 2022, compared with -€152.4 million for the half year ended June 30, 2021 (published). The increase in the cost of Group net financial debt is mainly due to the scope effect of the integration of the cost of Suez debt for €104.5 million (particularly the bond debt of the former holding company, Suez SA, and that of water activities in the United States), higher interest rates on foreign currency-denominated debt (euro/currency rate spreads) and the positive impact in H1 2021 of the cancellation of an interest rate hedging portfolio (pre-hedge swaps) for €20 million.

The Group's financing rate (excluding IFRS 16 impacts) was therefore 3.65% at June 30, 2022 (compared with 2.51% at June 30, 2021, published), a lower than the pre-COVID period (4.36% at June 30, 2020 and 4.3% at June 30, 2019). Interest rates were very low in 2021.

Other financial income and expenses

Other financial income and expenses totaled -€231.6 million for the half year ended June 30, 2022, compared with +€31.2 million for the half year ended June 30, 2021 (published).

At June 30, 2021, other financial income includes dividends received on the Group's investment in Suez of €122 million.

At June 30, 2022, other financial income and expenses include the scope effect of the integration of Suez financial expenses of -€104.2 million which includes notably the financial expenses of the debt of the subsidiary Aguas Andidas in Chile (indexed on inflation). The other financial income and expenses also include the financial costs generated by the Suez combination for -€24.4 million.

At June 30, 2022 it includes interest on concession liabilities (IFRIC 12) of -€38.8 million and the unwinding of discounts on provisions of -€16.2 million.

1 *See Section 4.6.1 for more information on this restatement*

Losses on financial divestitures recognized in H1 2022 totaled -€7.6 million and mainly include the impacts of the liquidation of several companies.

Gains on current financial divestitures recognized in the first half of 2021 totaled -€4.6 million and mainly comprised the gain on disposal of Utilities Services activities in Nordic countries (+€13 million), offset by the loss on the divestiture of Aqua Utilities activities in Veolia Water Technology (-€7 million) and disposal costs in North America (-€3 million).

4.3.4.3 Current income tax expense

The current income tax expense for the half year ended June 30, 2022 amounted to -€256.4 million, compared with -€188.4 million for the half year ended June 30, 2021 (published).

The current income tax rate for the half year ended June 30, 2022 is 28.9%, after integration of the activities of Suez versus 25% for the half year ended June 30, 2021 (published).

4.3.4.4 Current net income

Current net income attributable to owners of the Company was €528 million for the half year ended June 30, 2022, compared with €516 million for the year ended June 30, 2021 (published) and €394 million excluding dividends received from Suez in 2021 for 2020. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company is €534 million, compared with €520 million for the half year ended June 30, 2021 (published).

4.3.4.5 Net income

Net income attributable to owners of the Company was +€236 million for the half year ended June 30, 2022, compared with +€301 million for the year ended June 30, 2021 (published) and €179 million excluding dividends received from Suez in 2021.

Net income attributable to owners of the Company per share was €0.34 (basic) and €0.33 (diluted) for the half year ended June 30, 2022, compared with €0.53 (basic) and €0.51 (diluted) for the half year ended June 30, 2021.

4.3.4.6 Current net income (loss) attribuable to owners of the company

The share of net income attributable to non-controlling interests_totaled €161.2 million for the half year ended June 30, 2022, compared with €95.4 million for the half year ended June 30, 2021.

Net income attributable to owners of the Company was €236 million for the half year ended June 30, 2022, compared with €301 million for the half year ended June 30, 2021.

Current net income attributable to owners of the Company was €528 million for the half year ended June 30, 2022, compared with €516 million for the half year ended June 30, 2021.

Net income attributable to owners of the Company per share for the half year ended June 30, 2022 was €0.34 (basic) and €0.33 (diluted) compared with €0.53 (basic) and €0.51 (diluted) (and €0.31 (basic) and €0.30 (diluted) excluding dividends received from Suez of €122 million), for the half year ended June 30, 2021. Current net income attributable to owners of the Company per share was €0.77 (basic) and €0.74 (diluted) for the half year ended June 30, 2022, compared with €0.91 (basic) and €0.87 (diluted) for the half year ended June 30, 2021 (and €0.69 (basic) and €0.67 (diluted) excluding dividends received from Suez of €122 million).

The weighted average number of outstanding shares in the half year ended June 30, 2021 was 687,074,155.

Net income (loss) attributable to owners of the Company for the half year ended **June 30, 2022** breaks down as follows:

(€ million)	Current	Non-Current	Total
EBIT	1,475,0	(290.8)	1,184.2
Cost of net financial debt	(319.6)	-	(319.6)
Other financial income and expenses	(207.2)	(24.4)	(231.6)
Pre-tax net income (loss)	**948.1**	**(315.2)**	**633.0**
Income tax expense	(256.4)	22.7	(233.8)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(2.0)	(2.0)
Net (income) loss attributable to non-controlling interests	(164.1)	2.9	(161.2)
Net income (loss) attributable to owners of the Company	**527.6**	**(291.6)**	**236.0**

Published net income (loss) attributable to owners of the Company for the half year ended **June 30, 2021** breaks down as follows:

(€ million)	Current	Non-Current	Total
EBIT	900.7	(160.9)	739.8
Cost of net financial debt	(152.4)	-	(152.4)
Other financial income and expenses	53.9	(22.7)	31.2
Pre-tax net income (loss)	**802.2**	**(183.6)**	**618.6**
Income tax expense	(188.4)	(29.6)	(218.0)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(4.6)	(4.6)
Net (income) loss attributable to non-controlling interests	(98.3)	2.8	(95.4)
Net income (loss) attributable to owners of the Company	**515.5**	**(215.0)**	**300.5**

The net income attributable to owners of the company excluding dividends received from Suez for the half year ended June 30, 2021 is €178.5 million.

Current EBIT reconciles with operating income, as shown in the income statement, as follows:

(€ million)	Half year ended June 30, 2021	Half year ended June 30, 2022
Current EBIT	**901**	**1,475**
Impairment losses on goodwill and negative goodwill	(2)	(69)
Net charges to non-current provisions	5	(4)
Restructuring costs	(35)	(32)
Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	(63)	(120)
Share acquisition costs, with or without acquisition of control	(66)	(66)
Total non-current items	**(161)**	**(291)**
Operating income after share of net income of equity-accounted entities	**740**	**1,184**

Impairment losses concern Russian goodwill which was impaired in full in the amount of -€69 million due to the Russian-Ukrainian conflict.

Restructuring costs total -€32 million in H1 2022, down slightly compared to 2021.

Non-current provisions, impairment and other costs total -€120 million in H1 2022 and mainly comprise integration costs relating to the Suez combination, as well as costs incurred in respect of a dispute in North America and asset impairment in Russia and Ukraine (€11 million).

Share acquisition costs mainly comprise costs incurred in the context of the Suez combination of €62 million for the first semester of 2022.

4.3.4.7 Share of net income (loss) of other equity-accounted entities and discontinued operations

Income from discontinued operations consists of the residual impacts in 2022 of the income from discontinued operations of the EPC international business. See Note 4.2.1 to the consolidated financial statements.

4.4 Financing

4.4.1 CHANGE IN FREE CASH FLOW AND NET FINANCIAL DEBT

Net free cash flow totaled -€304 million for the half year ended June 30, 2022, compared with +€270 million for the half year ended June 30, 2021 (published).

The change in net free cash flow compared with published figures for the half year ended June 30, 2021 reflects:

- Higher EBITDA, driven by the entry into the consolidation scope of activities acquired from Suez, organic activity growth fueled by favorable energy price effects, tariff reviews, gains generated by operating and commercial efficiency plans and synergies.
- Net industrial investments of -€1,310 million, compared with -€834 million in the half year ended June 30, 2021 (published), including investments of activities acquired from Suez and industrial divestitures of €447 million, mainly comprising the sale of Integrated Waste Services assets in Australia and OSIS Greater Paris subsidiaries.
- Seasonal trends in working capital requirements, with a change in H1 2022 of -€821 million mainly attributable to the price effect on working capital requirements in the energy activity and the integration of the activities of Suez.

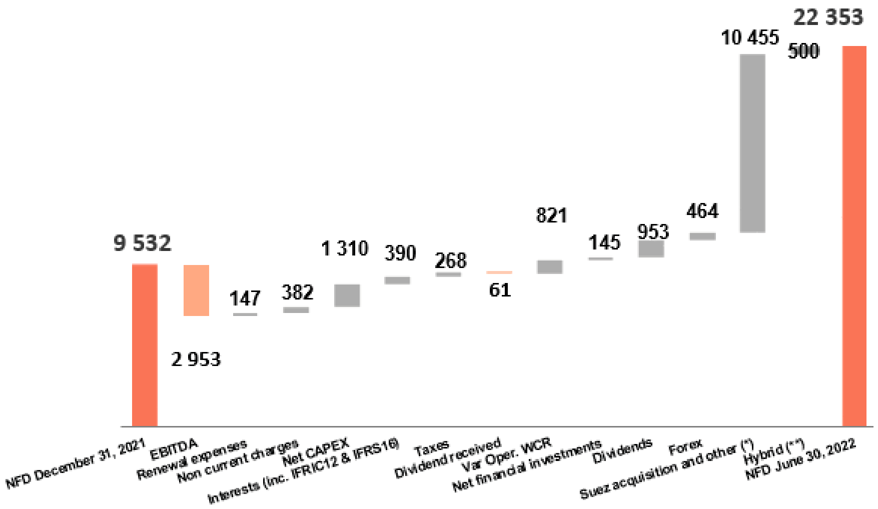
The following table summarizes the change in net financial debt and net free cash flow:

(€ million)	Half year ended June 30, 2021	Half year ended June 30, 2022
EBITDA	**2,081**	**2,953**
Net industrial investments	(834)	(1,310)
Change in operating WCR	(381)	(821)
Dividends received from equity-accounted entities and joint ventures	30	61
Renewal expenses	(143)	(147)
Other non-current expenses and restructuring charges	(95)	(382)
Interest on concession liabilities (IFRIC 12)	(38)	(39)
Interest on IFRS 16 lease liabilities	(14)	(21)
Financial items (current interest paid and operating cash flow from financing activities)	(201)	(330)
Taxes paid	(135)	(268)
Net free cash flow before dividend payment, financial investments and financial divestitures	**270**	**(304)**
Dividends	(504)	(953)
Net financial investments	(245)	(11,092)
Change in receivables and other financial assets	(9)	525
Issue / repayment of deeply subordinated securities	1	(500)
Proceeds on issue of shares	10	(10)
Free cash flow	**(477)**	**(12,334)**
Effect of foreign exchange rate movements and other	(74)	(487)
Change	**(550)**	**(12,821)**
Opening net financial debt	(13,217)	(9,532)
Closing net financial debt	**(13,767)**	**(22,353)**

Net financial debt amounted to €22,353 million, compared with €9,532 million as of December 31, 2021. Compared with December 31, 2021, the change in **net financial debt** is mainly due to:

- the change in net free cash flow of -€304 million,
- the acquisition of Suez in the amount of -€10,501 million, comprising the acquisition of Suez shares following the Public Tender Offer for -€9,318 million, net financial debt of the Suez scope of -€9,073 million and, acquisition costs of €62 million, net of the sale of components of the Suez Group to the Consortium on January 31, 2022 for +€8,018 million,
- net financial investments, excluding the acquisition of Suez, of -€145 million (including acquisition costs and net financial debt of acquired entities),
- the repayment of Suez hybrid debt for -€500 million, excluding coupons.
- dividends voted by the Combined Shareholders' Meeting of June 15, 2022 of -€688 million.

Net financial debt was also impacted by negative exchange rate fluctuations of -€464 million as of June 30, 2022.



(*) Suez acquisitions for -€9.4 billion (including acquisition costs), Suez net financial debt of -€9.1 billion and divestiture of New Suez for €8.0 billion
(**) Repayment of Suez hybrid debt for -€500 million.

4.4.2 INDUSTRIAL AND FINANCIAL INVESTMENTS

4.4.2.1 Industrial investments

Group gross industrial investments, including new operating financial assets, amounted to -€1,585 million for the half year ended June 30, 2022, compared with -€972 million for the half year ended June 30, 2021 (published).

The entry into the consolidation scope of the activities acquired from Suez is reflected by gross investments of €472 million in the H1 2022.

Les investissements industriels par **segment**, hors activités non poursuivies, se décomposent de la façon suivante :

Half year ended June 30, 2022 *(in € million)*	**Maintenance and contractual requirements** [1]	**Discretionary growth**	**Total gross industrial investments** [2]	**Industrial divestitures**	**Total net industrial investments**
France and Special Waste Europe	320	17	337	(70)	267
Europe excluding France	412	127	539	(27)	512
Rest of the world	584	52	636	(164)	472
Water technologies	100	4	104	(13)	91
Other	(31)	0	(31)	(1)	-32
Group	**1,385**	**200**	**1,585**	**(275)**	**1 310**

1 *Including maintenance investments of €810 million (including IFRS16 leases) and contractual investments of €575 million.*
2 *Including new OFA in the amount of €56 million.*

Half year ended June 30, 2021 published *(in € million)*	**Maintenance and contractual requirements** [1]	**Discretionary growth**	**Total gross industrial investments** [2]	**Industrial divestitures**	**Total net industrial investments**
France and Special Waste Europe	259	22	281	(37)	244
Europe excluding France	316	51	367	(55)	312
Rest of the world	217	44	261	(23)	238
Water technologies	32	5	37	(23)	14
Other	26	0	26	0	26
Group	**850**	**122**	**972**	**(138)**	**834**

1 *Including maintenance investments of €504 million (including IFRS16 leases) and contractual investments of €346 million.*
2 *Including new OFA in the amount of -€53 million.*

4.4.2.2 Financial investments and divestitures

The main financial investment in H1 2022 was the acquisition of the Suez Group, completed following the finalization of the Public Tender Offer in the first quarter for -€10,501 million, including debt assumed and the rest of the cession of a part of the Suez Group to the consortium on January 31, 2022.

Excluding the acquisition of Suez, financial investments totaled -€144 million in H1 2022 (including acquisition costs and net financial debt of acquired entities). In the first half of the year, investments primarily concerned the acquisition of 47.4% of the share capital of Lydec “Lyonnaise des Eaux de Casablanca”, a Moroccan subsidiary of the Suez group for €98 million.

Financial investments totaled -€413 million in the half year ended June 30, 2021 (including acquisition costs and net financial debt of acquired entities) and mainly included the acquisition of Osis in France (€262 million excluding IFRS 16 debt) and the acquisition of an organic fertilizer facility in France (€22 million).

Excluding the disposal of new Suez, financial divestitures totaled -€1 million in the half year ended June 30, 2022 (including disposal costs) and mainly included the sale of Huancheng Puxi in China, a waste-to-energy subsidiary, for €27 million and a sales price adjustment in respect of a divestment performed in 2021 in Germany of -€25 million.

Financial divestitures totaled €168 million for the half year ended June 30, 2021 (including disposal costs) and included the sale of the 5% stake in the Shenzhen concession in China by VE CGE (€80 million, excluding the repayment of the shareholder loan of €105 million), as well as the sale of Utilities Services activities in Sweden and Norway in the amount of €32 million (total transaction of €70 million).

4.4.3 OPERATING WORKING CAPITAL

The change in operating working capital requirements (excluding discontinued operations) was -€821 million for the half year ended June 30, 2022, compared with -€381 million for the half year ended June 30, 2021 (published). This change is mainly due to the seasonality and the increase on energy prices on the working capital requirements and the entry of the activities of Suez.

See Note 6.3 to the consolidated financial statements for the half year ended June 30, 2022.

4.4.4 EXTERNAL FINANCING

Structure of the net financial debt

As of June 30, 2022, net financial debt after hedging is borrowed 85% at fixed rates (compared with 100% as of December 31, 2021).

This change is mainly due to the integration of Suez debt, increasing by 11 points the share of floating-rate debt (through a swap portfolio), as well as optimized management of bond debt in Q1 2022. The Group nonetheless targets net financial debt primarily at fixed rates and plans to return to levels close to 100% on receipt of the proceeds from antitrust divestitures.

The average maturity of net financial debt was 6.7 years as of June 30, 2022 compared with 5.9 years as of June 30, 2021.

(€ million)	Note to the Consolidated Financial Statements	As of June 30, 2021	As of June 30, 2022
Non-current financial liabilities	8.1.1	11,618	22,981
Current financial liabilities	8.1.1	8,341	7,239
Bank overdrafts and other cash position items	8.1.4	225	440
Sub-total financial debt		**20,184**	**30,659**
Cash and cash equivalents	8.1.4	(5,454)	(7,175)
Allocation of the fair value of hedging instruments	8.3.1	8	412
Liquid assets and financing financial assets	8.1.3	(971)	(1,543)
Net financial debt		**13,767**	**22,353**

Group liquidity position

Liquid assets of the Group as of June 30, 2022 break down as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Veolia Environnement		
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	22.9	10.1
Cash and cash equivalents (1)	10,333.7	4,235.1
Subsidiaries:		
Suez SA undrawn syndicated loan facility	-	2,500.0
Cash and cash equivalents (1)	1,156.7	4,483.1
Total liquid assets	**15,513.3**	**15,228.3**
Current debt and bank overdrafts and other cash position items		
Current debt	9,034.9	7,806.0
Bank overdrafts and other cash position items	241.9	439.6
Total current debt and bank overdrafts and other cash position items	**9,276.8**	**8,245.6**
Total liquid assets net of current debt and bank overdrafts and other cash position items	**6,236.5**	**6,982.7**

1 *Including liquid assets and assets linked to financing included in net financial debt.*

Banks Covenants

See Note 8.4 to the consolidated financial statements for the half year ended June 30, 2022.

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4.5. Other items

4.5.1 RELATED-PARTY TRANSACTIONS

The Group identifies related parties in accordance with the provisions of paragraph 9 of IAS 24 revised, Related Party Disclosures (see Note 13 to the consolidated financial statements for the half year ended June 30, 2022).

4.5.2 SUBSEQUENT EVENTS

No significant events has occurred between the closing date and the date of the approval of the consolidated financial statements by the board of directors.

4.5.3 RISK FACTORS

The main risk factors the Group could face are set out in Chapter 2 of the 2021 Universal Registration Document.

However certain rises exacerbated in the current context have been updated in Chapter 2 of the present amendment.

4.5.4 OUTLOOK

Guidance 2022 fully confirmed*

- Solid organic revenue growth;
- Efficiency gains above €350M complemented by €100M of synergies coming from the 1st 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 40%*** ;
- Leverage ratio around 3x ;
- Dividend growth in line with current EPS growth.

* *At constant forex and without extension of the conflict beyond the Ukrainian territory and without significant change in the energy supply conditions in Europe.*
** *Before PPA.*
*** *Current net income per share after hybrid costs and before PPA.*

4.6 Appendices

4.6.1 COMBINED DATA FOR THE HALF YEAR ENDED JUNE 30, 2021

To enable comparability of H1 2022 financial data including the contribution of activities acquired from Suez from January 18, 2022, published key figures for the half year ended June 30, 2021 were restated to present the financial data of the new Veolia group including the activities acquired from Suez and the adjustment for the first seventeen days of 2022 applied to 2021. Combined data for the half year ended June 30, 2021 is presented for Revenue, EBITDA and Current EBIT.

4.6.2 RECONCILIATION OF 2021 PUBLISHED DATA BY OPERATING SEGMENT WITH IFRS 8 RE-PRESENTED DATA

The change in Group governance effective February 2022 led to an update to the IFRS 8 operating segments to reflect the new breakdown by Management Zone implemented following the integration of Suez activities.

Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

Reconciliation of published Revenue for the half year ended June 30, 2021:

(in € million)	**June 30 2021 published**		*IFRS8 segmentation adjustments*		**June 30 2021 re-presented**	
France	2,843.7	(+)	Special Waste Europe*	1,472.3	France and Special Waste Europe	4,316.0
Europe excluding France	5,278.3				Europe excluding France	5,278.3
Rest of the world	3,310.0				Rest of the world	3,310.0
Gobal businesses	2,211.0	(-)	Special Waste Europe	(1 472.3)	Gobal businesses	738.7
Other	2.1				Other	2.1
Group	**13,645.1**			**0.0**	**Group**	**13,645.1**

** Déchets dangereux Europe et Sade.*

Reconciliation of published revenue for the half year ended June 30, 2021 with integration of the Suez scope:

(in € million)	**June 30 2021 published**		*IFRS8 segmentation adjustments + Suez Scope*		**June 30 2021 re-presented from IFRS 8 and combined**	
France	2,843.7	(+)	France and Special Waste Europe	1,733.4	France and Special Waste Europe	4,577.1
Europe excluding France	5,278.3	(+)	Europe excluding France	1,680.1	Europe excluding France	6,958.4
Rest of the world	3,310.0	(+)	Rest of the world	1,457.0	Rest of the world	4,767.0
Gobal businesses	2,211.0	(-)	Gobal businesses	-341.9	Gobal businesses	1,869.1
Other	2.1	(-)	Other*	(400.0)	Other	(397.9)
Group	**13,645.1**			**4,128.6**	**Group**	**17,773.7**

** adjustments for the 17 days of activity from January 1. 2022, aplied to Q1 2021.*

Reconciliation of published EBITDA for the half year ended June 30, 2021:

(in € million)	**June 30 2021 published**		*IFRS8 segmentation adjustments*		**June 30 2021 re-presented**	
France	489.9	(+)	Special Waste Europe*	139.9	France and Special Waste Europe	629.8
Europe excluding France	941.8				Europe excluding France	941.8
Rest of the world	439.8				Rest of the world	439.8
Gobal businesses	183.4	(-)	Special Waste Europe	(139.9)	Gobal businesses	43.5
Other	25.7				Other	25.7
Group	**2,080.6**			**0.0**	**Group**	**2,080,6**

** Europe hazardous waste and Sade*

Reconciliation of published EBITDA for the half year ended June 30, 2021 with integration of the Suez scope:

(in € million)	**June 30 2021 published**		*IFRS8 segmentation adjustments + Suez Scope*		**June 30 2021 re-presented from IFRS 8 and combined**	
France	489.9	(+)	France and Special Waste Europe	183.4	France and Special Waste Europe	673.3
Europe excluding France	941.8	(+)	Europe excluding France	178.3	Europe excluding France	1 120.1
Rest of the world	439.8	(+)	Rest of the world	380.5	Rest of the world	820.3
Gobal businesses	183.4	(-)	Gobal businesses	29.3	Gobal businesses	212.7
Other	25.7	(-)	Other*	(60.4)	Other	(34.7)
Group	**2,080.6**			**711.1**	**Group**	**2,791.7**

** adjustments for the 17 days of activity from January 1, 2022, applied to Q1 2021.*

4.6.3 RECONCILIATION OF GAAP INDICATORS AND THE INDICATORS USED BY THE GROUP

The reconciliation of Current EBIT with operating income, as shown in the income statement, is presented in Section 3.4.6. Likewise, the reconciliation of current net income with net income attributable to owners of the Company, as shown in the income statement, is presented in Section 3.4.6.

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:

(€ million)	Notes	Half year ended June 30, 2021	Half year ended June 30, 2022
Net cash from operating activities of continuing operations		***1,058***	***1,028***
Plus:			
Industrial investments, net of grants		(621)	(1,196)
Proceeds on disposal of industrial assets		139	275
New operating financial assets		(53)	(56)
Principal payments on operating financial assets		83	105
New finance lease debt		(226)	(249)
Dividends received	Note 8.3.2	30	61
Net financial interest		(246)	(368)
Less:			
Share acquisition and disposal costs		106	95
Net free cash flow		**270**	**(304)**

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

(€ million)	Half year ended June 30, 2021	Half year ended June 30, 2022
Industrial investments, net of grants	**(621)**	**(1,196)**
New finance lease debt	(226)	(249)
Change in concession working capital requirements	(73)	(85)
New operating financial assets	(53)	(56)
Industrial investments	**(972)**	**(1,585)**

4.6.4 DEFINITIONS

No changes have been made to non-GAAP financial indicators by the Group.

Non strictly accounting indicators (Non GAAP)

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.

For the other indicators, please refer to Section 5.5.8 of the 2021 Universal Registration Document.

4.7 Recent events since the filing of the Universal Registration Document

The following items are taken from published press releases available at https://www.veolia.com/en/veolia-group/finance/financial-information/press-releases:

- On May 6, 2022, Veolia Environnement published a press release announcing the sale of hazardous waste assets in France to Suez.
- On May 9, 2022, Veolia Environnement published a press release announcing the signature of an agreement between Veolia and Saur for the sale of Veolia's mobile water services business in Europe to Saur.
- On May 12, 2022, Veolia Environnement published a press release presenting its results for the quarter ended March 31, 2022.
- On May 24, 2022 Veolia Environnement published a press release announcing the signature of an agreement between Veolia and Séché Environnement for the sale of Veolia's activities in industrial water treatment services in France to Séché Environnement.
- On May 25, 2022, Veolia Environnement published a press release presenting regulated information on how to obtain or consult information relating to the Combined General Meeting of June 15, 2022.
- On June 15, 2022, the Combined General Meeting of Veolia Environnement approved all of the resolutions submitted to it with a quorum of 69.8%, it being specified that the 12th resolution was not submitted to the vote of the Shareholders' Meeting, Mr. Antoine Frérot having waived the exceptional share-based bonus proposed under this resolution.
- On June 16, 2022, Veolia Environnement published a press release proposing the sale of Suez's UK waste business and announcing the continued development of its position as the global champion of ecological transformation.
- On July 7, 2022, Veolia Environnement published a press release announcing the laying of the foundation stone for the future refining unit in the Jourdain program, enabling the production of high quality water from wastewater from the end of 2023. This program was awarded to Veolia by Vendée Eau.
- On July 25, 2022, Veolia Environnement published a press release presenting its unprecedented program to boost wastewater reuse in France.
- On July 27, 2022, Veolia Environnement published a press release announcing a partnership between Veolia and TotalEnergies to build the largest solar power facility for a desalination plant in Oman.
- On August 3, 2022, Veolia Environnement published a press release presenting its results for the half year ended June 30, 2022.
- On August 3, 2022, Veolia Environnement published a press release announcing that it has signed a merger agreement concerning the merger of Vigie SA (formerly known as Suez SA) into Veolia. The purpose of this merger is to simplify and rationalize the legal structure of the Veolia

5

CONSOLIDATED FINANCIAL STATEMENT

5.1 Consolidated financial statements

5.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position-Assets

(€ million)	Notes	As of December 31, 2021	As of June 30, 2022
Goodwill	Note 7.1	6,201.2	13,701.3
Concession intangible assets	Note 7.2.1	3,706.0	5,427.0
Other intangible assets	Note 7.2.2	1,328.6	2,323.7
Property, plant and equipment	Note 7.3	8,701.9	15,898.3
Right of use (net)	Note 7.4	1,562.4	2,098.8
Investments in joint ventures	Note 6.2.1	1,238.5	1,241.9
Investments in associates	Note 6.2.1	354.2	690.6
Non-consolidated investments (*)		3,770.3	89.8
Non-current operating financial assets	Note 6.4	1,191.4	1,216.5
Non-current derivative instruments - Assets	Note 8.2	88.5	276.9
Other non-current financial assets	Note 8.1.3	431.2	616.5
Deferred tax assets	Note 11.1	1,059.2	1,852.0
Non-current assets		**29,633.4**	**45,433.3**
Inventories and work-in-progress	Note 6.3	816.3	1,440.3
Operating receivables	Note 6.3	10,015.3	13,825.8
Current operating financial assets	Note 6.4	129.0	239.0
Other current financial assets	Note 8.1.3	1,521.0	2,511.8
Current derivative instruments - Assets	Note 8.2	344.9	579.0
Cash and cash equivalents	Note 8.1.4	10,518.7	7,174.9
Assets classified as held for sale	Note 4.2	98.7	984.1
Current assets		**23,443.9**	**26,754.8**
TOTAL ASSETS		**53,077.3**	**72,188.2**

(*) As of December 31, 2021, non-consolidated investments consist of Suez shares for €3,721.0 million and other securities for €49.3 million.

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Consolidated Statement of Financial Position – Equity and Liabilities

(€ million)		As of December 31, 2021	As of June 30, 2022
Share capital	Note 9.1.1	3,498.6	3,502.9
Additional paid-in capital		9,309.5	9,305.2
Deeply subordinated perpetual securities		2,460.7	3,506.6
Reserves and retained earnings attributable to owners of the Company	Note 9.1	(3,750.8)	(4,072.1)
Total equity attributable to owners of the Company	Note 9.1	**11,518.0**	**12,242.6**
Total equity attributable to non-controlling interests	Note 9.2	1,252.0	2,976.0
Shareholders' equity		**12,770.0**	**15,218.6**
Non-current provisions	Note 10	1,876.6	2,361.6
Non-current financial liabilities	Note 8.1.1	10,462.5	21,219.8
Non-current IFRS 16 lease debt	Note 8.1.2	1,298.1	1,760.7
Non-current derivative instruments - Liabilities	Note 8.2	68.8	598.1
Concession liabilities - non-current	Note 6.5	1,588.4	1,582.0
Deferred tax liabilities	Note 11.1	1,196.4	2,331.8
Non-current liabilities		**16,490.8**	**29,854.0**
Operating payables	Note 6.3	13,548.9	17,804.7
Concession liabilities - current	Note 6.5	169.4	193.6
Current provisions	Note 10	538.5	814.5
Current financial liabilities	Note 8.1.1	8,624.3	6,711.8
Current IFRS 16 lease debt	Note 8.1.2	410.6	528.4
Current derivative instruments - Liabilities	Note 8.2	261.5	492.3
Bank overdrafts and other cash position items	Note 8.1.4	241.9	439.6
Liabilities directly associated with assets classified as held for sale	Note 4.2	21.4	130.7
Current liabilities		**23,816.5**	**27,115.6**
TOTAL EQUITY AND LIABILITIES		**53,077.3**	**72,188.2**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

5.1.2 CONSOLIDATED INCOME STATEMENT

(€ million)		Half year ended June 30, 2021	Half year ended June 30, 2022
Revenue	**Note 6.1**	**13,645.1**	**20,195.6**
Cost of sales	Note 6.2	(11,374.3)	(16,765.7)
Selling costs	Note 6.2	(279.0)	(463.1)
General and administrative expenses	Note 6.2	(1,136.4)	(1,511.7)
Other operating revenue and expenses	Note 6.2	(164.0)	(330.2)
Operating income before share of net income (loss) of equity-accounted entities	**Note 6.2**	**691.4**	**1,124.9**
Share of net income (loss) of equity-accounted entities		**48.4**	**59.3**
o/w share of net income (loss) of joint ventures	Note 6.2.1	33.0	29.3
o/w share of net income (loss) of associates	Note 6.2.1	15.4	30.0
Operating income after share of net income (loss) of equity-accounted entities		**739.8**	**1,184.2**
Cost of net financial debt	Note 8.3.1	(152.4)	(319.6)
Other financial income and expenses	Note 8.3.2	31.2	(231.6)
Pre-tax net income (loss)		**618.6**	**633.0**
Income tax expense	Note 11.1	(218.0)	(233.8)
Share of net income (loss) of other equity-accounted entities		-	-
Net income (loss) from continuing operations		**400.6**	**399.2**
Net income (loss) from discontinued operations	Note 4.2.1	(4.6)	(2.0)
Net income (loss) for the period		**396.0**	**397.2**
Attributable to owners of the Company		**300.5**	**236.0**
Attributable to non-controlling interests	Note 9.2	95.5	161.2
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*	Note 9.5		
Basic		0.53	0.34
Diluted		0.51	0.33
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*	Note 9.5		
Basic		0.54	0.35
Diluted		0.52	0.34
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*	Note 9.5		
Basic		(0.01)	-
Diluted		(0.01)	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements

5.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Half year ended June 30, 2021	Half year ended June 30, 2022
Net income (loss) for the period	**396.0**	**397.2**
Actuarial gains or losses on pension obligations	22.2	153.5
Income tax expense	(1.8)	(13.5)
Amount net of tax	*20.4*	*140.0*
Fair value adjustments on financial instruments at fair value through equity not subsequently released to net income (1)	*704.0*	(43.9)
Income tax expense	*3.2*	(0.8)
Amount net of tax	*707.2*	*(44.7)*
Other items of comprehensive income not subsequently released to net income	**727.6**	**95.3**
o/w attributable to joint ventures	***(10.3)***	
o/w attributable to associates	**-**	
Fair value adjustments on hedging costs	11.9	16.7
Income tax expense	-	-
Amount net of tax	*11.9*	*16.7*
Fair value adjustments on financial instruments at fair value through equity subsequently released to net income	-	-
Income tax expense	-	-
Amount net of tax	-	-
Fair value adjustments on cash flow hedge derivatives	39.4	43.0
Income tax expense	(3.6)	0.4
Amount net of tax	*35.8*	*43.4*
Foreign exchange gains and losses:		
• on the translation of the financial statements of subsidiaries drawn up in a foreign currency	68.3	291.2
Amount net of tax	68.3	291.2
• on the net financing of foreign operations	(16.0)	54.2
• income tax expense	-	(7.2)
Amount net of tax	*(16.0)*	*47.0*
Other items of comprehensive income subsequently released to net income	**100.0**	**398.3**
o/w attributable to joint ventures	**(36.3)**	***45.5***
o/w attributable to associates	***6.9***	***16.5***
Total Other comprehensive income	**827.6**	**493.6**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,223.6**	**890.8**
Attributable to owners of the Company	1,097.0	658.4
Attributable to non-controlling interests	126.6	232.4

(1) Including €716.9 million relating to the acquisition of Suez in the period ended June 30, 2021

The accompanying notes are an integral part of these condensed interim consolidated financial statements

5.1.4 CONSOLIDATED CASH FLOW STATEMENT

(€ million)	**Notes**	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Net income (loss) for the period		**396.0**	**397.2**
Net income (loss) from continuing operations		***400.6***	***399.2***
Net income (loss) from discontinued operations		***(4.6)***	***(2.0)***
Operating depreciation, amortization, provisions and impairment losses		1,059.3	1,243.5
Financial amortization and impairment losses		(8.5)	(2.0)
Gains (losses) on disposal of operating assets		(39.0)	(99.4)
Gains (losses) on disposal of financial assets		0.3	3.4
Share of net income (loss) of joint ventures	Note 6.2.1	(33.0)	(29.3)
Share of net income (loss) of associates	Note 6.2.1	(15.4)	(30.0)
Dividends received	Note 8.3.2	(123.0)	(2.0)
Cost of net financial debt	Note 8.3.1	152.4	319.6
Income tax expense	Note 11	218.0	233.8
Other items		35.0	164.9
Operating cash flow before changes in working capital	**Note 5**	**1,646.7**	**2,201.7**
Change in operating working capital requirements		(380.9)	(821.0)
Change in concession working capital requirements		(72.7)	(84.4)
Income taxes paid		(135.0)	(267.9)
Net cash from operating activities of continuing operations		**1,058.1**	**1,028.4**
Net cash from operating activities of discontinued operations		***(13.2)***	***22.1***
Net cash from operating activities		**1,044.9**	**1,050.5**
Industrial investments, net of grants		(620.8)	(1,195.5)
Proceeds on disposal of industrial assets		100.0	274.9
Purchases of investments	Note 4.1	(310.5)	(3,439.5)
Proceeds on disposal of financial assets	Note 4.1	176.5	7,505.4
Operating financial assets		-	-
New operating financial assets	Note 6.4	(53.0)	(56.2)
Principal payments on operating financial assets	Note 6.4	83.4	105.4
Dividends received (including dividends received from joint ventures and associates)		30.7	60.8
New non-current loans granted		(64.5)	(99.1)
Principal payments on non-current loans		161.4	108.8
Net decrease/increase in current loans		16.2	867.5
Net cash used in investing activities of continuing operations		**(480.6)**	**4,132.5**
Net cash used in investing activities of discontinued operations		**-**	***25.8***
Net cash used in investing activities		**(480.6)**	**4,158.3**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

(€ million)	Notes	Half year ended June 30, 2021	Half year ended June 30, 2022
Net increase (decrease) in current financial liabilities	Note 8.1.1	(596.5)	(4,073.7)
Repayment of current IFRS 16 lease debt	Note 8.1.2	(229.1)	(275.4)
Other changes in non-current IFRS 16 lease debt	Note 8.1.2	(64.8)	(73.7)
New non-current borrowings and other debt	Note 8.1.1	791.4	329.7
Principal payments on non-current borrowings and other debt	Note 8.1.1	(15.6)	(677.7)
Change in liquid assets and financing financial assets	Note 8.1.3	(135.5)	(570.1)
Proceeds on issue of shares	Note 9.1.1	17.4	-
Share capital reduction		-	-
Transactions with non-controlling interests: partial purchases (*)		(1.9)	(1,766.6)
Transactions with non-controlling interests: partial sales		0.3	1.4
Issue / repayment of deeply subordinated securities		0.8	(500.0)
Coupons on deeply subordinated securities		(23.9)	(80.1)
Purchases of/proceeds from treasury shares		10.1	(10.4)
Dividends paid		(480.2)	(185.2)
Interest paid	Note 8.3.2	(194.3)	(308.0)
Interest on IFRIC 12 operating assets		(37.8)	(38.8)
Interest on IFRS 16 lease debt (**)	Note 8.3.2	(14.0)	(20.7)
Net cash from (used in) financing activities of continuing operations		***(973.6)***	***(8,249.3)***
Net cash from (used in) financing activities of discontinued operations		***(0.1)***	***(84.9)***
Net cash from (used in) financing activities		**(973.7)**	***(8,334.2)***
Effect of foreign exchange rate changes and other		17.2	(401.8)
Increase (decrease) in external net cash of discontinued operations		-	(14.3)
NET CASH AT THE BEGINNING OF THE PERIOD		**5,622.4**	**10,276.8**
NET CASH AT THE END OF THE PERIOD		**5,229.4**	**6,735.3**
Cash and cash equivalents	Note 8.1.4	5,453.9	7,174.9
Bank overdrafts and other cash position items	Note 8.1.4	224.5	439.6
NET CASH AT THE END OF THE PERIOD		**5,229.4**	**6,735.3**

(*) Following the takeover of Suez on January 18, 2022, Veolia acquired the residual shares not contributed during the Public Tender Offer for an amount of 1,752 million euros

(**) Interest on IFRS 16 lease debt is not included in the Cost of net financial debt, but in Other financial income and expenses (see Note 8.1.2).

The accompanying notes are an integral part of these condensed interim consolidated financial statements

5.1.5 STATEMENT OF CHANGES IN EQUITY

(€ million)	Number of shares outstanding	Share capital	Additional paid-in capital	Deeply subordinated securities and OCEANE	Treasury shares	Consolidated reserves and retained earnings	Foreign exchange translation reserves	Fair value reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Amount as of December 31, 2021	**699,725,266**	**3,498.6**	**9,309.5**	**2,460.7**	**(430.1)**	**(3,413.6)**	**(260.7)**	**353.6**	**11,518.0**	**1,252.0**	**12,770.0**
Issues of share capital of the parent company	846,450	4.3	(4.3)	-	-		-	-	-	-	-
Proceeds on issue / Entry of deeply subordinated securities		-	-	1,626.0	-	-	-	-	1,626.0	-	1,626.0
Repayments of deeply subordinated securities				(500.0)					(500.0)	-	(500.0)
Coupons on deeply subordinated securities		-	-	(80.1)	-	-	-	-	(80.1)	-	(80.1)
Parent company dividend distribution		-	-	-	-	(688.0)	-	-	(688.0)	-	(688.0)
Movements in treasury shares		-	-	-	(10.0)	(0.4)	-	-	(10.4)	-	(10.4)
Share-based payments		-	-	-	-	7.7	-	-	7.7	-	7.7
Third-party share in share capital increases of subsidiaries		-	-	-	-	-	-	-	-	(0.7)	(0.7)
Third-party share in dividend distributions of subsidiaries		-	-	-	-	-	-	-	-	(185.2)	(185.2)
Transactions with non-controlling interests		-	-	-	-	(705.9)	-	-	(705.9)	(1,077.8)	(1,783.7)
Total transactions with non-controlling interests	**846,450**	**4.3**	**(4.3)**	**1,045.9**	**(10.0)**	**(1,386.6)**	**-**	**-**	**(350.7)**	**(1,263.7)**	**(1,614.4)**
Other comprehensive income for the period		-	-	-	-	139.1	271.9	11.4	422.4	71.2	493.6
Net income for the period		-	-	-	-	236.0	-	-	236.0	161.2	397.2
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**375.1**	**271.9**	**11.4**	**658.4**	**232.4**	**890.8**
Other movements		-	-	-	-	416.9	-	-	416.9	2,755.3	3,172.2
Amount as of June 30, 2022	**700,571,716**	**3,502.9**	**9,305.2**	**3,506.6**	**(440.1)**	**(4,008.2)**	**11.2**	**365.0**	**12,242.6**	**2,976.0**	**15,218.6**

(€ million)	Number of shares outstanding	Share capital	Additional paid-in capital	Deeply subordinated securities	Treasury shares	Consolidated reserves and retained earnings	Foreign exchange translation reserves	Fair value reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Amount as of December 31, 2020	**578,611,362**	**2,893.1**	**7,291.8**	**1,987.1**	**(450.7)**	**(3,681.5)**	**(405.6)**	**(418.0)**	**7,216.2**	**1,098.5**	**8,314.7**
IAS 19 impacts(*)	0	-	-	-	-	23.2	-	-	23.2	0.8	24.0
As of December 31, 2020 re-presented	**578,611,362**	**2,893.1**	**7,291.8**	**1,987.1**	**(450.7)**	**(3,658.3)**	**(405.6)**	**(418.0)**	**7,239.4**	**1,099.3**	**8,338.7**
Issues of share capital of the parent company	971,827	4.9	(4.9)	-	-	-	-	-	-	-	-
Proceeds on issue of deeply subordinated securities	-	-	-	0.8	-	-	-	-	0.8	-	0.8
Coupon on deeply subordinated securities				(23.9)	-	-	-	-	(23.9)		(23.9)
Parent company dividend distribution	-	-	-	-	-	(397.0)	-	-	(397.0)	-	(397.0)
Movements in treasury shares	-	-	-	-	10.8	(0.6)	-	-	10.2	-	10.2
Share-based payments	-	-	-	-	-	7.5	-	-	7.5	-	7.5
Third-party share in share capital increases of subsidiaries	-	-	-	-	-	-	-	-	-	17.5	17.5
Third-party share in dividend distributions of subsidiaries	-	-	-	-	-	-	-	-	-	(83.2)	(83.2)
Transactions with non-controlling interests	-	-	-	-	-	0.8	-	-	0.8	(0.7)	0.1
Total transactions with non-controlling interests	**971,827**	**4.9**	**(4.9)**	**(23.1)**	**10.8**	**(389.3)**	**0**	**0**	**(401.6)**	**(66.4)**	**(468.0)**
Other comprehensive income for the period	-	-	-	-	-	20.4	34.8	741.3	796.5	31.1	827.6
Net income for the period	-	-	-	-		300.5	-	-	300.5	95.5	396.0
Total comprehensive income for the period	-	-	-	-	-	**320.9**	**34.8**	**741.3**	**1,097.0**	**126.6**	**1,223.6**
Other movements	-	-	-	-	-	38.7	-	-	38.7	(1.4)	37.3
Amount as of June 30, 2021	**579,583,189**	**2,898.0**	**7,286.9**	**1,964.0**	**(439.9)**	**(3,688.0)**	**(370.8)**	**323.3**	**7,973.5**	**1,158.1**	**9,131.6**

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

A dividend per share of €1.0 was distributed in 2022, compared with €0.70 in 2021.

The total dividend paid of €185.2 million and €480.2 million in the periods ended June 30, 2022 and 2021, respectively, breaks down as follows:

(€ million)	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Parent company dividend distribution	(397.0)	-
Third-party share in dividend distributions of subsidiaries	(83.2)	(185.2)
Scrip dividend	-	-
TOTAL DIVIDEND PAID	**(480.2)**	**(185.2)**

Veolia Environnement distributed dividends of €688.0 million, paid from July 7, 2022 (Cf. Note 9.1.3)

5.1.6 NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES AND METHODS

1.1 Accounting standards framework

The Group's condensed interim consolidated financial statements for the half year ended June 30, 2022 were prepared under the responsibility of the Board of Directors, which met on August 2, 2022.

1.1.1 Basis underlying the preparation of the financial information

Pursuant to European Regulation no. 1606/2002 of July 19, 2002, as amended by European Regulation no. 297/2008 of March 11, 2008, the condensed interim consolidated financial statements for the half year ended June 30, 2022 were prepared in accordance with IAS 34, Interim Financial Reporting.

As they are condensed financial statements, they do not include all the disclosures required under IFRS for annual financial statements and must be read in conjunction with the Group financial statements for the year ended December 31, 2021.

The accounting principles used for the preparation of the condensed interim consolidated financial statements are in accordance with the IFRS standards and interpretations adopted by the European Union as of June 30, 2022.

The accounting policies and methods are presented in detail in the consolidated financial statements for the year ended December 31, 2021.

The half-year financial statements have been drawn up in accordance with the principles used for the preparation of the 2021 consolidated financial statements, except for the items presented below and the specific requirements of IAS 34.

Texts applicable as of January 1, 2022

- IFRS annual improvement process (2018-2020 cycle);
- Other amendments to the following standards:
  - **IAS 16**: property, plant and equipment - proceeds before intended use;
  - **IFRS 3**: update of the reference to the Conceptual Framework;
  - **IAS 37**: costs to be considered when determining if a contract is onerous.

The application of these texts did not have a material impact for the Group.

Texts applicable after January 1, 2022

- IFRS 17 and amendments, Insurance contracts;
- Other amendments to the following standards:
  - IAS 1: classification of liabilities as current or non-current;
  - IAS 1: disclosure of accounting policies;
  - IAS 8: definition of accounting estimates;
  - IAS 12: deferred tax related to assets and liabilities arising from a single transaction

The Group is currently assessing the potential impact of the first application of these texts

During the first half of 2021, the IFRS Interpretations Committee published a decision on the recognition of configuring or customizing costs for software made available in the Cloud in a Software as a Service (SaaS) arrangement.

Given the technical issues raised by this decision and the operational difficulties encountered, the Group was unable to implement this decision as of December 31, 2021.

Further analyses performed in the first half of 2022 showed the impacts of the application of this decision not to be material..

1.2 Translation of foreign subsidiaries' financial statements

The exchange rates of the major currencies of non-euro countries used in the preparation of the consolidated financial statements were as follows:

Period-end exchange rate (one foreign currency unit = €xx)	**As of June 30, 2021**	**As of December 31, 2021**	**As of June 30, 2022**
US dollar	0.8415	0.8829	0.9627
Pound sterling	1.1654	1.1901	1.1652
Chinese renminbi	0.1303	0.1390	0.1436
Australian dollar	0.6308	0.6404	0.6623
Polish zloty	0.2212	0.2175	0.2132
Hungarian forint	0.0028	0.0027	0.0025
Argentinian peso	0.0088	0.0086	0.0077
Mexican peso	0.0424	0.0432	0.0477
Brazilian real	0.1693	0.1585	0.1844
Czech koruna	0.0392	0.0402	0.0404

Average exchange rate (one foreign currency unit = €xx)	**H1 2021**	**FY 2021**	**H1 2022**
US dollar	0.8299	0.8452	0.9141
Pound sterling	1.1519	1.1630	1.1877
Chinese renminbi	0.1282	0.1310	0.1412
Australian dollar	0.6399	0.6350	0.6578
Polish zloty	0.2203	0.2190	0.2158
Hungarian forint	0.0028	0.0028	0.0027
Argentinian peso	0.0088	0.0086	0.0077
Mexican peso	0.0411	0.0417	0.0451
Brazilian real	0.1541	0.1568	0.1800
Czech koruna	0.0387	0.0390	0.0406

1.3 Seasonality of the Group's activities

The Group's activities are, by nature, subject to seasonal changes and climatic conditions. As such, in the Energy Services business, the majority of operating income is realized in the first and fourth quarters corresponding to heating periods in Europe. In the Water business, water consumption for domestic use and wastewater treatment are higher between May and September in the Northern hemisphere, where the Group conducts most of its activity.

Accordingly, the interim results of the Group for the half year ended June 30, 2022 and certain key performance indicators such as working capital reflect the impact of these combined factors and therefore may not be extrapolated over the whole year..

NOTE 2 USE OF MANAGEMENT ESTIMATES IN THE APPLICATION OF GROUP ACCOUNTING STANDARDS

Veolia may be required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosures of contingent assets and liabilities. Future results may be different from these estimates.

Underlying estimates and assumptions are determined based on past experience and other factors considered as reasonable given the circumstances. They act as a basis for making judgments necessary to the determination of the carrying amount of assets and liabilities, which cannot be obtained directly from other sources. Future values could differ from these estimates.

All these estimates are based on organized procedures for the collection of forecast information on future flows, validated by operating management, and on expected market data based on external indicators and used in accordance with consistent and documented methodologies.

Underlying estimates and assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period the change is made if it affects this period only and in the period the change is made and prior periods if they are also affected by the change.

As disclosed in the consolidated financial statements for the year ended December 31, 2021, the Group continued to pay close attention to the following items when preparing the half-year consolidated financial statements:

- asset impairment tests (including goodwill);
- the recoverable amount of operating assets (trade receivables, contract assets);
- the recoverability of deferred tax assets on tax losses;
- cash and net liquidity;
- credit outlook;
- covenants.

The items that generally require Management to make estimates or exercise judgment are as follows:

- the classification and measurement of assets and liabilities covered by IFRS 5: assessments leading to the application of the standard are reviewed at each reporting date with regard to changes in facts and circumstances (see Note 4);
- the measurement of intangible assets and property, plant and equipment (see Note 7);
- the fair value measurement of financial instruments (see Note 8);
- provision amounts (including provisions for pensions and employee benefits) (see Note 10);
- the Group income tax expense: pursuant to IAS 34, the income tax expense is calculated by applying the estimated effective annual tax rate to the pre-tax income of the period, adjusted for any one-off items (see Note 11).

Definitive amounts may differ from these estimates.

Impact of the Russian-Ukrainian conflict

The Group has condemned this conflict since the beginning of the war between Ukraine and Russia and is closely monitoring developments.

The Veolia Group continues to operate essential heating networks, waste management and water services for local populations in Ukraine and Russia. These activities are being continued in strict compliance with international and European Union sanctions, as they can be operated autonomously using local supplies. The Group's priorities are the health and safety of its employees.

Group activities located in Russia and Ukraine are not material and represent 0.2% of total revenue and 0.2% of capital employed in the first half of 2022.

The Group has not performed any new investments or secured new financing in Russia. Current funds are used to pay salaries and operating expenses.

In the context of the June 30, 2022 accounts closure and given the Russian-Ukrainian conflict, the Group assessed its financial exposure in Russia and Ukraine leading it to recognize asset impairments totalling €80 million in respect of these two countries.

In addition, since the beginning of the conflict, the Veolia foundation has worked with its partners (French Red Cross, Doctors Without Borders, Solidarités International, the Ministry for Europe and Foreign Affairs, UN agencies, etc.) to support Ukrainian populations affected by the conflict. Priority needs were identified with respect to accessing hygiene in the transit and accommodation centers welcoming refugees.

Veolia is closely monitoring developments in the situation in Ukraine and Russia, as well as impacts on the economic environment and energy supplies.

In this respect, Veolia has taken measures to secure energy supplies through a purchases hedging policy.

NOTE 3 INTEGRATION SUEZ

ACQUISITION OF CONTROL: MAIN TRANSACTION STAGES

On October 6, 2020, Veolia acquired a 29.9% Suez share block from Engie.

On July 29, 2021, Veolia launched a Public Tender Offer (the “Offer”) for Suez shares at a price of €19.85 per share (€20.50 less the €0.65 dividend paid in 2021).

On January 18, 2022, following the settlement and delivery of the Public Tender Offer, Veolia held 86.22% of the Suez share capital and voting rights.

To enable shareholders who had not tendered their shares to the Offer to do so, the Offer was reopened between January 12 and 27 under the same financial conditions. Following settlement and delivery, Veolia held 95.95% of Suez.

On January 31, 2022, in accordance with the terms of the purchase agreement dated October 22, 2021, Veolia realized the sale of New Suez to the Consortium (Meridiam, Caisse des dépôts et consignations, CNP Assurances and Global Infrastructure Partners).

Veolia then implemented a squeeze-out procedure for the shares it did not hold. Following this procedure, Veolia held the entire share capital and voting rights of Suez; the Suez shares were delisted on February 18, 2022.

ANTI-TRUST PROCESS

On December 14, 2021, the European Commission authorized the acquisition of Suez by Veolia subject to commitments to divest certain activities and primarily Suez’s municipal water, non-hazardous waste and regulated activities in France: these activities were sold to the Consortium (Meridiam, Caisse des Dépôts et Consignations, CNP Assurances and Global Infrastructure Partners) as part of the creation of New Suez on January 31, 2022.

With regard to the other divestitures (Veolia’s activities in the mobile water solutions market in Europe, industrial water treatment in France and a part of hazardous waste activities in France), unilateral purchase commitments were signed with the buyers in favor of Veolia. Given the duration of the processes involving employee representative bodies that must be completed prior to signature of the final sales agreements, the EU extended the deadline (initially set at June 14, 2022) for the signature of these sales agreements. These should therefore be signed between August and the end of September depending on the case.

The UK Competition and Markets Authority (CMA), for its part decided to launch a phase 2 investigation on the effects of the Veolia Suez transaction. It validated the takeover during the first quarter of 2022.

On May 19, 2022, the CMA published the provisional findings of its phase 2 investigation indicating that the acquisition of Suez by Veolia may be expected to result in a substantial lessening of competition in several waste and water management markets in the United Kingdom.

On June 16, 2022, the CMA published possible remedies by Veolia:

- the divestment of all Suez waste activities in the United Kingdom;
- the divestment of Veolia industrial O&M water activities in the United Kingdom;
- the divestment of Veolia mobile water solutions in the United Kingdom and Europe (it is recalled that this is one of Veolia’s commitments to the European Commission).

Given the CMA’s provisional findings, Veolia issued a press release on the same day indicating its intention to perform the aforementioned divestments.

On June 30, 2022, the CMA announced the extension of the inquiry period and the issuing of its closing report by September 11 at the latest; this report, which will set out its conclusions on the analysis of the transaction and outline the remedies adopted, will be followed by a decision within approximately 3 months detailing the practicalities of the remedies it has validated.

INTEGRATION AND SYNERGY PLAN

The integration of the new scope acquired from Suez is progressing in line with the initial schedule. Suez employees have been progressively joining Veolia since January 19, 2022, the first day of integration, except for the United Kingdom and WTS scopes due to the ongoing CMA proceedings.

Integration plans have been implemented since the beginning of the year in all geographies, except the United Kingdom and WTS. Good progress with integration generated synergies of €52 million in H1 2022, in line with the synergies plan.

IMPACT OF THE INTEGRATION ON THE H1 2022 CONSOLIDATED FINANCIAL STATEMENTS

The H1 2022 consolidated financial statements include the contribution of Suez acquired activities from January 18, 2022, the date of acquisition of control. Due to the availability of accounting information, income statement items for the acquired scope are included in the financial statements from January 1, 2022 and adjusted for items relating to the period from January 1 to 17, 2022. The impact of the adjustment for the first 17 days of the year is €400 million in revenue, €49 million in EBITDA and €11 million in Current EBIT.

Accounting for the acquisition

Veolia management performed an accounting analysis of the transaction to determine the goodwill calculation method.

Noting the absence of a specific text addressing acquisition of control in the context of a Public Tender Offer and its reopening under IFRS, Veolia continued its analysis to determine the effective date of acquisition of control of Suez by Veolia, that is, pursuant notably to IFRS 10, paragraph 7, the date at which Veolia became the controlling shareholder of Suez. Accordingly, the Group considers that Veolia acquired control of Suez on January 18, 2022, the date at which it obtained the ability to direct the operating activities of Suez; notably by appointing a new Board of Directors.

With the agreement of the CMA, Veolia implemented special decision mechanisms for the activities within the UK and WTS scope, enabling it to obtain control of these activities within the meaning of IFRS, in the context of phase 2 of the CMA's investigation.

Accordingly, Veolia decided to perform a partial goodwill calculation based on a shareholding of 86.22%. The remaining shares acquired subsequently were recognized as a transaction with non-controlling interests.

a) Acquisition of control: provisional purchase price allocation

IFRS 3 requires the valuation of assets and liabilities and the allocation of the purchase price within a period of 12 months from the acquisition date.

Work undertaken by the Group since the acquisition of control seeks to reflect as best as possible the magnitude and complexity of this acquisition due to:

- the numerous geographical locations of the acquired activities,
- the range of businesses (Water & Waste and the entire related value chain),
- the range of contractual models depending on the business and the country (regulatory, concession, private, etc.),
- the related types of asset (permits, patents, physical treatment facilities, etc.).

The Group also anticipates a wide range of assets and liabilities to be recognized or remeasured in the opening balance sheet, such as customer relations, concession assets, operating and maintenance contracts, BOT (Build, Operate, Transfer) contracts, patents, industrial assets or environmental liabilities. In addition, fair value measurement procedures were also performed on financial assets and liabilities and retirement benefit provisions.

An independent expert was tasked with assisting the Group develop this process. These measurement procedures are still ongoing and will be completed in the second half of the year, taking into account any new information regarding the facts and circumstances at the acquisition date.

Accordingly, the purchase price was not allocated to assets and liabilities of the acquired entity as of June 30, 2022.

However, divestitures required by the European Competition Authority, and notably the €7,314 million divestiture to the Consortium of investors comprising Meridiam, GIP, CDC and CNP Assurances, were recognized in Suez net assets for the calculation of provisional goodwill at the end of June 2022.

In the context described above, the Group recognized provisional goodwill in respect of this transaction using the partial goodwill method (see Note 7.1).

The Group will communicate on the definitive purchase price allocation in the financial statements for the year ended December 31, 2022.

Since its acquisition on January 18, 2022, Suez has contributed €4,416 million to Group revenue and €338.7 million to Group operating net income.

Accumulated acquisition costs relating to the transaction total €229.1 million as of June 30, 2022.

b) Minority investments in Suez acquired after the acquisition of control

Following the acquisition of control of Suez on January 18, 2022, Veolia acquired the residual shares not contributed to the initial Offer for €1,752 million. This subsequent acquisition of non-controlling interests is reflected by a reduction in Equity attributable to owners of the Company of -€695 million, corresponding to the purchase of the remaining 13.78% of shares.

NOTE 4 CONSOLIDATION SCOPE

4.1 Main changes in Group structure

The main changes in consolidation scope as of June 30, 2022 are as follows:

Acquisitions

Acquisition of Suez

As disclosed in Note 3, on January 18, 2022, Veolia acquired control of Suez following the Public Tender Offer.

The Group now holds the entire share capital of Suez, following completion of the squeeze-out procedure on February 18, 2022. The amount paid in 2022 for the Public Tender Offer and the squeeze-out was €9,318.0 million, including the price supplement paid to Engie (excluding the 29.9% share block acquired on October 6, 2020) and related acquisition costs of €62.0 million as of June 30, 2022.

Net financial debt of the Suez scope on acquisition as of January 18, 2022 was -€9,073 million. The provisional goodwill recorded on June 30,2022 amounted to €7,493 million (see Note 7.1).

Lydec

Following the tender offer for Suez, on May 27, 2022, the Group acquired an additional 47.4% stake in Lydec a Moroccan subsidiary of Suez Group which manages water and electricity distribution, wastewater and rainwater collection and public lighting in the city of Casablanca. This acquisition for a total of €98 million increases Veolia's stake in Lydec to 98.4%. The squeeze-out procedure was declared admissible by the Moroccan Capital Markets Authority on July 25, 2022. Pursuant to the acquisition contract between the consortium and Veolia, the investment in Lydec must be sold to the Consortium. In this context, two monitoring trustees were nominated in order to guarantee the statute of Lydec as being held separately. As such, Veolia does not have the means to pilot the operational activities of Lydec and as such does not control it. Veolia's holding in Lydec as a consequence is accounted for in non-consolidated securities. In addition, as it is an investment destined to be sold to the consortium in accordance with IFRS 5, the shares of Lydec are classified on June 30, 2022 as assets held for sale for a total of €196 million.

Divestitures

Sale of New Suez

On January 31, 2022, in accordance with the terms of the purchase agreement dated October 22, 2021, Veolia sold New Suez to the Consortium of investors comprising Meridiam, GIP, CDC and CNP Assurances.

New Suez comprises Suez's Water and Waste Solutions activities in France, international assets in Italy, Central Europe, Africa, Central Asia, India, China and Australia, as well as global digital and environmental activities, thereby maintaining real growth prospects and innovation capacities in France and internationally.

A disposal price of €8,018.0 million was received on January 31. This disposal price for the divestiture of New Suez assets and liabilities to the Consortium does not currently include the earn-out and is determined provisionally based on the New Suez accounts. It will be adjusted following the divestiture to take account, in particular, of any adjustments to working capital requirements recognized as of January 31, 2022.

Integrated Waste Services (Australia)

On January 17, 2022, the Group sold the assets of its waste processing subsidiary, Integrated Waste Services (IWS), in Australia for AUD155.0 million (€102 million as of June 30, 2022).

IWS assets were presented in Assets classified as held for sale (IFRS 5) as of December 31, 2021.

OSIS Ile De France (France)

In accordance with the initial plan and in line with competition authority requests, the divestiture process for the Greater Paris branches (8 sites only) was signed at the end of July 2021 and the transaction was closed in early January 2022 for a disposal price of €32.3 million. As of December 31, 2021, the assets were presented in Assets classified as held for sale (IFRS 5).

4.2 Assets classified as held for sale, discontinued operations and divestitures

4.2.1 Discontinued operations

In the Consolidated Income Statement presented for comparative purposes, net income (loss) from discontinued operations was reclassified line-by-line to "Net income (loss) from discontinued operations".

In the first half of **2022**, discontinued operations concern VWT's EPC (Engineering, Procurement, Construction) business, discontinued in all regions, in the amount of -€2.0 million. In the first half of 2021, the net loss from discontinued operations was -€4.6 million.

4.2.2 Assets/liabilities classified as held for sale

Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale are presented separately in the Group Consolidated Statement of Financial Position as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Assets classified as held for sale	98.7	984.1
Liabilities directly associated with assets classified as held for sale	21.4	130.7

As of **June 30, 2022**, Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale, break down by operating segment as follows:

(€ million)	France and Special Waste Europe	Europe excluding France	Rest of the world	Water technologies	Other	Total
Assets						
Non-current assets	548.1	-	141.7	21.2	186.6	897.6
Current assets	74.2	-	-	-	-	74.2
Cash and cash equivalents	12.3	-	-	-	-	12.3
ASSETS CLASSIFIED AS HELD FOR SALE	**634.6**	**-**	**141.7**	**21.2**	**186.6**	**984.1**
Liabilities						
Non-current liabilities	50.8	-	-	-	-	50.8
Current liabilities	78.7	-	-	1.9	(0.7)	79.9
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**129.5**	**-**	**-**	**1.9**	**(0.7)**	**130.7**

These assets and liabilities mainly comprise:

- in the France and Special Waste Europe segment, the IFRS 5 reclassification of part of Suez's hazardous waste landfill activities as well as a Veolia hazardous waste landfill site and all Suez incineration and physicochemical treatment activities in France, acquired by Veolia subject to divestment commitments in accordance with remedies authorized by the European Commission;
- in the Rest of the world segment, the Chinese water concessions in Lanzhou and Zerui;
- in the Water technologies segment, Suez Eau Industrielle's activities;
- in the Other segment, the Lydec non-consolidated securities (see Note 4.1).

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As of December 31, 2021*, Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale, break down by operating segment as follows:

(€ million)	France and Special Waste Europe	Europe excluding France	Rest of the world	Water technologies	Other	Total
Assets						
Non-current assets	43.9	-	54.8	-	-	98.7
Current assets	-	-	-	-	-	-
Cash and cash equivalents	-			-	-	-
ASSETS CLASSIFIED AS HELD FOR SALE	**43.9**	**-**	**54.8**	**-**	**-**	**98.7**
Liabilities						-
Non-current liabilities	12.0	-	4.3	-	-	16.3
Current liabilities	3.3	-	1.8	-	-	5.1
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**15.3**	**-**	**6.1**	**-**	**-**	**21.4**

As of December 31, 2021, assets and liabilities comprised:

- in the France and Special Waste Europe segment, the eight Ile de France branches that the SARP Group had committed to divest in the context of the acquisition of OSIS, the sales agreement for which was signed in January 2022;
- in the Rest of the world segment, Integrated Waste Services in Australia, the divestiture of which was completed in January 2022 and the PUXI concession in China, the sales agreement for which was signed on December 31, 2021.
- .

4.3 Off-balance sheet commitments relating to the consolidation scope

4.3.1 Commitments given

Off-balance sheet commitments given break down as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022	Maturing in: Less than 1 year	1 to 5 years	More than 5 years
Vendor warranties	228.0	238.1	14.9	147.5	75.7
Securities purchase commitments	8,983.6	13.8	0.8	10.2	2.8
Sale commitments	-	-	-	-	-
Other commitments relating to the consolidation scope	0.5	0.5	-	-	0.5
TOTAL COMMITMENTS GIVEN RELATING TO THE CONSOLIDATED SCOPE	**9,212.1**	**252.4**	**15.7**	**157.7**	**79.0**

The decrease in commitments given relating to the consolidation scope primarily concerns the decrease in purchase commitments, following the release of the purchase commitment after completion of the Public Tender Offer for the Suez group for €8.9 billion (see Note 3).

4.3.2 Commitments received

Commitments received relating to the consolidated scope total €506.4 million as of June 30, 2022, compared with €505.6 million as of December 31, 2021..

* *Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.*

NOTE 5 INFORMATIONS PAR SEGMENT OPERATIONNEL

The operating segments are components of the Group that engage in activities and whose operating results are reviewed by the Chief Executive Officer (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance. Information presented to the Chief Operating Decision Maker is taken from the Group internal reporting system.

Financial information by operating segment is prepared in accordance with the same rules used to prepare the Consolidated Financial Statements.

In the first quarter of 2022, the Group reviewed its governance and management structure due to the integration of the Suez scope and the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer. This led to a managerial system based on eight resized geographic zones that comply with regulatory authorizations obtained related to the Suez combination.

In accordance with the provisions of IFRS 8 on the identification of operating segments and after taking account of regrouping criteria, the operating segments presented are the following:

- **France and Special Waste Europe**, which groups together the France delegated water, Waste Solutions and Industry and Building Environmental Maintenance zones, as well as hazardous waste activities in Europe (SARPI and certain former Suez IWS activities), Sede Environnement, Veolia Nuclear Solutions and SADE;
- **Europe excluding France**, which includes, in addition to existing Veolia activities, activities acquired from Suez in Germany, Belgium, the United Kingdom, Czech Republic, Serbia, Portugal and the Netherlands, as well as municipal water activities in Spain (Agbar);
- **Rest of the world:** Asia/Pacific, North America, Latin America and Africa/Middle East
  - Asia-Pacific includes the Group's activities in Asia (China, Macao, Hong Kong, Taiwan, Japan, South Korea, South-East Asia and India), as well as activities in the Australia-New Zealand delegated zone. In Asia, Suez mainly contributes waste activities in China, Macao, Taiwan and Thailand, as well as waste processing and water treatment activities in Hong Kong. In Australia, the acquisition of Suez contributes additional waste collection, landfill and waste-to-energy activities, through the recycling and recovery of municipal and industrial waste,
  - In Latin America, Veolia activities are boosted by municipal water contracts and service activities for the mining and oil and gas industries and regulated water activities in Chile (Aguas Andinas), as well as in Colombia, Mexico and Peru,
  - In North America (United States, Canada) the Group's activity scope was extended mainly to include Suez's regulated and unregulated water activities, as well as Suez Advanced Solutions' activities in the United States and hazardous and non-hazardous waste activities in Canada (Alberta and Quebec),
  - Africa-Middle East encompasses Suez's waste activities in Saudi Arabia, the United Arab Emirates and Turkey, water activities in Jordan and Lebanon, as well as activities in Oman (construction/ operation of landfills, seawater desalination) and Qatar (water and waste management);
- **Water Technologies,** which groups together global water treatment activities: Veolia Water Technologies and Suez Water Solutions & Technologies;
- **Other,** comprising the holding companies.

Published financial information for the half year ended June 30, 2021 has been re-presented in line with the new operating segments.

The EBITDA indicator comprises the sum of all operating income and expenses received and paid (excluding restructuring costs, non-current impairment losses, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

The main financial indicators by operating segment are as follows:

Half year ended June 30, 2022 *(in € million)*	**France and Special Waste Europe**	**Europe excluding France**	**Rest of the world**	**Water technologies**	**Other**	**Total consolidated financial statements**
Revenue (*)	4 754,5	8 504,7	5 255,8	2 074,6	-394,0	**20 195,6**
EBITDA(*)	704,2	1 217,3	786,1	211,9	33,2	**2 952,7**
Operating income after share of net income (loss) of equity-accounted entities (*)	208,7	609,5	345,1	102,5	-81,6	**1 184,2**
Industrial investments net of subsidies	-180,4	-381,8	-571,5	-94,2	32,4	**-1 195,5**

(*) restatement of the first 17 days of the contribution of Suez activities (pre-acquisition) in the amount of -€400 million in revenue, -€49 million in EBITDA and -€11 million in operating income. This amount was allocated in full to the Other segment

Half year ended June 30, 2021 re-presented (*) *(in € million)*	**France and Special Waste Europe**	**Europe excluding France**	**Rest of the world**	**Water technologies**	**Other**	**Total consolidated financial statements**
Revenue (*)	4,316.1	5,278.3	3,310.0	738.7	2.0	**13,645.1**
EBITDA(*)	629.9	941.8	439.8	43.6	25.6	**2,080.7**
Operating income after share of net income (loss) of equity-accounted entities (*)	150.5	493.5	186.2	20.7	(111.1)	**739.8**
Industrial investments net of subsidies	(162.0)	(234.1)	(198.7)	(16.6)	(9.4)	**(620.8)**

(*) Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

The EBITDA indicator reconciles with operating cash flow before changes in working capital for the half years ended June 30, 2022 and 2021, as follows:

(in € millions)		**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Operating cash flow before changes in working capital	**(A)**	**1,646.7**	**2,201.7**
Of which operating cash flow from financing activities	**(B)**	(42.8)	(46.9)
Of which Adjusted operating cash flow	**(C)= (A)-(B)**	**1,689.5**	**2,248.6**
Less:	**(D)**	-	-
Renewal expenses		142.7	146.7
Restructuring costs		35.4	92.5
Share acquisition and disposal costs		70.1	69.6
Other items		59.6	289.9
Plus:	**(E)**		
Principal payments on operating financial assets		83.4	105.4
EBITDA	**(C)+(D)+(E)**	**2,080.7**	**2,952.7**

As the restructuring costs were largely provisioned, the net impact in the income statement is only -€32.2 million in H1 2022.

The other items include principally the integration costs, the other non-current charges of which a part is linked to the Suez combination as well as the costs incurred on the North American litigation. The non-current charges linked to the Suez combination were provisioned on December 31, 2021.

NOTE 6 OPERATING ACTIVITIES

6.1 Revenue

Revenue breaks down as follows:

	Half year ended	
(€ million)	**June 30, 2021**	**June 30, 2022**
Water	5,214.6	8,556.3
Waste	5,304.0	7,845.0
Energy	3,126.5	4,194.3
Other (*)	-	(400.0)
Group	**13,645.1**	**20,195.6**

(*) the Other line includes the restatement of the first 17 days in January of the contribution of Suez activities (pre-acquisition) in the amount of -€400 million

A breakdown of revenue by operating segment is presented in Note 5.

6.2 Operating income

Operating income breaks down as follows:

	Half year ended	
(€ million)	**June 30, 2021**	**June 30, 2022**
Revenue	**13,645.1**	**20,195.6**
Cost of sales	**(11,374.3)**	**(16,765.7)**
o/w:	-	-
• Renewal expenses	(142.7)	(146.7)
Selling costs	**(279.0)**	**(463.1)**
General and administrative expenses	**(1,136.4)**	**(1,511.7)**
Other operating revenue and expenses	**(164.0)**	**(330.2)**
o/w:	-	-
• Restructuring costs	(35.5)	(32.2)
• Impairment of goodwill	-	(69.0)
• Employee costs - share-based payments	-	*(3.7)*
• Other non-current charges, impairment losses and net provisions	(61.2)	(159.6)
• Share acquisition costs	(65.8)	(65.7)
Operating income before share of net income (loss) of equity-accounted entities	**691.4**	**1,124.9**
Share of net income (loss) of equity-accounted entities	**48.4**	**59.3**
Operating income after share of net income (loss) of equity-accounted entities	**739.8**	**1,184.2**

Impairment losses concern Russian goodwill which was impaired in full in the amount of -€69 million due to the Russian-Ukrainian conflict (see Note 7.1.2).

Restructuring costs total -€32 million in H1 2022, down slightly compared to 2021.

The other non-current charges, impairment losses and net provision amounted to -€159.6 million for the period ended June 30, 2022 and mainly comprise integration costs relating to the Suez combination, as well as costs incurred in respect of a dispute in North America and asset impairment in Russia and Ukraine (€11 million).

Share acquisition costs mainly comprise costs incurred in the context of the Suez combination of -€62 million for the first semester of 2022.

6.2.1 Joint-ventures and associatess

All equity-accounted companies, whether joint ventures or associates, represent an extension of the Group's businesses and are therefore allocated to one of the four operating segments.

(€ million)	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Share of net income (loss) of joint ventures	33.0	29.3
Share of net income (loss) of associates	15.4	30.0
Share of net income (loss) of equity-accounted entities	**48.4**	**59.3**

Joint-ventures

The joint ventures described below represent all joint ventures:

	Share of equity		**Share of net income(loss)**	
(€ million)	**As of December 31, 2021**	**As of June 30, 2022**	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Chinese concessions	1,090.8	996.2	21.5	18.9
Other joint ventures	147.7	245.7	11.5	10.4
TOTAL	**1,238.5**	**1,241.9**	**33.0**	**29.3**
Impact in the Consolidated Income Statement on Net income from continuing operations (a)+(b)				
Share of net income (loss) of joint ventures (a)			**33.0**	**29.3**
Reversals / (Impairment losses) recognized in other operating revenue and expenses (b)			-	-

The Chinese Water concessions, under joint control, contributed in group share:

- €175.8 million to Group revenue in the first half of 2022, compared with €176.7 million in the first half of 2021;
- €45.0 million to EBITDA in the first half of 2022, compared with €36.1 million in the first half of 2021;
- €23.4 million to Operating income after share of net income (loss) of equity-accounted entities in the first half of 2022 compared with €11.7 million in the first half of 2021;
- -€9.9 million to industrial investments net of subsidies in the first half of 2022, compared with -€16.3 million in the first half of 2021.

Movements in the Chinese concessions between December 31, 2021 and June 30, 2022 are mainly due to the transfer to assets held for sale of the Lanzhou concession in the amount of -€138.2 million.

6.3 Working capital

Net working capital includes "operating" working capital (inventories, trade receivables, trade payables and other operating receivables and payables, tax receivables and payables other than current tax), "tax" working capital (current tax receivables and payables) and "investment" working capital (receivables and payables related to industrial investments/disposals).

Movements in net working capital during the first half of 2022 are as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Inventories and work-in-progress, net	816.3	1,440.3
Operating receivables, net	10,015.3	13,825.8
Operating payables	(13,548.9)	(17,804.7)
Net working capital	**(2,717.3)**	**(2,538.6)**

The change in net working capital includes the impact of the seasonality of the Group's businesses (see note 1.3).

The +€178.7 million change in Net working capital presented above includes the change in "operating" working capital of +€60.8 million, the change in "tax" working capital included in Income taxes paid in the Consolidated Cash Flow Statement of -€154.8 million, and the change in "investment" working capital included under Industrial investments in the Consolidated Cash Flow Statement of +€272.7 million.

The change in operating working capital presented in the Consolidated Cash Flow Statement was -€821.0 million for the half year ended June 30, 2022, compared with -€380.9 million for the half year ended June 30, 2021. This change is mainly due to seasonality and the impact of higher energy prices on working capital, offset by the entry into the scope of consolidation of the activities acquired from Suez for +€788.7 million (including net inventory and work-in-progress of €320 million).

Factoring

Under these programs, certain subsidiaries have agreed to assign, on a renewable basis, trade receivables by contractual subrogation or assignment of receivables (such as "Dailly" programs in France) without recourse against the risk of default by the debtor. Application of IFRS 9 provisions led the Group to derecognize nearly all receivables assigned under these factoring programs. In addition, the transferor subsidiaries remain, in certain cases, responsible for invoicing and debt recovery, for which they receive remuneration but do not retain control.

Accordingly, receivables totaling €2,592.1 million were assigned under these programs in the first half of 2022, compared with €1,871.6 million in the first half of 2021. Receivables derecognized as of June 30, 2022 total €636.4 million, compared with €549.8 million as of June 30, 2021.

6.4 Non-current and current operating financial assets

Movements in the net carrying amount of non-current and current operating financial assets during the first half of 2022 are as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Gross	1,264.7	1,289.3
Impairment losses	(73.3)	(72.8)
Non-current operating financial assets	**1,191.4**	**1,216.5**
Gross	133.0	361.9
Impairment losses	(4.0)	(122.9)
Current operating financial assets	**129.0**	**239.0**
Non-current and current operating financial assets	**1,320.4**	**1,455.5**

The +€135.1 million increase in operating financial assets in the first half of 2022 is mainly attributable to new assets for +€67.9 million, changes in consolidation scope for +€173.6 million relating to the entry of the Suez group and repayments/disposals for -€105.4 million.

6.5 Non-current and current concession liabilities

Concession financial liabilities result from the application of IFRIC 12 on the accounting treatment of concessions and did not significantly change during the first half of 2022.

Movements in non-current and current concession liabilities in the first half of 2022 break down as follows:

	Non-current		Current		Total	
(€ million)	As of December 31, 2021 re-presented (*)	As of June 30, 2022	As of December 31, 2021 re-presented (*)	As of June 30, 2022	As of December 31, 2021 re-presented (*)	As of June 30, 2022
France and Special Waste Europe	192.5	**178.2**	29.6	**30.7**	222.1	**208.9**
Europe excluding France	1,309.7	**1,374.8**	132.8	**158.7**	1,442.5	**1,533.5**
Rest of the world	86.2	**29.0**	7.0	**4.2**	93.2	**33.2**
Water technologies	-	**-**	-	**-**	-	**-**
Other	-	**-**	-	**-**	-	**-**
Concession liabilities	**1,588.4**	**1,582.0**	**169.4**	**193.6**	**1,757.8**	**1,775.6**

(*) Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments

.6.6 Contracts assets and liabilities

Non-current and current contract assets represent services rendered by the Group but not yet billed, where the right to remuneration is conditional. These assets are mainly receivables recognized on a percentage completion basis in respect of construction activities, whether or not included in concession contracts, or public service contracts (concession or industrial BOT contract).

Non-current and current contract liabilities mainly reflect amounts already settled by customers for which the Group has not yet performed the service (deferred income, down payments received from customers). These liabilities are recognized in revenue when the Group performs the service.

Contract assets and liabilities break down as follows:

	Contract assets		Contract liabilities		Net	
(€ million)	As of December 31, 2021 re-presented (*)	As of June 30, 2022	As of December 31, 2021 re-presented (*)	As of June 30, 2022	As of December 31, 2021 re-presented (*)	As of June 30, 2022
France and Special Waste Europe	85.4	**93.5**	202.2	**148.2**	(116.8)	**(54.7)**
Europe excluding France	88.5	**127.4**	430.1	**497.6**	(341.6)	**(370.2)**
Rest of the world	134.2	**148.7**	294.3	**537.6**	(160.1)	**(388.9)**
Water technologies	265.8	**478.3**	274.9	**480.2**	(9.2)	**(1.9)**
Other	-	**1.1**	-	**33.0**	0.1	**(31.9)**
Total	**573.9**	**849.0**	**1,201.5**	**1,696.6**	**(627.6)**	**(847.6)**

(*) Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

Contract assets and liabilities are mainly included in Operating receivables, Non-current operating financial assets and Operating payables in the Consolidated Statement of Financial Position.

6.7 Commitments relating to operating activities

6.7.1 Commitments given relating to operating activities

Off-balance sheet commitments given relating to operating activities break down as follows:

			Maturing in		
(€ million)	As of December 31, 2021	As of June 30, 2022	Less than 1 year	1 to 5 years	More than 5 years
Operational guarantees including performance bonds	8,019.5	11,320.4	5,051.9	2,950.2	3,318.3
Purchase commitments	182.0	861.8	384.0	458.1	19.8
Total commitments relating to operating activities	**8,201.5**	**12,182.3**	**5,435.9**	**3,408.3**	**3,338.1**

L'acquisition de Suez contribue à la hausse des The acquisition of Suez contributed to the increase in operating commitments given for €3.9 billion.

In addition to the commitments given quantified above, Veolia has also granted commitments of an unlimited amount in respect of completion or performance bonds and a waste construction and processing contract in Hong Kong, in the Waste and Water businesses. This commitment, for an unlimited amount, for the duration of the contract (37 months of construction and 15 years of operations) with, on June 30, 2022, a residual duration of 6.5 years.

These commitments are limited to the duration of the related contracts and were approved in advance by the Board of Directors of Veolia Environnement.

Total commitments given in respect of Veolia Water Technologies' activities amount to €1,468.2 million as of June 30, 2022, compared with €1,953.3 million as of December 31, 2021.

Operating commitments given in respect of joint ventures (at 100%) total €276.9 million as of June 30, 2022 compared with €270.1 million as of December 31, 2021 and mainly consist of performance bonds given to Al Wathba VB in the amount of €77.9 million and Glen Water Holding in the amount of €76.9 million and a completion bond given to Kilpilahti Power Plant in the amount of €100 million.

6.7.2 Commitments received relating to operating activities

These commitments mainly consist of commitments received from our partners in respect of construction contracts.

They total €943.6 million as of June 30, 2022, compared with €554.7 million as of December 31, 2021.

The acquisition of Suez contributed to the increase in operating commitments received for €0.5 billion.

Total commitments received in respect of Veolia Water Technologies activities amount to €77.9 million as of June 30, 2022, compared with €161.2 million as of December 31, 2021..

NOTE 7 GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

7.1 Goodwill

7.1.1 Movements in goodwill

Goodwill breaks down as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Gross	7,151.1	14,769.2
Accumulated impairment losses	(949.9)	(1,067.9)
Net	**6,201.2**	**13,701.3**

The main movements in Group goodwill during the first half of 2022 primarily concern the provisional goodwill of €7,493.0 million in respect of the Suez acquisition (see Note 3), the impairment of Russian goodwill for a total of -€69 million as a result of the Russian-Ukrainian conflict (see note 7.1.2) and the foreign exchange impacts of €57.2 million.

Provisional goodwill for activities acquired from Suez

As indicated in Note 3, goodwill was calculated using the partial goodwill method based on a rate of 86.22%, the shareholding rate at the date of acquisition of control. Subsequent acquisitions of the residual 13.78% of share capital are therefore treated as transactions with non-controlling interests.

Values attributed to identifiable assets and liabilities at the Suez acquisition date are as follows:

(€ million)		
Non-current assets		11,469.0
Current assets		8,936.0
Assets classified as held for sale		17,424.0
Non-current liabilities		14,598.0
Current liabilities		5,302.0
Valuation of deeply subordinated securities		1,626.0
Liabilities directly associated with assets classified as held for sale		9,409.0
Net assets acquired	**(A)**	**6,894.0**
Valuation of non-controlling interests	(B)	3,094.0
Sharfe of net assets acquired at 86.22%	**(C) = (A)-(B)**	**3,800.0**
Consideration transferred	(D)	11,293.0
Provisional goodwill as of June 30, 2022	**(E) = (D) – (C)**	**7,493.0**

Net assets classified as held for sale as of January 18, 2022 mainly comprise:

- New Suez entities acquired for resale on January 31, 2022 to the new Consortium of investors comprising Meridiam, GIP, CDC and CNP Assurances, for a consideration of €7,314 million (excluding the repayment of inter-company debt)
- a portion of Suez hazardous waste activities in France valued at €524 million (see Note 3 Anti-trust Process);
- Lydec non-consolidated securities (51% stake acquired at the time of the Suez Pubic Tender Offer on January 18, 2022) for €101 million.

The consideration transferred comprises the purchase price for the 29.9% Suez share block acquired in October 2020 for €3,728 million, the price supplement paid to Engie on the acquisition of control of €347 million, the purchase price for the 56.32% of share capital acquired under the Public Tender offer on January 18, 2022 of €7,218.

OSIS definitive goodwill

Goodwill recognized on the acquisition of OSIS is definitive without any material adjustment to provisional goodwill recognized as of December 31, 2021.

Main goodwill balances by cash-generating unit as of June 30, 2022

With the exception of Suez provisional goodwill, there have been no material changes since December 31, 2021 in the net carrying amount of the main goodwill balances by cash-generating unit or group of cash-generating units within a country (amount in excess of €200 million).

7.1.2 Impairment tests

Veolia performs annual impairment tests on goodwill and other intangible assets with an indefinite useful life in accordance with the Group timetable.

From June 30, 2022, the Group considered it was more appropriate to test the goodwill of the Russia BU at the level of this BU and no longer within the "Other Eastern Europe" CGU.

This impairment test led to the impairment in full as of June 30, 2022 of Russia goodwill in the amount of -€69.0 million.

No other indications of loss in value were identified as of June 30, 2022, including for the cash-generating units considered sensitive as of December 31, 2021 (see also Note 9.1.2.2. to the financial statements for the year ended December 31, 2021). Accordingly, no additional impairment other than that referred to above was recognized as of June 30, 2022.

7.2 Intangible assets

7.2.1 Concession intangible assets

Concession intangible assets break down by operating segment as follows:

(€ million)	Net carrying amount as of December 31, 2021 re-presented(*)	As of June 30, 2022 Gross carrying amount	Amortization and impairment losses	Net carrying amount
France and Special Waste Europe	710.4	1,746.2	(1,047.5)	698.7
Europe excluding France	2,196.4	8,339.2	(4,479.4)	3,859.8
Rest of the world	798.3	1,860.2	(997.4)	862.8
Water technologies	0.9	19.4	(13.7)	5.7
Other	-	-	-	-
Concession intangible assets	**3,706.0**	**11,965.0**	**(6,538.0)**	**5,427.0**

(*) Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

The +€1,721.0 million increase in the net carrying amount of concession intangible assets is mainly attributable to:

- changes in consolidation scope for +€1 799.7 million tied to the acquisition of the Suez group (including €1,658.0 million in respect of the Spanish company, Agbar, in the Europe excluding France segment);
- additions of +€145.1 million (including €50.8 million in the France and Special Waste Europe segment, €61.6 million in the Europe excluding France segment and €31.1 million in the Rest of the world segment);
- amortization and impairment losses of -€300.1 million, including -€185.4 million in the Europe excluding France segment, -€67.0 million in the France and Special Waste Europe segment and €47.1 million in the Rest of the world segment.

7.2.2 Other intangible assets

Other intangible assets break down as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Intangible assets with an indefinite useful life, net	**49.8**	**107.1**
Intangible assets with a definite useful life, gross	3,887.2	5,463.1
Amortization and impairment losses	(2,608.4)	(3,246.5)
Intangible assets with a definite useful life, net	**1,278.8**	**2,216.6**
Other intangible assets, net	**1,328.6**	**2,323.7**

The increase in other intangible assets is mainly attributable to:

- changes in consolidation scope for +€1,085.2 million mainly tied to the acquisition of the Suez group for €1,050.8 million;
- foreign exchange impacts of +€126.4 million;
- depreciation and impairment losses of -€161.0 million.

7.3 Property, plant and equipment

Movements in the net carrying amount of property, plant and equipment during the first six months of **2022** are as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Property, plant and equipment, gross	21,402.5	**33,483.7**
Depreciation and impairment losses	(12,700.6)	**(17,585.4)**
Property, plant and equipment, net	**8,701.9**	**15,898.3**

The +€7,196.4 million increase in property, plant and equipment mainly comprises:

- additions of €843.8 million (including €247.6 million in Europe excluding France and €464.2 million in the Rest of the world). Additions in Europe mainly concern the United Kingdom. In the Rest of the world, additions mainly concern Asia and primarily investment in the construction of a recycling plant and an incineration and landfill project;
- depreciation and impairment losses of -€740.7 million;
- changes in consolidation scope for €6,632.3 million mainly tied to the acquisition of the Suez group for €6,616.6 million (including €3,141.3 million in the United States and €1,787.7 million in Chile);
- foreign exchange impacts of +€433.0 million (including +€429.4 million in the Rest of the world).

Property, plant and equipment break down by asset class as follows:

		As of June 30, 2022		
(€ million)	Net carrying amount as of December 31, 2021 re-presented (*)	Gross carrying amount	Depreciation and impairment losses	Net carrying amount
Land	681.3	2,792.6	(1,630.2)	1,162.4
Buildings	1,939.3	5,749.2	(2,831.6)	2,917.6
Technical installations, plant and equipment	4,016.9	18,152.5	(9,361.7)	8,790.8
Rolling stock and other vehicles	684.7	2,714.4	(1,986.0)	728.4
Other property, plant and equipment	312.8	2,081.1	(1,696.5)	384.6
Property, plant and equipment in progress	1,066.9	1,993.9	(79.4)	1,914.5
Property, plant and equipment	**8,701.9**	**33,483.7**	**(17,585.4)**	**15,898.3**

7.4 Right of use

In accordance with the Lease standard (IFRS 16), the Group applies a single recognition method, except for short-term leases (duration of 12 months or less) and leases of assets with a low value (less than US$5,000). .

Right of use breaks down by operating segment as follows:

(€ million)	Net carrying amount as of December 31, 2021 re-presented (*)	As of June 30, 2022 Gross carrying amount	Depreciation and impairment losses	Net carrying amount
France and Special Waste Europe	562.6	1,243.5	(612.9)	630.6
Europe excluding France	449.8	1,115.3	(527.6)	587.7
Rest of the world	361.5	1,158.2	(538.5)	619.6
Water technologies	94.6	426.8	(244.9)	181.9
Other	93.9	279.9	(201.0)	78.9
Right of use	**1,562.4**	**4,223.7**	**(2,124.9)**	**2,098.8**

(*) Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

Movements in the net carrying amount of the right of use during the first half of **2022** are as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Right of use	3,261.4	**4,223.7**
Depreciation and impairment losses	(1,699.0)	**(2,124.9)**
Right of use, net	**1,562.4**	**2,098.8**

New contracts total €269.9 million and mainly concern the France and Special Waste Europe segment (€132.6 million), the Europe excluding France segment (€57.0 million) and the Rest of the world segment (€59.1 million).

Depreciation of -€284.1 million mainly concerns the France and Special Waste Europe segment (-€86.6 million), the Europe excluding France segment (-€73.0 million) and the Rest of the world segment (-€78.3 million).

Changes in consolidation scope total €587.3 million and mainly concern the acquisition of the Suez group.

NOTE 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Financial assets and liabilities

Financial assets and liabilities mainly consist of:

- Financial liabilities, presented in Note 8.1.1;
- IFRS 16 lease debt, presented in Note 8.1.2;
- Non-current and current financial assets, presented in Note 8.1.3;
- Cash and cash equivalents and bank overdrafts and other cash position items, presented in Note 8.1.4;
- Derivative instruments, presented in Note 8.2.2.

8.1.1 Financial liabilities

Movements in non-current and current financial liabilities are as follows:

		Non-current		Current		Total	
(€ million)	Notes	As of December 31, 2021	As of June 30, 2022	As of December 31, 2021	As of June 30, 2022	As of December 31, 2021	As of June 30, 2022
Bond issues	8.1.1.1	9,705.3	19,247.2	1,309.5	302.6	**11,014.8**	**19,549.8**
• maturing in < 1 year		-	-	1,309.5	302.6	1,309.5	302.6
• maturing in 2-3 years		1,786.3	3,769.8	-	-	1,786.3	3,769.8
• maturing in 4-5 years		1,401.1	4,395.2	-	-	1,401.1	4,395.2
• maturing in > 5 years		6,517.9	11,082.2	-	-	6,517.9	11,082.2
Other financial liabilities		757.2	1,972.6	7,314.8	6,409.2	**8,072.0**	**8,381.8**
• maturing in < 1 year				7,314.8	6,409.2	7,314.8	6,409.2
• maturing in 2-3 years		257.1	1,217.8	-	-	257.1	1,217.8
• maturing in 4-5 years		157.9	335.4	-	-	157.9	335.4
• maturing in > 5 years		342.2	419.4	-	-	342.2	419.4
IFRS 16 lease debt	8.1.2	1,298.1	1,760.7	410.6	528.4	**1,708.7**	**2,289.1**
• maturing in < 1 year		362.4		410.6	528.4	773.0	528.4
• maturing in 2-3 years		221.8	761.8	-	-	221.8	761.8
• maturing in 4-5 years		265.5	338.5	-	-	265.5	338.5
• maturing in > 5 years		448.4	660.4	-	-	448.4	660.4
Total non-current and current financial liabilities		**11,760.6**	**22,980.5**	**9,034.9**	**7,240.2**	**20,795.5**	**30,220.7**

8.1.1.1 Non-current and current bond issues

Breakdown of bonds

Non-current bond issues mainly comprise publicly offered or traded issuances for €18,269.1 million as of June 30, 2022, including €1,464.4 million (euro-equivalent) on the US market and €927.8 million on the South-American market, and bonds convertible into and/or exchangeable for new and/or existing shares ("OCEANE") for €708.4 million.

(€ million)	As of December 31, 2021	As of June 30, 2022	Maturing in: 2 to 3 years	4 to 5 years	More than 5 years
Publicly offered or traded issuances [(a)]	8,521.8	18,269.1	2,824.6	4,382.0	11,062.5
European market [(i)]	*8,235.2*	*15,876.9*	*2,678.6*	*4,279.9*	*8,918.4*
American market [(ii)]	*286.6*	*1,464.4*	*64.5*	*67.4*	*1,332.5*
South-American market	*-*	*927.8*	*81.5*	*34.7*	*811.6*
Bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)	710.0	708.4	708.4	-	-
Panda	416.2	215.0	215.0	-	-
Other amounts < €50 million	57.3	54.7	21.8	13.2	19.7
Non-current and current bond issues	**9,705.3**	**19,247.2**	**3,769.8**	**4,395.2**	**11,082.2**

(a) Publicly offered or traded issuances

i. European market: as of June 30, 2022, an amount of €15,876.9 million is recorded in the Consolidated Statement of Financial Position in respect of bonds issued under the European Medium Term Notes (EMTN) Program, maturing entirely in more than one year. The impact of the fair value remeasurement of hedged interest rate risk is -€447.5 million at the period-end (non-current portion);

ii. As of June 30, 2022, remaining nominal outstandings on bonds issued in the United States total USD 1,522.0 million.

Change in bonds

Veolia did not perform any new bond issues in the first half of 2022, as its liquidity position was sufficient to cover its maturities.

The integration of the debt following the acquisition of control of Suez by Veolia on January 18, 2022 increased Group public issues by €9,879.8 million, including €1,152.4 million (euro-equivalent) on the US market and €927.8 million (euro-equivalent) on the South-American market relative to the debt of the Aguas Andinas subsidiary (indexed to inflation).

In the first half of 2022, Veolia also repaid two bond issues maturing on March 30 for €650 million and on May 24 for €644.6 million, respectively, as well as a bond issue carried by Suez SA maturing on June 24 for €612.9 million.

8.1.1.2 Information on early debt repayement clauses

Veolia Environnement debt

The legal documentation for bank financing and bond issues contracted by the Company does not contain any financial covenants, i.e. obligations to comply with a debt coverage ratio or a minimum credit rating which, in the event of non-compliance, could lead to the early repayment of the relevant financing.

Subsidiary debt

Certain project financing or financing granted by multilateral development banks to the Group's subsidiaries contain financial covenants (as defined above).

Based on due diligence performed within the subsidiaries, the Group considers that the covenants included in the Group's material financing agreements were satisfied (or had been waived by lenders) as of June 30, 2022.

8.1.2 IFRS 16 lease debt

Lease debt recognition and measurement principles are disclosed in Note 7.4.

(€ million)	**As of December 31, 2021**	**As of June 30, 2022**
Non-current IFRS 16 lease debt	1,298.1	1,760.7
Current IFRS 16 lease debt	410.6	528.4
IFRS 16 lease debt	**1,708.7**	**2,289.1**

The increase in IFRS 16 lease debt is mainly due to the acquisition of Suez (€602 million).

Lease debt (IFRS 16) breaks down by operating segment as follows:

		As of June 30, 2022		
(€ million)	**IFRS 16 lease debt as of December 31, 2021 re-presented (*)**	**Non-current IFRS 16 lease debt**	**Current IFRS 16 lease debt**	**IFRS 16 lease debt**
France and Special Waste Europe	612.2	513.0	166.5	679.5
Europe excluding France	501.8	506.0	140.8	646.8
Rest of the world	390.7	555.6	126.4	682.0
Water technologies	103.2	132.5	62.1	194.7
Other	100.8	53.7	32.6	86.2
IFRS 16 lease debt	**1,708.7**	**1,760.7**	**528.4**	**2,289.1**

(*) Pursuant to IFRS 8, segment financial reporting published in 2021 was re-presented in accordance with the new segments.

IFRS 16 lease debt breaks down by asset class as follows:

(€ million)	**As of December 31, 2021**	**As of June 30, 2022**
Real estate	66.2%	64.6%
Rolling stock and other vehicles	21.3%	16.8%
Technical installations, plant and equipment	12.5%	18.6%

The breakdown of IFRS 16 lease debt is presented in Note 8.1.1.

8.1.3 Non-current and current financial assets

Other non-current and current financial assets break down as follows:

	Non-current		Current		Total	
(€ million)	**As of December 31, 2021**	**As of June 30, 2022**	**As of December 31, 2021**	**As of June 30, 2022**	**As of December 31, 2021**	**As of June 30, 2022**
Gross	476.9	692.9	240.7	1,044.1	717.6	1,737.0
Impairment losses	(70.4)	(103.2)	(30.2)	(65.5)	(100.6)	(168.7)
Financial assets relating to loans and receivables, net	**406.5**	**589.7**	**210.5**	**978.6**	**617.0**	**1,568.3**
Other financial assets	**13.5**	**12.5**	**349.8**	**4.2**	**363.3**	**16.7**
Liquid assets and financing financial assets	**11.2**	**14.3**	**960.7**	**1,529.0**	**971.9**	**1,543.3**
Total other financial assets, net	**431.2**	**616.5**	**1,521.0**	**2,511.8**	**1,952.2**	**3,128.3**

As of June 30, 2022, the main non-current and current financial assets in loans and receivables primarily comprise loans granted to equity-accounted joint ventures totaling €211.8 million, compared with €53.5 million as of December 31, 2021.

The increase in loans granted to joint ventures during the half year is due to the entry into the consolidation scope of Suez.

As of June 30, 2022, liquid assets and financing financial assets primarily comprise investments 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 increase during the half year is mainly due to the integration of contracts following the acquisition of Suez.

8.1.4 Cash and cash equivalents, bank overdrafts and other cash position items

Movements in cash and cash equivalents, bank overdrafts and other cash position items during the first half of 2022 are as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Cash	1,475.8	3,289.0
Cash equivalents	9,042.9	3,885.9
Cash and cash equivalents	**10,518.7**	**7,174.9**
Bank overdrafts and other cash position items	**241.9**	**439.6**
Net cash	**10,276.8**	**6,735.3**

Cash and cash equivalents total €7,174.9 million, including €333.0 million "subject to restrictions" as of June 30, 2022.

The decrease in cash and cash equivalents during the half year mainly reflects the financing of the Suez takeover on January 18, 2022 for €1.3 billion, the repayment of three bond lines maturing on March 30 for €650 million, May 24 for a nominal amount of €644.6 million and June 24, 2022 for a nominal amount of €627 million; as well as the redemption of deeply subordinated perpetual securities (hybrid) for €500 million.

As of June 30, 2022, the France and Special Waste Europe segment held cash of €102.5 million, the Europe excluding France segment held cash of €656.5 million, the Rest of the world segment held cash of €645.9 million, the Global businesses segment held cash of €622.0 million and the Other segment held cash of €1,262.1 million (including €378.0 million held by Veolia Environnement and €808.0 million held by Suez Holdings).

Surplus cash balances of other Group subsidiaries, not pooled at Veolia Environnement level, are invested in accordance with procedures defined by the Group.

As of June 30, 2022, cash equivalents were primarily held by Veolia Environnement in the amount of €2,130.7 million and Suez Holdings in the amount of €1,225.7 million, including monetary UCITS of €793.4 million, term deposit accounts of €2,513.1 million and commercial paper of €49.9 million.

Bank overdrafts and other cash position items consist of credit balances on bank accounts and related accrued interest payable, corresponding to brief overdrafts.

8.2 Fair value of financial assets and liabilities

8.2.1 Fair value of financial assets and liabilities

Differences between the fair value and net carrying amount of these main financial asset and liability categories have not materially changed since December 31, 2021.

8.2.2 Offsetting of financial assets and financial liabilities

As of June 30, 2022, derivatives managed under ISDA or EFET agreements are the only financial assets and/or liabilities covered by a legally enforceable master netting agreement. These instruments may only be offset in the event of default by one of the parties to the agreement. They are not therefore offset in the accounts.

Such derivatives are recognized in assets in the amount of €855.9 million and in liabilities in the amount of €1,090.4 million in the Consolidated Statement of Financial Position as of June 30, 2022.

The significant movement in the value of derivatives during the half year is mainly attributable to:

- interest rate derivatives in the amount of -€443.0 million due to the fall in the value of the VE.SA portfolio (from +€22 million to -€128 million) and the entry into the portfolio of Suez SA for -€293 million;
- other derivatives and commodities due to general trends in commodity prices.

8.3 Financial income and expenses

8.3.1 Cost of net financial debt

Finance costs consist of interest payable on borrowings calculated using the amortized cost method and losses on interest rate derivatives, both qualifying and not qualifying as hedges.

Interest costs included in payments under lease finance contracts are recorded using the effective interest rate method.

Finance income consists of gains on interest rate derivatives, both qualifying and not qualifying as hedges and income from cash investments and equivalents.

Interest income is recognized in profit or loss when earned, using the effective interest method.

Finance costs and finance income represent the cost of financial liabilities net of income from cash and cash equivalents. In addition, the cost of net financial debt includes net gains and losses on derivatives allocated to debt, irrespective of whether they qualify for hedge accounting.

The cost of net financial debt is -€319.6 million for the half year ended June 30, 2022, compared with -€152.4 million for the half year ended June 30, 2021, up -€167.2 million mainly due to the scope effect of the integration of Suez debt of -€104.5 million, higher interest rates on foreign currency-denominated debt (euro/currency rate spreads) and exceptional income recognized in the first half of 2021 of €20 million on the cancellation of an interest rate hedging portfolio (pre-hedge swaps).

The heading "Interest paid" in the Consolidated Cash Flow Statement reflects the cost of net financial debt of continuing and discontinued operations in the first half of 2022, adjusted for accrued interest and fair value adjustments to hedging derivatives.

(€ million)	Half year ended June 30, 2021	Half year ended June 30, 2022
Expenses on gross debt	(141.1)	(266.3)
Assets at fair value through profit or loss (fair value option)*	(1.4)	14.2
Net gains and losses on derivative instruments, hedging relationships and other	(9.9)	(67.5)
Cost of net financial debt	(152.4)	(319.6)

(*) Cash equivalents are valued at fair value through profit or loss.

Net gains and losses on derivative instruments, hedging relationships and other mainly include the following amounts for the first half of 2022:

- net interest income on hedging relationships (fair value hedges and cash flow hedges) of €15.3 million ;
- net losses on derivatives not qualifying for hedge accounting of -€82.8 million, mainly on foreign currency derivatives.

8.3.2 Other financial income and expenses

Other financial income and expenses primarily include capital gains and losses on disposals of financial assets, net of disposal costs, the unwinding of discounts on provisions, interest on concession liabilities and interest on IFRS 16 lease debt.

(€ million)	Half year ended June 30, 2021	Half year ended June 30, 2022
Net gains/losses on loans and receivables	15.1	17.2
Capital gains and losses on disposals of financial assets, net of disposal costs	(4.6)	(7.6)
Dividends received	123.0	2.0
Assets and liabilities at fair value through profit or loss	0.4	0.3
Unwinding of the discount on provisions	(5.8)	(16.2)
Foreign exchange gains and losses	(0.1)	(58.2)
Interest on concession liabilities	(37.8)	(38.8)
Interest on IFRS 16 lease debt	(14.0)	(20.7)
Other	(45.0)	(109.6)
Other financial income and expenses	31.2	(231.6)

Dividends received in the first half of 2021 mainly comprised Suez dividends of €122.0 million.

In the half year ended June 30, 2022, other items include financial expenses on the debt of the subsidiary Aguas Andinas in Chile (indexed to inflation) of €66.3 million.

8.4 Financing commitments

8.4.1 Financing commitments given

Off-balance sheet financing commitments given break down as follows:

			Maturing in		
(€ million)	As of December 31, 2021	As of June 30, 2022	Less than 1 year	1 to 5 years	More than 5 years
Letters of credit	63.1	155.3	93.3	12.9	49.1
Debt guarantees	18.4	35.1	10.3	12.5	12.3
Other financing commitments given	32.7	47.7	20.0	0.4	27.3
Total financing commitments given	**114.2**	**238.1**	**123.6**	**25.8**	**88.7**

8.4.2 Financing commitments received

Financing commitments received total €308.7 million as of June 30, 2022, compared with €9,171.6 million as of December 31, 2021.

It is recalled that, as of December 31, 2021, these commitments included commitments received from banks on the launch of the Public Tender Offer for Suez in the amount of €9 billion. These commitments were lifted on completion of the transaction.

8.4.3 Collateral guaranteeing financial liabilities

As of June 30, 2022, the Group has given €88.9 million of collateral guarantees in support of financial liabilities, compared with €21.2 million as of December 31, 2021. This increase is mainly due to the entry into the consolidation scope of collateral guarantees granted by Suez entities for €42.5 million.

NOTE 9 EQUITY AND EARNINGS PER SHARE

9.1 Equity attributable to owners of the Company

9.1.1 Share capital

The share capital is fully paid-up.

9.1.1.1 Share capital increase reserved for Group employees

In the first half of 2022, Veolia Environment performed a share capital increase of €4.3 million by deduction from premiums, following the vesting of rights to performance shares granted to approximately 450 beneficiaries decided by the Board of Directors on April 30, 2019.

9.1.1.2 Number of shares outstanding and par value

The number of shares outstanding was 700,571,716 as of June 30, 2022 and 699,725,266 as of December 31, 2021. The par value of each share is €5.

9.1.2 Offset of treasury shares against equity

Treasury shares are deducted from equity.

Gains or losses arising from the sale of treasury shares and related dividends are recognized directly in equity and do not impact the Consolidated Income Statement.

Veolia Environnement held 12,785,615 of its own shares, representing 1.83% of the Company's share capital, as of June 30, 2022. It held 12,396,872 shares, representing 1.77% of the Company's share capital, as of December 31, 2021.

9.1.3 Appropriation of net income and dividend distribution

The General Shareholders' Meeting of June 15, 2022 set the cash dividend for 2021 at €1.00 per share. The shares went ex-dividend on July 5, 2022 and the dividend was paid from July 7, 2022 for a total amount of €688.0 million.

A dividend of €397.0 million was distributed by Veolia Environnement in 2021 and deducted from 2020 net income.

9.1.4 Foreign exchange gains and losses

Accumulated foreign exchange translation reserves total -€260.7 million as of December 31, 2021 (attributable to owners of the Company).

In 2021, the change in foreign exchange translation reserves primarily reflected fluctuations in the Chinese renminbi (+€92.0 million), the US dollar (+€94.5 million), the pound sterling (+€54.6 million) and the Hong Kong dollar (-€79.1 million).

Accumulated foreign exchange translation reserves total +€11.2 million as of June 30, 2022 (attributable to owners of the Company).

The change in foreign exchange translation reserves primarily reflects fluctuations in the Chinese renminbi (+€55.6 million), the US dollar (+€215.9 million), the Canadian dollar (-€136 million) and the rouble (+€81.9 million).

9.1.5 Fair value reserves

Fair value reserves attributable to owners of the Company total +€365.0 million as of June 30, 2022 and +€353.6 million as of December 31, 2021, without any significant change during the half-year.

The change in financial instruments at fair value through equity is €11.4 million.

9.2 Non-controlling interests

A breakdown of the movement in non-controlling interests is presented in the Statement of Changes in Equity.

The fluctuation in non-controlling interests in the first six months of 2022 is mainly due to the entry of Suez group minority interests for €1,675.0 million and net income for the period, offset by changes in consolidation scope, dividend distributions by subsidiaries and foreign exchange impacts.

The overall impact of the Suez acquisition is broken down: €3,112.0 million on the taking of control on January 18, 2022, less -€1,080.0 million following the purchase of the non-controlling interests of Suez SA following the squeeze-out procedure on February 18, 2022 and -€357.0 million following the disposal of New Suez to the consortium. These different amounts are presented in the line transactions with non-controlling interests of the statement of changes In equity.

The share of net income attributable to non-controlling interests totaled €161.2 million for the half year ended

June 30, 2022, compared with €95.5 million for the half year ended June 30, 2021.

In the first six months of 2022, this item primarily concerns minority interests in subsidiaries of the Europe excluding France (€59.8 million) and Rest of the world (€86.2 million) segments.

9.3 OCEANE convertible bonds

On September 12, 2019, Veolia Environnement completed an offering of bonds convertible and/or exchangeable for new and/or existing shares maturing January 1, 2025 by way of a private placement without shareholders' preferential subscription rights, of a nominal amount of €700 million (see also Note 10.1.1.1 to the financial statements for the year ended December 31, 2020).

9.4 Deeply subordinated securities

On October 14, 2020, Veolia Environnement performed a €2 billion debt issue to refinance the acquisition of the 29.9% Suez share block from Engie.

This issue comprised two tranches of deeply subordinated perpetual hybrid notes in euros:

- €850 million bearing a coupon of 2.25% until the first reset date in April 2026;
- €1,150 million bearing a coupon of 2.50% until the first reset date in April 2029.

In 2022, deeply subordinated securities increased by €1,626 million with the acquisition of Suez SA and comprise three tranches:

- - a €500 million tranche issued on March 30, 2015 bearing fixed-rate interest of 2.5 %, revised for the first time seven years after issue based on the five-year swap rate.

  This tranche was repaid on March 30, 2022.
- - a €600 million tranche issued on April 19, 2017 with an initial fixed coupon of 2.875%, revised for the first time seven years after issue based on the five-year swap rate, then every five years.
- - a €500 million tranche issued on September 2, 2019 with an initial fixed coupon of 1.625 %, revised for the first time seven years after issue, then every five years.

Pursuant to IAS 32.11 and given its intrinsic characteristics (no mandatory repayment, no obligation to pay a coupon except in the event of a dividend distribution to shareholders or the buyback of its own instruments), this instrument is recognized in equity.

9.5 Earnings per share

Basic earnings per share is calculated by dividing adjusted net income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the fiscal year.

Pursuant to IAS 33.9 and IAS 12, net income attributable to owners of the Company has been adjusted to take into account the cost of the coupon payable to holders of deeply subordinated securities issued by Veolia Environnement.

Diluted earnings per share is calculated by dividing adjusted net income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the fiscal year plus the weighted average number of ordinary shares that would be issued following the conversion into ordinary shares of all potentially dilutive ordinary shares.

The weighted average number of outstanding shares in the half year ended June 30, 2022 was 711,530,144 (diluted) and 687,074,155 (basic). The main dilutive instruments taken into account in the calculation of earnings per share for the first half of 2022 are the OCEANE convertible bonds issued on September 12, 2019.

9.6 Liquidity contract

Veolia Environnement manages its share capital within the framework of a prudent and rigorous financial policy that seeks to ensure easy access to French and international capital markets, to enable investments in projects that create value and provide shareholders with a satisfactory remuneration, while maintaining an “Investment Grade” credit rating.

On May 28, 2019, Veolia Environnement entered into a liquidity contract with Kepler Chevreux, effective June 1, 2019, for an initial period expiring on December 31, 2019, tacitly renewable thereafter for periods of one year.

NOTE 10 PROVISIONS

Movements in non-current and current provisions in the first six months of **2022** are as follows:

(€ million)	As of December 31, 2021	As of June 30, 2022
Provisions excluding pensions and other employee benefits	**1,682.0**	**2,342.7**
Provisions for pensions and other employee benefits	**733.1**	**833.4**
TOTAL PROVISIONS	**2,415.1**	**3,176.1**
NON-CURRENT PROVISIONS	**1,876.6**	**2,361.6**
CURRENT PROVISIONS	**538.5**	**814.5**

As of June 30, 2022, the increase in provisions is mainly tied to the acquisition of the Suez group for €823.0 million.

Provisions excluding pensions and other employee benefits primarily comprise, as of June 30, 2022, provisions for closure costs and post-closure costs (site rehabilitation, dismantling) of €1,014.2 million, principally accounted for in France in Special Waste Europe for €411.3 million, in Europe excluding France for €355.9 million and in the Rest of the world for €220.3 million.

NOTE 11 INCOME TAX EXPENSE

11.1 Income taxes

The income tax expense (income) includes the current tax expense (income) and the deferred tax expense (income).

The income tax expense breaks down as follows:

(€ million)	**Half year ended June 30, 2021**	**Half year ended June 30, 2022**
Current income tax (expense) income	**(168.2)**	**(360.2)**
France	(21.4)	(84.5)
Other countries	(146.8)	(275.7)
Deferred tax (expense) income	**(49.8)**	**126.4**
France	(9.4)	61.4
Other countries	(40.4)	65.0
Total income tax expense	**(218.0)**	**(233.8)**

The income tax expense presented in the Consolidated Cash Flow Statement reflects the income tax expense of continuing operations presented above and the income tax expense of discontinued operations.

A number of French subsidiaries elected to form a consolidated tax group with Veolia Environnement as the head company (five-year agreement, renewed in 2021). Veolia Environnement is liable to the French Treasury Department for the full income tax charge, calculated based on the group tax return. Any tax savings are recognized at Veolia Environnement level.

The Group income tax expense breaks down as follows:

	Half year ended June 30, 2021	**Half year ended June 30, 2022**
Net income (loss) from continuing operations (a)	400.6	399.2
Share of net income (loss) of associates (b)	15.4	30.0
Share of net income (loss) of joint ventures (c)	33.0	29.3
Share of net income (loss) of other equity-accounted entities (d)	-	-
Impairment losses on goodwill of joint ventures and other equity-accounted entities	-	
Income tax expense (e)	(218.0)	(233.8)
Net income from continuing operations before tax (f) = (a)-(b)-(c)-(d)-(e)	570.2	573.7
Effective tax rate (e)/(f)	**38.23%**	**40.75%**

11.2 Tax audits

In the normal course of their business, the Group entities in France and abroad are subject to regular tax audits.

The Group assesses income tax risks in accordance with IFRIC 23, notably by considering that the tax authorities will conduct an audit and will have full knowledge of all relevant information.

The tax authorities have carried out various tax audits in respect of both consolidated tax groups and individual entities. To date, none of these reviews have led to liabilities to the tax authorities materially in excess of amounts estimated during the review of tax risks.

In estimating the risk as of June 30, 2022, the Group took account of the expenses that could arise as a consequence of these audits, based on a technical analysis of the positions defended by the Group before the tax authorities. The Group periodically reviews the risk estimate in view of developments in the audits and legal proceedings.

NOTE 12 CONTINGENT ASSETS AND LIABILITIES

In accordance with IAS 37 criteria, management does not consider it appropriate to record a provision or, as the case may be, an additional provision, or to recognize deferred income with respect to the following legal, administrative or arbitration proceedings as of June 30, 2022, due to the uncertain nature of their outcome.

The main contingent assets and liabilities relating to legal, administrative or arbitration proceedings are presented below :

North America

United States – Water – Flint

In November 2011, the Governor of Michigan declared the City of Flint, Michigan ("Flint") to be in financial difficulty and appointed an emergency manager ("Emergency Manager") for Flint. In an attempt to save money, the Emergency Manager decided in 2013 to switch the city's water supply source (previously provided by Detroit) to the Flint River on an interim basis as part of a long-term plan to switch to water from Lake Huron.

In 2013, Flint hired the engineering firm Lockwood, Andrews & Newman ("LAN") to prepare the Flint water plant to switch water sources. In April 2014, the Flint water plant began treating Flint River water for distribution to its residents.

Following the switch to Flint River water, Flint residents began to complain about its odor, taste and appearance. Between August and December 2014, Flint experienced a number of water quality issues resulting in violations of National Primary Drinking Water Regulations, including "Total Trihalomethanes" ("TTHM") (which are disinfection byproducts) maximum contaminant level violations.

In February 2015, Flint hired a US subsidiary of the Company, Veolia Water North America Operating Services, LLC ("VWNAOS"), to produce a report, which included a discussion of residual effects of the chlorination process, discoloration and taste and odor issues. This one-time review (invoiced at USD $40,000), was completed by VWNAOS in approximately four weeks. Throughout that time, and subsequently, Flint continued to retain LAN as its primary water engineering consultant. In December 2014 and during 2015, LAN developed a treatment plan for the Flint River water and submitted reports to Flint that addressed compliance with the Safe Drinking Water Act. In its plan and reports, LAN did not raise or address any concerns that Flint's new water supply could create problems with lead levels in the drinking water.

On February 18, 2015, VWNAOS issued an interim report based, among other things, on tests performed exclusively by Flint, which showed that the city was in compliance with the Lead & Copper rule. This report included a statement that the drinking water was "safe" in that it complied "with state and federal standards and required testing". During that evening's public meeting, which was organized by the Flint City Council Public Works Committee, VWNAOS employees communicated to the public the results of VWNAOS' interim report.

In parallel, Flint conducted lead tests at the home of a Flint resident which revealed high levels of lead in the water but did not share these results with VWNAOS.

On March 12, 2015, VWNAOS delivered its final report to Flint, which was subsequently made available to the public. In its report, VWNAOS issued a broad set of recommendations to address TTHM compliance and improve water quality related to taste, odor and discoloration. The report also recommended that Flint work with the State regulators and Flint's engineering firm to establish a corrosion control plan. Most of these recommendations were ignored by Flint until late 2015, when the government ordered certain measures be taken in response to reports of lead in Flint's water.

On June 24, 2015, an employee of the U.S. Environmental Protection Agency issued a memorandum summarizing the available information regarding measures taken by Flint and several governmental agencies in response to high lead levels in Flint's drinking water reported by a Flint resident in February 2015.

On September 25, 2015, Flint issued a lead advisory to the residents of Flint regarding the presence of lead in the drinking water.

On October 16, 2015, Flint switched its water supply source back to the Detroit water system.

On October 21, 2015, the office of the Governor of the State of Michigan commissioned the Flint Water Advisory Task Force, a group of experts from a variety of disciplines, to conduct an independent review of the Flint water crisis, including lead contamination of the water.

On March 21, 2016, the Flint Water Advisory Task Force issued its final report, drafted after interviewing numerous individuals and reviewing many documents. The report concluded that the responsibility for the Flint water crisis rested largely with several governmental agencies and Flint. The report concluded that the Michigan Department of Environmental Quality and the City of Flint did not require the implementation of corrosion control when the source of the water supply was changed to the Flint River, which the Task Force found was contrary to requirements imposed by a federal law known as the Lead & Copper Rule.

Since February 2016, numerous individual complaints and putative class actions have been filed in Michigan state and federal courts by Flint residents against a number of defendants, including the State of Michigan, the Michigan Department of Environmental Quality, Flint, LAN and three of the US subsidiaries of the Company, Veolia North America Inc., VWNAOS and Veolia North America LLC (collectively “VNA”).

Although the Company has been named in several actions mentioned above, it has not been served and is not a party to any of these actions. Only the three U.S. subsidiaries of the Company are active parties in these actions.

In November 2020, the plaintiffs in the putative class actions and individual actions (both state and federal) reached a settlement with some defendants in these actions, including the State of Michigan and Flint, but not VNA. This settlement was approved by the federal judge in the amount of $626.25 million.

The proceedings will continue with regard to those who are not parties to the settlement, including VNA.

The plaintiffs' cause of action in the federal and state proceedings against VNA is professional negligence.

Civil Actions in the United States District Court for the Eastern District of Michigan (Federal Court)

Individual actions: Actions brought by individually represented plaintiffs have been organized into a bellwether process, under which a series of trials brought by a small number of representative plaintiffs will be held. The first of these began in February 2022. No verdict has been rendered as of the date of publication. Further bellwether trials are planned, and the next one is scheduled to begin in January 2024.

Issues class action: In August 2021, the court certified an issues class action with respect to VNA. The issues class action will only address some specific common questions regarding elements of VNA’s alleged liability. If this issues class action is successful on the merits (which will be decided after a jury trial), each class plaintiff must file an individual action and prove specific causation and personal damages in order to engage VNA’s liability. Despite its request, VNA was not authorized to appeal the August 2021 decision. VNA may nevertheless file an appeal after trial.The trial for the issues class action is scheduled for October 2023.

Civil Actions in Circuit Court for the Seventh Judicial Circuit, Genesee County, Michigan (State Court)

Individual actions and putative class action: In parallel to the actions in federal court, claims filed by individual plaintiffs and a putative class are pending in state court. No trial date has been set for any of these state court cases.

Civil action brought by the Michigan Attorney General: In June 2016, the State of Michigan’s Attorney General filed a “parens patriae” civil action in state court against several corporations, including VNA and the Company itself, alleging certain acts and omissions related to the Flint water crisis. After unilaterally dismissing that action, the Attorney General filed a new action in August 2016. The Attorney General then agreed to dismiss the Company without prejudice from that action. After the 2018 election of a new state Governor and Attorney General, the Attorney General filed an amended complaint against the Company and VNA, among others. The Company has not been served with that complaint and is not currently an active party in this action, but VNA is. Following motions to dismiss, the only remaining causes of action brought by the Attorney General against VNA are professional negligence and unjust enrichment. No trial date has been set.

The Group strongly contests the merits of claims in all of these civil proceedings.

Criminal actions

Criminal proceedings were initiated by the former Attorney General against fifteen employees of the State of Michigan and the City of Flint for their conduct related to the water crisis in Flint. Of these fifteen employees, seven pleaded guilty. On June 13, 2019, the new Attorney General dropped all charges against the remaining eight employees.

In mid-January 2021, new criminal indictments were issued against nine former Flint and state officials.

Insurance

These lawsuits have been reported to the insurers. Some of the insurers, relying on an exclusion clause contained in their policies, have made it known that they do not intend on covering the financial consequences of VNA’s liability, if this were to be established, for damages resulting from lead.

The Group strongly contests this position, arguing that this exclusion clause is not applicable in the current situation and that, in any case, the clause is void as it is contrary to both the mandatory rule of article L.113-1 of the French Insurance Code, requiring that the exclusion shall be “formal and limited” and contrary to its interpretation by the courts.

Central and Eastern Europe

Lithuania - Energy

Between 2000 and 2003, the Lithuanian subsidiaries of the Group, UAB Vilniaus Energija ("UVE") and UAB Litesko ("Litesko"), signed a number of contracts with Lithuanian cities, of which the most significant was with the city of Vilnius ("Vilnius") in 2002 to rent, operate and modernize the heating and electricity production and distribution infrastructure. The Group made significant investments over the years for which it expects the cost incurred to be taken into account and a return on its investment.

Since 2009, the government publicly, and on numerous occasions, accused the Group of being responsible for high heating prices by waging a sustained campaign against it. Several steps were thus taken by the public authorities against the Lithuanian subsidiaries of the Group, among others:

- a €19M fine imposed on UVE by the Competition Council;
- the transfer of ownership without compensation of the individual heat exchange sub-stations invested by UVE;
- the unilateral reduction of the heating prices to capture the savings realized with the help of a smoke condenser invested by UVE;
- the retroactive annulment of the heating prices applied by UVE for the period 2011-2015;
- the annulment of the amendments extending the duration of the contract concluded between Litesko and the city of Alytus and the transfer to Alytus of the assets invested by Litesko.

All the harmful decisions taken against the Lithuanian subsidiaries of the Group are subject to pending challenges or appeals before the local courts.

In this context, the Company and its subsidiaries also had to initiate the arbitral proceedings described below.

(i) ICSID arbitration

In January 2016, the Company, Veolia Energie International (successor in law to Veolia Baltics and Eastern Europe), UVE and Litesko (collectively "the Companies") filed a request for arbitration against Lithuania before the International Center for Settlement of Investment Disputes ("ICSID").

To date, the Companies' claim amounts to circa €102M (not including interest). For its part, Lithuania withdrew its €150M counterclaim in its last submission. This procedure is still pending.

In June 2018, Lithuania filed an objection to the arbitral tribunal's jurisdiction, based on a decision rendered by the European Court of Justice on March 6, 2018 in the *Achmea* case, in which the Court ruled that investor-state arbitration provisions in intra-EU bilateral investment treaties are incompatible with European Union law. In a declaration dated January 15, 2019, the EU Member States indicated their intention to terminate the intra-EU bilateral investment treaties by December 2019. On May 5th 2020, a vast majority of Member states – including France and Lithuania – signed a plurilateral treaty organizing the termination of the intra-EU bilateral investment treaties. The treaty came into effect in France on August 28, 2021 and in Lithuania on September 4, 2021. These developments may have an impact on the ICSID arbitration and, as the case may be, on the enforcement of the future award as well as on the proceedings described hereafter.

In July 2020, Lithuania initiated a legal action against the Companies and other respondents before the Vilnius regional court, by which it seeks compensation for damages worth over € 240 million. Lithuania has indicated that this action is a transfer of the counterclaims it previously withdrew from the ICSID arbitration, following the Achmea decision. To date, only VEI, UVE and Litesko have been served with Lithuania's writ of summons. These latter vigorously contest Lithuania's claims. In August 2020, the Vilnius regional court declared Lithuania's claim inadmissible. In February 2022, after several appeals before the Lithuanian courts, the Vilnius court declared again Lithuania's claim inadmissible notably on the ground that Lithuania has no interest in bringing such a claim. Lithuania appealed this judgment. In June 2022, the court of appeal confirmed that Lithuania's claim is inadmissible.

(ii) SCC arbitration

In November 2016, in the context of the Vilnius agreement which expiration date was nearly reached (March 2017), the Company and UVE filed a request for arbitration before the Stockholm Chamber of Commerce ("SCC") to secure the appointment of an independent expert to evaluate the condition of the assets. That SCC arbitration has since expanded in scope to address claims by the Company, UVE, Vilnius and municipal company VST ("VST") in connection with the Vilnius lease.

In this arbitration, the Company and UVE filed a claim for an indemnity of circa €22M. For their part, Vilnius and VST submitted counterclaims quantified to date at circa €660M. This procedure is still ongoing. The Company and UVE vigorously contest Vilnius and VST's counterclaims and seek their dismissal.

Italy / Africa Middle East

Veolia Propreté vs. Republic of Italy

In October 2007, Veolia Propreté made very significant investments in Italy through long-term concession contracts for the construction and management of waste recovery and power generation facilities in the regions of Calabria and Tuscany. The Italian subsidiaries of Veolia Propreté were unable to execute the concession contracts due to the serious failures of the Italian authorities. In 2014, these actions caused subsidiaries' bankruptcy and the destruction of Veolia Propreté's investment.

In June 2018, Veolia Propreté commenced an against the Republic of Italy arbitration before the International Center for Settlement of Investment Disputes alleging breaches of the Energy Charter Treaty.

The tribunal was constituted in January 2019. To date, Veolia Propreté claims amounts to circa €300M plus interests.

The arbitration is underway.

Veolia Technologies and Contracting

VWT v. K+S Potash

On December 1, 2012, Veolia Water Technologies, Inc. ("VWT") signed a $324.5MUSD contract with K + S Potash Canada GP ("KSPC") for the design, supply and commissioning of a evaporation and crystallization system, which includes 14 large evaporators and crystallizers (the "Tanks"), for a potash mine then under construction by KSPC in the province of Saskatchewan, Canada. In this framework, a letter of guarantee at first request was issued by VWT to the benefit of KSPC in the amount of $14.6MUSD.

On July 17, 2016, during the process of commissioning the Tanks, one tank collapsed (the "Incident"). A new replacement tank had to be manufactured and installed. The Incident also damaged other Tanks and plant equipment, which had to be removed and replaced. VWT cooperated with KSPC to determine the cause of the incident. The first investigation, conducted by KSPC, identified a defect in the design of the metal structure supporting the Tanks, for which VWT and one of its subcontractors were responsible. A second investigation conducted by VWT, however, found a defect in the production of the concrete bases to which the metal structure supporting the Tanks was affixed. These concrete bases were in turn built by a subcontractor of KSPC. VWT has repaired the damaged Tanks. These repairs resulted in significant contractual changes ("Change Orders") and additional costs. Mid-June, 2017, a second letter of guarantee at first request was issued by VWT to KSPC in the amount of $15MUSD.

Several procedures are currently in progress.

ADRIC Arbitration Procedure (ADR Institute of Canada)

On August 18, 2017, VWT filed a complaint with the ADRIC seeking KSPC's reimbursement of the costs incurred by the contractual modifications made to carry out repairs linked to the Incident, i.e. $19MUSD. Mid-January 2019, the arbitral tribunal accepted jurisdiction over only some claims (approximately $13.6MUSD). This procedure is stayed due to proceedings initiated by KSCP before the Court of Queen's Bench for Saskatchewan (see below).

Legal Proceedings (the Court of Queen's Bench for Saskatchewan and Paris Commercial Court)

On April 11, 2018, KSPC brought claims against VWT before the Court of Queen's Bench for Saskatchewan in the amount of $180MCAD (approximately €119M) for consequential damages and additional costs of repair in relation to the Incident. On January 18 2019, VWT made a settlement offer to KSPC who refused the offer.

By an Act of May 28, 2018, one of KSPC's subcontractors, AECON, sued KSPC before the Court of Queen's Bench for various claims for damages. On June 28, 2018, KSPC joined VWT as a third party to the proceedings in an attempt to require VWT to indemnify KSPC for a minimum of $466MCAD (approximately €318M) as well as for reimbursement of sums already paid by KSPC to other subcontractors.

On March 25, 2020, KSPC brought claims against VWT before the Court of Queen's Bench for Saskatchewan for an amount quantified to date at $4,6MCAD (approximately €3M). These new claims include an equipment failure occurred in November 2018 and alleged corrosion in specific materials of the plant. In June 2020, VWT filed a statement of defense before this court and contested these new claims.

KSPC obtained payment of the first and second letter of guarantee in November 2020 and 2019, respectively.

The Group strongly contests the merits of all these legal proceedings.

These lawsuits have been reported to insurance companies, which have already covered part of the expenses incurred.

VWT v. Antero

In August 2015, Veolia Water Technologies Inc. ("VWT") and Antero Resources Corporation ("Antero") entered into a Design Build Agreement ("DBA") for a revised contract sum of USD $255,8 million for the treatment of water associated with the drilling, production and general development of shale gas at the Clearwater facility located in Pennsboro West Virginia ("Facility").

VWT achieved the substantial completion of the Facility on March 15, 2019. The Facility was fine-tuned over the following months. The final performance test was scheduled to begin on September 16, 2019 but by letter of 12 September 2019, Antero wrongly terminated the DBA without proper contractual notice or valid reason.

On March 13, 2020 VWT filed suit against Antero in the District Court, City and County of Denver, Colorado, in the United States, alleging breach of contract and seeking damages of USD $120 million. On the same day and in front of the same tribunal, Antero filed suit against VWT and claimed that VWT breached its contractual obligations under the DBA. In this lawsuit, Antero asserts claims under alternative theories of fraud and breach of contract. Antero seeks USD $451million under its fraud claim and USD $371million under its breach of contract claim. Antero concedes that it cannot recover under both theories. VWT vigorously rejected all of these claims, which it considers without merit.

VWT's claims have been consolidated with Antero's claims. These consolidated proceedings are now ongoing.

The Antero lawsuit has been reported to the insurers. After initially accepting to cover the legal expenses in connection with those proceedings, the insurers ultimately disputed their coverage obligation and have initiated arbitral proceedings to that end. The Group strongly contests the insurers' position.

NOTE 13 RELATED PARTY TRANSACTIONS

The Group identifies related parties in accordance with the provisions of paragraph 9 of IAS 24 revised, Related Party Disclosures.

Other than compensation and related benefits granted to key management (see Note 8.4 to the 2021 consolidated financial statements) and the relations with joint ventures indicated above (see Note 6.2), relations with other related parties have not materially changed.

NOTE 14 SUBSEQUENT EVENTS

No significant events has occurred between the closing date and the date of the approval of the consolidated financial statements by the board of directors.

NOTE 15 MAIN COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2022, Veolia Group accounted for a total of 2,108 companies, compared with 1,553 companies as of December 31, 2021.

The increase in the number of consolidated companies is mainly due to the Suez combination.

The list of main subsidiaries, excluding Suez, has not materially changed since December 31, 2021.

5.1.7 STATUTORY AUDITOR'S REVIEW REPORT ON THE 2022 HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Veolia Environnement, for the period from January 1 to June 30, 2022;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II –Specific verifications

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, August 4, 2022

KPMG Audit		ERNST & YOUNG et Autres	
A Division of KPMG S.A.			
Éric Jacquet	Baudouin Griton	Jean-Yves Jégourel	Quentin Séné

6

SHARE CAPITAL AND OWNERSHIP

6.1 Information on the share capital and stock market data

6.1.1 SHARE CAPITAL

As of June 30, 2022, Veolia Environnement's share capital was €3,502,858,580, divided into 700,571,716 fully paid-up shares, all of the same class, with a par value of €5 each.

As of the date of filing of this Update, the Company's share capital is unchanged.

6.1.2 MARKET FOR THE COMPANY'S SHARES

Veolia Environnement shares

Regulated market - Euronext Paris (Compartment A)				CAC 40
Admission		**ID code**		**Admission**
July 20, 2000	ISIN	Reuters	Bloomberg	August 8, 2001
	FR 0000124141-VIE	VIE. PA	VIE. FP.	

Euronext Paris - Share price and trading volumes

	Share price *(in euros)*		
Year *(month)*	**High**	**Low**	**Trading volume In number of shares**
2022			
June	27.000	22.510	43,241,577
May	27.840	24.530	44,553,155
April	29.900	26.920	35,035,549
March	31.250	22.880	62,795,772
February	33.330	29.370	33,520,703
January	33.490	30.570	33,414,060
2021			
December	32.610	28.290	35,086,358
November	30.550	27.750	33,905,977
October	28.760	25.990	37,506,772
September	28.867	26.020	50,432,511
August	28.221	26.216	23,356,269
July	27.064	24.220	32,302,712
June	25.319	23.940	25,348,091
May	25.734	23.873	31,769,408
April	25.878	21.038	43,206,945
March	22.745	20.537	41,782,923
February	23.082	21.231	33,227,698
January	22.687	19.139	45,457,593

Following the delisting by Veolia Environnement of its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE), the final listing of the ADRs on the NYSE occurred on December 22, 2014. Since this date, the ADRs are traded on the US over-the-counter market under the code VEOEY.

The ADR program is managed by Deutsche Bank as a sponsored level 1 facility.

6.1.3 NON-EQUITY SECURITIES

EMTN program

In June 2001, a Euro Medium Term Note (EMTN) program was set-up for a maximum amount of €4 billion. This maximum amount was raised to €16 billion on July 13, 2009.

The main outstanding bond issues performed under the EMTN program as of December 31, 2021 are as follows:

Issue date	Currency	Nominal issue amount *(in millions of currency units)*	Additional drawdowns / partial repurchases	Nominal amount outstanding as of December 31, 2021 *(in millions of currency units)*	Interest rate	Maturity
November 25, 2003	EUR	700		700	6.125%	November 25, 2033
October 29, 2007	GBP	500				
January 7, 2008	GBP		150	650	6.125%	October 29, 2037
March 30, 2012	EUR	750		750	4.625%	March 30, 2027
April 9, 2015	EUR	500		500	1.59%	January 10, 2028
October 4, 2016	EUR	600		600	0.314%	October 4, 2023
October 4, 2016	EUR	500		500	0.927%	January 4, 2029
March 30, 2017	EUR	650		650	1.496%	November 30, 2026
December 5, 2018	EUR	750		750	1.94%	January 7, 2030
January 14, 2019	EUR	750		750	0.892%	January 14, 2024
January 15, 2020	EUR	500		500	0.664%	January 15, 2031
April 15, 2020	EUR	700		700	1.25%	April 15, 2028
June 15, 2020	EUR	500		500	0.80%	January 15, 2032
January 14, 2021	EUR	700		700	0%	January 14, 2027

As of June 30, 2022, the total nominal outstanding amount of the EMTN program was €8,357 million, maturing in more than one year.

Offering of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)

Veolia Environnement redeemed early the bonds convertible into and/or exchangeable for new and/or existing shares ("OCEANE") issued on March 8, 2016 and maturing March 15, 2021, in the nominal amount of approximately €700 million. On September 13, 2019, an initial redemption of 93% of the nominal amount was performed at a unit price of €30.31 as part of a redemption offer. This was followed on November 13, 2019 by a second supplementary redemption of 7% of the nominal amount at par, that is a unit price of €29.99, on the exercise of a clean-up call.

On September 12, 2019, Veolia Environnement completed an offering of bonds convertible and/or exchangeable for new and/or existing shares ("OCEANE") maturing January 1, 2025 by way of a private placement without shareholders' preferential subscription rights, of a nominal amount of approximately €700 million. These bonds will not bear interest and were issued at 103.25% of their principal amount. The bonds have a nominal unit value of €30.41 representing a premium of 35% above the Company's reference share price on the issue date.

As of June 30, 2022, the total nominal outstanding amount was approximately €700 million, maturing in more than one year.

Public issue on the US market

On December 23, 2019, Veolia Environnement performed a partial redemption in the amount of US$100 million of the US$400 million bond line paying interest at 6.75% and maturing in June 2038, issued in 2008 on the American market.

As of June 30, 2022, the total nominal outstanding amount was US$300 million (€289 million euro-equivalent), maturing in more than one year.

Bond issue program on the Chinese domestic market (*Panda Bonds*)

On December 10, 2019, Veolia Environnement filed with the National Association of Financial Market Institutional Investors (NAFMII) two bond issue programs on the Chinese domestic market for a period of two years and a maximum nominal amount of 10 billion renminbi, replacing the program signed in August 2016 and maturing in August 2018.

On June 24, 2020, Veolia Environnement performed two bond issues under this new program for a total amount of 1.5 billion renminbi, through a private placement with Chinese and institutional investors. The bond issues mature on June 24, 2023 and pay a coupon of 3.85%.

On December 16, 2020, Veolia Environnement continued its bond issue program with two bond issues totaling 1.5 billion renminbi, maturing on December 16, 2023 and bearing a coupon of 4.45%.

As of June 30, 2022, the total nominal outstanding amount on these bond issues was 3 billion renminbi (€431 million euro-equivalent).

Commercial paper

Veolia Environnement has a short-term financing program comprising Negotiable European Commercial Paper (NEU CP) capped at €6 billion. The financial documentation for this program was updated with the Bank of France on September 7, 2020.

As of June 30, 2022, the total outstanding amount of negotiable commercial paper issued by the Company was €4,678 million.

On May 18, 2020, Veolia Environnement set-up a commercial paper program capped at GBP 600 million with the Bank of England (which launched this program), under the bank’s Covid Corporate Financing Facility assistance program.

The Bank of England has closed this program.

6.2 Veolia Environnement shareholders

6.2.1 BREAKDOWN OF SHAREHOLDERS AS OF JUNE 30, 2022

The table below presents the number of shares and the corresponding percentage of share capital and voting rights held as of June 30, 2022 by Veolia Environnement's principal known shareholders. A double voting right was introduced on April 3, 2016 for shares held in registered form by the same shareholder for at least two years, in accordance with the Florange law of March 29, 2014.

To the best of the Company's knowledge, as of the date of filing of this Update, no shareholder other than those listed in the table below, directly or indirectly held 4% or more of the Company's share capital or voting rights.

Shareholders as of June 30, 2022	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights that may be exercised	% of voting rights that may be exercised*
Caisse des Dépôts(1)	45,000,406**	6.42	71,036,525	71,036,525	9.77
BlackRock(2)	38,488,771	5.49	38,488,771	38,488,771	5.29
Employees(3)	32,631,292	4.66	43,796,386	43,796,386	6.02
Veolia Environnement(4)	12,785,615***	1.83	12,785,615***	0*	0*
Public and other	571,665,632	81.60	574,054,333	574,054,333	78.92
Total	**700,571,716**	**100.0**	**740,161,630**	**727,376,015**	**100.0**

* *Percentage of voting rights as a proportion of effective voting rights (Veolia Environnement treasury shares do not exercise voting rights).*
** *Including 26,036,119 shares held in registered form for more than two years.*
*** *As of June 30, 2022, Veolia Environnement held 12,785,615 treasury shares.*
(1) Based on the statement of registered shareholders as of June 30, 2022 prepared by Société Générale (account-holding institution) and the analysis of the Company's shareholders as of June 30, 2022. To the best of the Company's knowledge, the most recent notification that Caisse des Dépôts had crossed, downward, the legal 10% voting rights threshold was filed on October 8, 2021 (see AMF Decisions and Information no. 221C2712 of October 13, 2021).
(2) Based on the analysis of the Company's shareholders as of June 30, 2022. Between April 21, 2022 and July 31, 2022, BlackRock filed several notifications that it had crossed, upwards and downwards, the legal 5% share capital and/or voting rights threshold (see AMF Decisions and Information no. 222C1395, no. 222C1546, no. 222C1582, no. 222C1686, no. 222C1722, no. 222C1840, no. 222C1852). At the date of the most recent notification, i.e. July 18, 2022, BlackRock held, directly or indirectly, 36,168,611 shares and as many voting rights, representing 5,16% of the share capital and 4,89% of voting rights of Veolia Environnement.
(3) Direct and indirect shareholdings, including through financial investment vehicles.
(4) Treasury shares without voting rights. This information is included in the monthly report of transactions carried out by Veolia Environnement in its own shares that was filed with the French Financial Markets Authority (AMF) on July 5, 2022.

To the best of the Company's knowledge, as of the date of this Update, there are no agreements between one or more of the Company's shareholders and no shareholders' agreements or agreements to which the Company is a party, that could have a material impact on the Company's share price, and there are no shareholders' agreements or other agreements of such nature to which any significant non-listed subsidiary of the Company is a party.

No third party controls Veolia Environnement and, to the Company's knowledge, there are no agreements that, if implemented, could result in a change of control or takeover of the Company.

6.3 Dividend policy

6.3.1 Dividend per share and total amounts paid during the past five fiscal years

(in euros)	2017 Dividend	2018 Dividend	2019 Dividend	2020 Dividend	2021 Dividend
Gross dividend per share	0.84	0.92	0.50	0.70	1.00
Net dividend per share	0.84*	0.92*	0.50(*)	0.70(*)	1.00(*)
TOTAL DIVIDEND DISTRIBUTION**	**462,685,249**	**509,096,391**	**277,172,439**	**397,078,213**	**687,879,017**

* *The dividend is eligible for the 40% tax rebate.*
** *Amounts paid by the Company.*
1 *Approval by the Combined General Meeting of June 15, 2022 (4th resolution) of a dividend for fiscal year 2020 of €1 per share*

7

ADDITIONAL INFORMATION

7.1 Legal and arbitration proceedings

The most significant legal proceedings involving the Company or its subsidiaries are described hereinafter. In addition, tax audits and disputes are described in chapter 5, section 5.1, note 11.2 attached in annex to the interim consolidated financial statements as of June 30, 2022.

The description of the most significant judicial, administrative or arbitral proceedings set forth in chapter 5 section 5.1 note 12 annexed to the interim consolidated financial statements as of June 30, 2022 is incorporated by reference within this chapter 7 section7.1. The main updates concerning these disputes, which are set forth in note 12 and reflect significant changes that have occurred up to the registration date of this document, are also described in this chapter 7 section 7.1.

The Company is not aware of any other current or threatened judicial, administrative or arbitral proceedings which, during the past twelve months, may have had or have had a material adverse effect on the financial condition or profitability of the Company and/or the Group.

NORTH AMERICA

United States - Flint

See chapter 5 section 5.1 note 12 attached in annex to the interim consolidated financial statements as of June 30, 2022 supra.

United States – WASCO and Aqua Alliance

Several current and former indirect subsidiaries of Veolia Eau in the United States[1] are defendants in lawsuits in the United States, in which the plaintiffs seek recovery for personal injuries and other damages allegedly due to exposure to asbestos, silica and other potentially hazardous substances. With respect to the lawsuits against Veolia Eau's former subsidiaries, certain of Veolia Eau's current subsidiaries retain liability and in certain cases manage the defense of the lawsuits. In addition, in certain instances, the acquirers of the former subsidiaries benefit from indemnification obligations provided by Veolia Eau or the Company in respect of these lawsuits. These lawsuits typically allege that the plaintiffs' injuries resulted from the use of products manufactured or sold by Veolia Eau's current or former subsidiaries or their predecessors. There are generally numerous other defendants, in addition to Veolia Eau's current or former subsidiaries, which are accused of having contributed to the injuries alleged. Reserves have been booked for the possible liability of current subsidiaries in these cases, based on the nexus between the injuries claimed and the products manufactured or sold by these subsidiaries or their predecessors, the extent of the injuries allegedly sustained by the plaintiffs, the involvement of other defendants and the settlement history in similar cases. These reserves are booked at the time such liability becomes probable and can be reasonably assessed, and do not include reserves for possible liability in lawsuits that have not been initiated.

As of the date of this registration document, a number of such claims have been resolved either through settlement or dismissal. To date, none of the claims has resulted in a finding of liability.

During the ten-year period ended December 31, 2021, the average annual costs that the Group has incurred with respect to these claims, including amounts paid to plaintiffs, legal fees and expenses, have been $933,248 after reimbursements by insurance companies.

CENTRAL AND EASTERN EUROPE

Lithuania

See chapter 5 section 5.1 note 12 attached in annex to the interim consolidated financial statements as of June 30, 2022 supra.

ITALY AFRICA MIDDLE EAST

Egypt

In September 2000, Veolia Propreté entered into a 15-year contract with the Governorate of Alexandria ("Governorate") for the collection and treatment of waste, as well as urban cleaning of the city of Alexandria ("Contract").

In October 2011, Onyx Alexandria, a subsidiary of Veolia Propreté incorporated to perform the Contract, terminated the Contract for serious breach by the Governorate of its payment obligations, and more generally for misconduct committed by the Arab Republic of Egypt ("Egypt"), causing the total loss of the investment made by Veolia Propreté.

In June 2012, Veolia Propreté initiated arbitration proceedings against Egypt on the basis of the France-Egypt bilateral investment treaty ("BIT") and under the auspices of the ICSID (International Center for Settlement of Investment Disputes).

1 *Subsidiaries of the Aqua Alliance group or of WASCO (formerly Water Applications & Systems Corporation and United States Filter Corporation), the parent company of the former U.S. Filter group, most of whose businesses were sold to various buyers in 2003 and 2004.*

On November 9, 2016, the Governorate initiated arbitration proceedings against Veolia Propreté and Onyx Alexandria before the Cairo Regional Center for International Commercial Arbitration (« CRCICA ») and sought compensation for damages resulting from the alleged wrongful termination of the Contract and Onyx Alexandria's breach of its contractual obligations for an amount of 186.2 million Egyptian pounds (which corresponds to an amount of approximately €10M). Veolia Propreté and Onyx Alexandria strongly contest the merits of all these claims.

In an award dated May 25, 2018, the ICSID ruled that the Contract's breaches by the Governorate did not involve sufficiently serious acts of Egypt that could be assimilated to violations of the BIT and consequently rejected all of Veolia Propreté claims for compensation. The arbitral tribunal held in particular that the contractual claims should have been referred to CRCICA according to the arbitration clause included in the Contract. In this arbitration, Onyx Alexandria submitted counterclaims for approximately 1 billion Egyptian pounds (approximately €54,1M) and the Governorate requested the arbitral tribunal's authorization to amend its initial claims for compensation of approximately €28,9M.

On February 24, 2022 the tribunal rendered its award and partially upheld the parties' claims. Onyx Alexandria is entitled to receive, after offsetting the amount awarded to Governorate, the remaining amount of approximately 51 million Egyptian pounds excluding interest (approximately €2,7M) .

In June 2022, the Governorate served Onyx Alexandria with an application for the partial annulment of the arbitration award.

Veolia Propreté v. Italian Republic

See chapter 5 section 5.1 note 12 attached in annex to the interim consolidated financial statements as of June 30, 2022 supra.

VEOLIA TECHNOLOGIES AND CONTRACTING

VWT contre K+S Potash

See chapter 5 section 5.1 note 12 attached in annex to the interim consolidated financial statements as of June 30, 2022 supra.

VWT contre Antero

See chapter 5 section 5.1 note 12 attached in annex to the interim consolidated financial statements as of June 30, 20212 supra.

7.2 Documents available to the public

Type of document	Availability
▪ Company press releases ▪ Annual Registration Documents and Universal Registration Documents (including notably historical financial information relating to the Company and the Group) filed with the AMF and any related updates	www.veolia.com/en/veolia-group/finance/regulated-information 30, rue Madeleine Vionnet- 93300 Aubervilliers
▪ Information disclosed to the public by the Company during the preceding twelve months in France or other EU member states, pursuant to any securities regulations applicable to the Company	www.veolia.com/en/veolia-group/finance/regulated-information AMF website
▪ Regulated information published by the Company, pursuant to Article 221-1 *et seq*. of the AMF's general regulations	www.veolia.com/en/veolia-group/finance/regulated-information
▪ Company's Articles of Association	www.veolia.com/en/governance
▪ Minutes of General Shareholders' Meetings, Statutory Auditors' reports and all other corporate documents	30, rue Madeleine Vionnet- 93300 Aubervilliers

7.3 Statutory Auditors

KPMG SA

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Versailles Regional Auditors' Association).

Represented by Mr. Eric Jacquet and Mr. Baudoin Griton.

2, avenue Gambetta Tour Eqho – 92066 Paris La Défense Cedex.

Company first appointed by the Combined General Meeting of May 10, 2007 and reappointed by the Combined General Meeting of April 18, 2019 for a six-year term that will expire at the end of the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2024.

Ernst & Young et autres

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Versailles Regional Auditors' Association).

Represented by Mr. Jean-Yves Jégourel and Mr. Quentin Séné.

1- 2, place des Saisons – Paris– La Défense 1 – 92400 Courbevoie.

Company first appointed on December 23, 1999 and reappointed by the Combined General Meeting of April 20, 2017 for a six-year term that will expire at the end of the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2022.

7.4 Person responsible for the Update to the Universal Registration Document

7.4.1 PERSON RESPONSIBLE FOR THE UPDATE TO THE UNIVERSAL REGISTRATION DOCUMENT

Mrs. Estelle Brachlianoff, Chief Executive Officer of Veolia Environnement

7.4.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UPDATE TO THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby certify, that to the best of my knowledge, the information contained in this Update to the Universal Registration Document is true and fair and does not contain any omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the condensed half-yearly consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all consolidated companies, and that the half-yearly management report contained in this Update provides a fair review of material events during the first six months of the year and their impact on the financial statements, the main transactions with related parties and descriptions of principal risks and uncertainties for the remaining six months of the year."

Aubervilliers,

August 4, 2022

Chief Executive Officer

Estelle Brachlianoff

7.5 Cross-reference table

7.5.1 CROSS-REFERENCE TABLE FOR THE UPDATE TO THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table presents the sections detailed in Annex 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the pages of the 2021 Universal Registration Document and the present Update where the information for each section can be found.

		2021 Universal Registration Document		Update	
Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Chapter/Section	Page	Chapter/Section	Page
1 – Persons responsible, third party information, experts' reports and competent authority approval					
1.1	Persons responsible for the information	8.8	562	7.4	105
1.2	Statement by those responsible for the information	8.8	562	7.4	105
1.3	Statement or expert report	N/A	N/A	N/A	N/A
1.4	Third-party confirmation	N/A	N/A	N/A	N/A
1.5	Statement without prior approval		1		3
2 –	**Statutory Auditors**	**8.6**	**560**	**7.3**	**104**
3 –	**Risk factors**	**Intro of 2, 2.2 and 5.5.5**	**68, 77 and 348**	**2 and 4.5.3**	**7 and 40**
4 –	**Information about the issuer**				
4.1	Legal and commercial name	8.1.1	552	-	-
4.2	Place of registration, registration number and legal entity identifier (LEI)	8.1.1	552	-	-
4.3	Date of incorporation and length of life of the issuer	1.1.1 and 8.1.1	RESOLUTIONS 14 AND 552	-	-
4.4	Domicile and legal form of the issuer, the legislation under which it operates, its country of incorporation, the address and telephone number of the registered office and the website with a disclaimer	8.1.1	552	-	-
5 –	**Business overview**				
5.1	Principal activities	1.1.3, 1.3.1 and 1.3.2	16, 23 and 28	-	-
5.2	Principal markets	1.3.3, 1.3.4 and 1.5	30, 31 and 42	-	-
5.3	Important events in the development of the issuer's business	1.2, 5.2.1, 5.2.2 and 6.1.6 Note 3	17, 326, 327 and 366	4.1, 4.2, 5.1.6 note 3 and 4	18, 20, 59 and 62
5.4	Strategy and objectives	1.1, 1.2, 4.1, 5.2.1 and .6	14, 17, 198, 326 and 348	4.5.4	40
5.5	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.5.3.1	56	-	-
5.6	Basis for any statements made by the issuer regarding its competitive position	1.3.4.2	36	-	-
5.7	Investments				
5.7.1	Material investments completed	5.2.2.2, 5.4.2 and 6.1.6 Note 4.2	328, 343 and 370	4.2.3.2, 4.4.2 and 5.1.6 note 3 and 4.1	22, 37, 59 and 62

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		2021 Universal Registration Document Chapter/Section	Page	Update Chapter/Section	Page
5.7.2	Material investments in progress	5.1, 5.2.2.1 and 6.1.6 Note 4.4.1	324, 327 and 372	4.2.3.1 and 5.1.6 note 4.3.1	21 and 64
5.7.3	Information relating to joint ventures and associates	6.1.6 Note 6.2.4	382	5.1.6 note 6.2.1	68
5.7.4	Environmental issues that may affect the issuer's utilization of property, plant and equipment	4.2	207	-	-
6 –	**Organizational structure**				
6.1	Brief description of the Group	1.5.1	42	-	-
6.2	List of issuer's significant subsidiaries	6.1.6 note 16 and 6.2.5 Note 7.11	456 and 504	-	-
7 –	**Operating and financial review**				
7.1	Financial condition				
7.1.1	Development and performance of the businesses; Key performance and development indicators	Profile, 4.1, 5.2, 5.3.1, 5.3.2, 5.3.3, 5.5.1, 5, 6 and 6.1.1 to 6.1.3	1 to 12, 198, 326, 331, 332, 335, 346, 349, 354 to 357	4.3, 5.1.1 à 5.1.3	25,46 to 49
7.1.2.	Likely future developments and activities in the field of research and development	1.4	38	-	-
7.2	Operating results	5.3.4.1, 5.3.4.5 and 6.1.6 Note 6.2	337, 339 and 380	4.3.4 and 5.1.6 note 6.2	33 and 67
8 –	**Capital resources**				
8.1	Information on the issuer's capital resources	6.1.5 and 6.1.6 Note 10	360 and 440	5.1.5 and 5.1.6 note 9	52 and 82
8.2	Sources and amounts of cash flows	6.1.4, 6.1.6 Notes 6.3, 9.3.2 and 7.1.7, 8.4	358, 385, 545 and 559	5.1.4, 5.1.6 note 6.3, and 8.3.2, 6.1.3	50, 69,80 and 96
8.3	Borrowing requirements and funding structure	5.4.1, 5.4.3, 5.4.4, 6.1.6 Notes 9.1 and 9.2	341, 344, 344, 414 and 422	4.4.1, 4.4.3, 4.4.4, 5.1.6 note 8.1 and 8.2	36, 38, 38, 76 and 79
8.4	Restrictions on the use of capital resources that have materially affected the Group's operations	6.1.6 Note 9.1.3	421	5.1.6 note 8.1.4	79
8.5	Anticipated sources of funds	N/A	N/A	-	-
9 –	**Regulatory environment**	**1.6**	**57**	**-**	**-**
10 –	**Trend information**				
10.1.a	Significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last fiscal year	1.3.2 and 5.5.4	28 and 348	4.5.2	40
10.1.b	Description of any significant change in the financial performance of the Group	N/A	N/A	-	-
10.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	1.2 and 5.5.6	17 and 348	4.5.4	40
11 –	**Profit forecasts or estimates**				
11.1.	Published profit forecasts or estimates	5.5.6	348	4.5.4	40

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		2021 Universal Registration Document Chapter/Section	Page	Update Chapter/Section	Page
11.2	Statement setting out the principal assumptions underlying profit forecasts or estimates	5.5.6	348	4.5.4	40
11.3	Statement that profit forecasts or estimates are comparable with historical financial information and consistent with accounting policies	5.5.6	348	4.5.4	40
12 –	**Administrative, management and supervisory bodies and senior management**				
12.1	Information concerning members of the Board of Directors and Executive Management	3.1.1, 3.1.2 and 3.1.3	106 and 118	3.1	14
12.2	Administrative and management bodies and senior management conflicts of interests	3.1.3	118	-	-
13 –	**Compensation and benefits**				
13.1	Compensation paid and benefits in kind granted	3.4.1, 3.4.3 and 3.4.4	139, 163 and 174	3.2	15
13.2	Total amounts set aside or accrued to provide for pension, retirement or similar benefits for corporate officers	6.1.6 Note 7.3 and 3.4.2	397 and 485	-	-
14 –	**Board practices**				
14.1	Date of expiration of current terms of office	3.1.1 and 3.1.2	106 and 118	3.1.1	14
14.2	Service contracts between members of the administrative or management bodies and the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist	6.1.6 Note 14, 3.1.3 and 3.6	455, 118 and 191	5.1.6 note 13	92
14.3	Information on the Audit and Compensation Committees	3.2.2.1 and 3.2.2.3	130 and 134	3.1.1 and 4.2.6	14 and 23
14.4	Statement regarding corporate governance	3.2.1.1	119	-	-
14.5	Potential material impacts on corporate governance	3.1.2, 3.2.1.2, 3.2.2 and 6.1.6 Note 3	118, 119, 130 and 366	4.2.6, 5.1.6 note 5	23, 65
15 –	**Employees**				
15.1	Number of employees and breakdown by main category	Profile / Key figures and 4.4.2	12 and 265	-	-
15.2	Shareholdings and stock options held by corporate officers	3.1.1.2, 3.4.1.1.2, 3.4.3, 3.4.4 and 3.5.1	107, 142, 163, 174 and 188	3.2 and 4.2.5	14 and 23
15.3	Arrangements providing for employee involvement in the share capital	4.4.4.4 and 5.2.4	280 and 329	4.2.5	23
16 –	**Major shareholders**				
16.1	Shareholders holding more than 5% of the share capital and voting rights	7.2 and 8.1.5	546 and 555	6.2.1	99
16.2	Existence of different voting rights	7.2 and 8.1.4	395 and 555	6.2.1	99
16.3	Control of the issuer	7.2.2	396	6.2.1	99
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control	8.3	559	-	-
17 –	**Related party transactions**	**3.6 and 6.1.6 Note 14**	**191 and 455**	**4.5.1 and 5.1.6 note 13**	**40 and 92**
18 –	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**				

	Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019	2021 Universal Registration Document Chapter/Section	Page	Update Chapter/Section	Page
18.1	Historical financial information	Profile, 5.3.1, 6.1, 6.2 and 8.7	4, 331, 354, 468 and 561	1	6
18.2	Interim and other financial information	N/A	N/A	N/A	N/A
18.3	Auditing of historical annual financial information	6.1.7 and 6.2.6	464 and 508	5.1.7	93
18.4	*Pro forma* financial information	N/A	N/A	N/A	N/A
18.5	Dividend policy	7.3 and 8.1.2	548 and 553	6.3	99
18.6	Legal and arbitration proceedings	6.1.6 Note 13 and 8.2	451 and 557	5.1.6 note 12 and 7.1	87 and 102
18.7	Significant change in the issuer's financial position	5.5.4 and 6.1.6 Note 15	348 and 455	4.5.2 and 5.1.6 note 14	40 and 92
19 –	**Additional information**				
19.1	Share capital				
19.1.1	Amount of issued share capital and authorized share capital	7.1.1, 7.1.2 and 7.1.4	534, 534 and 538	6.1.1 and 6.2.1	96 and 99
19.1.2	Shares not representing capital	N/A	N/A	6.1.3	97
19.1.3	Shares held by the issuer or its subsidiaries	7.1.3	535	6.2.1	99
19.1.4	Convertible securities, exchangeable securities or securities with subscription warrants	7.1.5, 7.1.7 and 6.1.6 Note 9.1.1.1	543, 545 and 415	5.1.6 note 8.1.1.1 and 6.1.3	77 and 97
19.1.5	Acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	7.1.4	538	-	-
19.1.6	Options over share capital of Group members	N/A	N/A	-	-
19.1.7	Share capital history	7.1.6	544	-	-
19.2	Memorandum and Articles of Association				
19.2.1	Issuer's objects and company register	8.1.1	552	-	-
19.2.2	Rights, preferences and restrictions attaching to shares	8.1.2 and 8.1.4 to 8.1.6	553 and 555	-	-
19.2.3	Provisions that could delay, defer or prevent a change in control of the issuer	N/A	N/A	N/A	N/A
20 –	**Material contracts**	**8.3**	**559**	N/A	N/A
21 –	**Documents available**	**8.5**	**560**	**7.2**	**104**

7.5.2 CROSS-REFERENCE TABLE FOR THE HALF-YEARLY FINANCIAL REPORT

Pursuant to Article 212-13 of the AMF general regulations, this Update includes the information required in the half-yearly financial report by Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-4 of the AMF general regulations.

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Resourcing the world

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