Suez S.A. condensed interim consolidated Financial Statements for the first half 2024

1. Consolidated financial statements

1.1 Consolidated statement of financial position

(in millions of euros)	Note	June 30, 2024	December 31, 2023
Non-current assets			
Goodwill	8	4,572.1	4,542.1
Intangible assets	8	3,923.6	4,056.2
Property, plant and equipment	8	2,206.8	2,164.5
Rights of use		648.4	552.8
Non-current financial assets	10	434.7	422.9
Investments in joint ventures and associates	9	2,639.4	2,604.3
Non-current contracts assets		59.0	48.5
Deferred tax assets		665.6	621.0
Non-current other assets		8.6	9.0
Total non-current assets		**15,158.1**	**15,021.3**
Current assets			
Current financial assets	10	150.9	151.9
Inventories		302.1	273.8
Trade and other receivables		3,327.9	3,124.7
Current contracts assets		344.6	296.3
Current tax assets		51.7	65.4
Cash and cash equivalents	10	1,252.8	1,203.8
Current other assets		846.1	711.2
Total current assets		**6,276.1**	**5,827.1**
Assets relating to discontinued operations		-	-
Total assets		**21,434.3**	**20,848.4**
Shareholders' equity, Group share		5,863.6	5,892.2
Non-controlling interests		434.5	423.8
Total shareholders' equity	**11**	**6,298.1**	**6,316.0**
Non-current liabilities			
Non-currrent provisions	12	1,180.2	1,169.8
Non-current financial liabilities	10	6,181.3	6,079.8
Non-currrent contracts liabilities		224.8	221.2
Deferred tax liabilities		1,175.7	1,178.7
Non-currrent other liabilities		55.0	43.9
Total non-current liabilities		**8,817.1**	**8,693.4**
Current liabilities			
Current provisions	12	129.5	149.0
Current financial liabilities	10	416.2	301.5
Trade and other payables		2,313.5	2,192.7
Current contracts liabilities		620.7	571.8
Current tax payables		96.7	64.1
Current other liabilities		2,742.5	2,559.9
Total current liabilities		**6,319.1**	**5,839.0**
Liabilities directly associated with assets relating to discontinued operations		-	-
Total shareholders' equity and liabilities		**21,434.3**	**20,848.4**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

1.2 Consolidated income statement

(in millions of euros)	Note	June 30, 2024	June 30, 2023 Restated [(a)]
Revenues		4,549.8	4,369.8
Purchases		(1,111.7)	(1,138.1)
Personnel costs		(1,236.6)	(1,180.3)
Depreciation, amortization and provisions		(444.7)	(435.5)
Other operating expenses		(1,838.2)	(1,770.1)
Other operating income		93.3	105.5
Current operating income	4	**12.0**	**(48.7)**
Impairment on property, plant and equipment, intangible and financial assets		(16.2)	1.1
Restructuring costs		(17.9)	(19.4)
Scope effects		(4.0)	1.9
Gains and losses on disposals and other non-recurring items		(4.9)	(3.0)
Income from operating activities	5	**(31.0)**	**(68.1)**
Share in net income of equity-accounted companies		81.7	86.4
of which: share in net income (loss) of joint ventures	*9.1*	*24.4*	*20.4*
of which: share in net income (loss) of associates	*9.2*	*57.3*	*66.0*
Income from operating activities after share in net income of equity-accounted companies		**50.7**	**18.3**
Cost of net debt		(85.5)	(81.7)
Other financial income and expenses		(2.5)	8.3
Net financial income (loss)	6	**(88.0)**	**(73.4)**
Income tax expense	7	(26.6)	(35.1)
Net income		**(63.9)**	**(90.2)**
Net income, Group share		(83.2)	(102.5)
Net income, non-controlling interests		19.3	12.3

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

(a) The income statement as at 30 June 2023 has been restated to reflect the impacts of the purchase price allocation of Enviroserv, IWS and Suez R&R UK (see Note 1.4.5).

1.3 Consolidated statement of comprehensive income

(in millions of euros)	June 30, 2024	June 30,2024 of which Group share	June 30,2024 of which Non controlling interests	June 30, 2023 restated [a]	June 30, 2023 restated of which Group share	June 30, 2023 restated of which non controlling interest
Net income	**(63,9)**	**(83,2)**	**19,3**	**(90,2)**	**(102,5)**	**12,3**
Cash flow hedges (excluding commodities)	(16,4)	(16,4)	(0,1)	8,9	9,0	(0,1)
Commodities Cash flow hedges	0,1	0,1	-	(1,6)	(1,5)	(0,1)
Deferred taxes on items above	(1,4)	(1,4)	(1,9)	(1,9)	(1,9)	(1,9)
Translation adjustments	68,4	66,0	2,4	(124,2)	(108,7)	(15,5)
Of which translation adjustments on subsidiaries with financial statements in foreign curencies [b]	*68,0*	*65,6*	*2,4*	*(124,2)*	*(108,7)*	*(15,5)*
Of which net investment hedge [c]	*0,9*	*0,9*	-	-	-	-
Of which tax effect on net investment hedge	*(0,5)*	*(0,5)*	-	-	-	-
Total reclassifiable items	**50,7**	**48,4**	**2,3**	**(120,7)**	**(103,1)**	**(17,6)**
Of which share of joint ventures in reclassifiable items, net of taxes	3,1	3,1	-	(38,2)	(38,2)	-
Of which share of associates in reclassifiable items, net of taxes	3,0	3,0	-	(49,1)	(49,1)	-
Actuarial gains and losses	11,0	11,0		0,9	0,9	-
Deferred taxes on actuarial gains and losses	(3,0)	(3,0)		0,1	0,1	-
Equity instrument	(4,4)	(4,4)	-	(3,5)	(3,5)	-
Deferred taxes on equity instrument	-	-	-	-	-	-
Total non-reclassifiable items	**3,6**	**3,6**	**-**	**(2,5)**	**(2,5)**	**-**
Of which share of joint ventures in non-reclassifiable items, net of taxes	-	-	-	-	-	-
Of which share of associates in non-reclassifiable items, net of taxes	1,2	1,2	-	(3,3)	(3,3)	-
Other comprehensive income	**54,3**	**52,0**	**2,3**	**(123,2)**	**(105,6)**	**(17,6)**
Comprehensive income	**(9,6)**	**(31,2)**	**21,6**	**(213,4)**	**(208,1)**	**(5,3)**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

(a) Comprehensive income as of June 30, 2023, has been restated to reflect the impacts of the allocation of the acquisition price of Enviroserv, IWS and Suez R&R UK (see Note 1.4.5).

(b) As of June 30, 2024, the EUR 68.0 million in translation adjustments mainly come from the pound sterling for EUR 46.0 million and the Chinese Yuan for EUR 9.0 million. As of June 30, 2023, the EUR (124.2) million came mainly from the Chinese Yuan for EUR (110.0) million and the Hong Kong dollar for EUR (54.0) million.

(c) In 2024, the Group used derivative products (cross-currency swaps) qualified as net investment hedges for its investments held in China for an amount of EUR 600 milion. The effective portion recognized in equity for these net investment hedges EUR 0.9 million. The ineffective portion recognized in income for these net investment hedges is EUR 3.5 million (see Note 6.1).

1.4 Statement of changes in consolidated shareholders’ equity

(in millions of euros)	Number of shares	Share capital	Premiums	Consolidated reserves	Change in fair value and Other	Translation adjustments	Shareholders' equity Group share	Non controlling interest	Total
Shareholders' equity at December 31, 2023	**6 180 415 958**	**61,7**	**5 808,0**	**87,6**	**202,3**	**(267,4)**	**5 892,2**	**423,8**	**6 316,0**
Net income				(83,2)			(83,2)	19,3	(63,9)
Other comprehensive income				3,6	(17,6)	66,0	52,0	2,3	54,3
Comprehensive income		**-**	**-**	**(79,6)**	**(18,1)**	**65,6**	**(31,2)**	**21,6**	**(9,6)**
Dividends distributed in cash approved							-	(13,8)	(13,8)
Capital increase							-	1,3	1,3
Business combinations							-	1,7	1,7
Other changes				2,6			2,6	(0,1)	2,5
Shareholders' equity at June 30, 2024	**6 180 415 958**	**61,7**	**5 808,0**	**10,6**	**184,2**	**(200,9)**	**5 863,6**	**434,5**	**6 298,1**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

(in millions of euros)	**Number of shares**	**Share capital**	**Premiums**	**Consolidated reserves**	**Change in fair value and Other**	**Translation adjustments**	**Shareholders' equity Group share**	**Non controlling interest**	**Total**
Shareholders' equity at December 31, 2022	**6,177,872,266**	**61.7**	**6,112.4**	**(37.8)**	**201.2**	**(148.5)**	**6,189.0**	**423.7**	**6,612.7**
Net income				(102.5)			(102.5)	12.3	(90.2)
Other comprehensive income				(2.5)	5.6	(108.7)	(105.6)	(15.7)	(121.3)
Comprehensive income				**(105.0)**	**5.6**	**(108.7)**	**(208.1)**	**(3.4)**	**(211.5)**
Dividends distributed in cash approved [(a)]							-	(17.1)	(17.1)
Capital increase of January 6, 2023 [(b)]	102,929,337	1.0	96.2				97.2	-	97.2
Employee share plan (reclassification as debt instruments) [(b)]	(102,929,337)	(1.0)	(96.2)				(97.2)	-	(97.2)
Capital increase of June 5, 2023 [(c)]	1,000,000	-	1.0				1.0	-	1.0
Capital increase of July 20, 2023	1,543,692	-					-	-	-
Allocation of prior year retained earnings			(62.4) [2]				-	-	-
Allocation of net income 2022			(243.0)	243.0			-	-	-
Capital increase / (decrease) in non controlling interest							-	0.4	0.4
Transactions between shareholders [(d)]				(10.4)			(10.4)	-	(10.4)
Business combinations [(e)]							-	1.5	1.5
Other changes							-	(0.4)	(0.4)
Shareholders' equity at June 30, 2023 restated	**6,180,415,958**	**61.7**	**5,808.0**	**152.2**	**206.8**	**(257.2)**	**5,971.5**	**404.7**	**6,376.2**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

(a) For the first half of 2023, dividend distributions to non-controlling interests were approved for an amount of EUR 17.1 million. The amount paid of EUR 27.8 million over the period (see Note 1.5 Consolidated statement of cash flows) also includes dividend distributions approved for the previous financial years.

(b) On January 6, 2023, as part of the “Go Suez Classique” and “Go Suez Multiple” employee shareholding plan reserved for employees, a capital increase was carried out by issuing ordinary shares for an amount total of EUR 97.2 million. These ordinary shares are considered debt instruments and not equity instruments and as such are not recognized in the group's consolidated equity.

(c) Completion on June 5, 2023, of a capital increase with elimination of preferential subscription rights for the benefit of the Chairman and CEO of the group, for an amount of EUR 1 million, share premium included.

(d) Suez S.A. purchased two minority shareholders of the company Scori in operations separate from the transaction with the Veolia group. This purchase took place for an amount of EUR 14.3 million. The provisional value of these minority shares was EUR 3.9 million. The difference between the price paid and this book value was allocated directly to equity.

(e) Entry of non-controlling interests following an acquisition in the Czech Republic.

1.5 Consolidated statement of cash flows

(in millions of euros)	Note	June 30, 2024	June 30, 2023 Restated (a)
Net income		**(63.9)**	**(90.2)**
Depreciation, amortization and provisions		441.5	417.3
Dividends received from joint ventures and associates		66.5	71.5
Share in net income (loss) of joint ventures		(24.4)	(20.5)
Share in net income (loss) of associates		(57.3)	(66.0)
Financial income	6	88.0	73.4
Scope effects, other gains and losses on disposal		0.3	(3.9)
Other items with no cash impact		3.0	(0.8)
Income tax expense	7	26.6	35.1
Cash flows from operations before financial income/(expense) and income tax		**480.3**	**415.9**
Tax paid including withholding tax on royalties		(38.4)	(72.0)
Change in working capital requirements		**(19.6)**	**(1.3)**
Cash flows from operating activities		**422.3**	**342.6**
Takeover of subsidiaries net of cash and cash equivalents acquired (b)		(7.8)	(374.1)
Acquisitions of interests in associates and joint-ventures		(8.0)	(3.4)
Acquisitions of equity instrument		(11.1)	(0.2)
Disposals of interests in associates and joint-ventures		-	2.4
Disposal of equity instrument		1.6	0.5
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold		(0.7)	2.7
Investments in property, plant and equipment and intangible assets		(238.6)	(224.5)
Disposals of property, plant and equipment and intangible assets		5.3	4.1
Other net interest on financial assets		4.1	1.0
Financial interest received		18.1	14.5
Dividends received on non-current financial assets		0.7	0.3
Change in financial assets at fair value through income		-	(4.5)
Change in loans and financial receivables		16.3	(72.4)
Cash flows from investing activities		**(220.1)**	**(653.6)**
Capital increase/ reduction of the parent company		-	1.0
Employee stock option plan		-	97.2
Capital increase/ reduction of non controlling interests		1.3	0.4
Changes in interest in controlled entities		-	(14.3)
Dividends paid to non-controlling interests [c]		(26.2)	(27.8)
Increase in loans and financial debt		53.3	61.0
Repayment of lease liabilities		(87.1)	(86.7)
Repayment of borrowings and financial debts		(23.0)	(52.7)
Financial interest on lease liabilities		(6.6)	(2.1)
Financial interest paid		(72.8)	(84.1)
Flows on financial derivatives qualifying net investment hedges and compensation payments on financial derivatives		2.4	9.7
Cash flows from financing activities		**(158.7)**	**(98.4)**
Impact of changes in exchange rates and other		5.6	(3.3)
Total cash flows for the period		**49.1**	**(412.7)**
Opening cash and cash equivalents		**1,203.8**	**1,766.2**
Closing cash and cash equivalents		**1,252.9**	**1,353.5**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

(a) The consolidated statement of cash flows as at 30 June 2023 has been restated to reflect the impacts of the purchase price allocation of Enviroserv, IWS and Suez R&R UK.
(b) This amount corresponds to the payment of the price adjustment for EUR 121.8 million and the earn-out for EUR 283.5 million in respect of the acquisition of the new Suez (total: EUR 405.2 million – see Note 10.1) as well as the payment of the earn-out for Enviroserv.
(c) Including EUR 16.8 million in dividends paid for previous years in Asia as of June 30, 2023.

2. Notes to the Consolidated Financial Statements

Note 1 Basis of presentation, principles, and accounting policies

1.1 Group presentation

Suez S.A. (formerly Sonate Bidco SA) was created on July 15, 2021, to allow the acquisition, from Veolia, of a set of activities of the former Suez group following the completion on January 18, 2022, of Veolia's takeover bid, the takeover of this perimeter having occurred on January 31, 2022. It is 97% owned by Suez Holding S.A.S. (formerly Sonate Topco S.A.S.) created on June 4, 2021, as part of the acquisition of the Suez activities sold by Veolia (whose shareholders are Meridiam Sustainable Water & Waste Fund – 40%, GIP IV Highbury Luxco – 40% and Caisse des Dépôts and CNP Assurances – 20%) and 3% by employees.

The Group's activities are mainly structured around:

- Municipal water (Water France) and waste recycling and recovery (R&R France) in France;
- Water activities in the following geographies: Italy (including participation in Acea), Czech Republic, Africa, Central Asia, India, China, Australia, and Global Digital and Environmental (SES) activities;
- Waste activities in the United Kingdom, as well as hazardous waste activities in France and South Africa.

1.2 Framework and basis for preparation of condensed interim consolidated financial statements

Pursuant to Regulation No. 1606/2002 of July 19, 2002, amended by European Regulation No. 297/2008 of March 11, 2008, the financial statements, prepared for the six-month period ended June 30, 2024, have been prepared in accordance with the provisions of IAS 34 – Interim Financial Reporting. This standard makes it possible to present a selection of explanatory notes. The financial statements therefore do not include all the notes and information required by IFRS for the annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the 2023 financial year (corresponding to the first consolidated accounts of Suez S.A., following the acquisition, dated January 31, 2023, of the Suez activities sold by Veolia), subject to the specific features of the preparation of the interim accounts described below.

The Group's condensed interim consolidated financial statements for the first half of 2024 (hereinafter "the financial statements") have been prepared according to the historical cost convention, apart from assets and liabilities acquired in business combinations that are recognized in accordance with IFRS 3, and financial instruments that are recognized in accordance with the treatment of different classes of financial assets and liabilities defined by IFRS 9. The comparative figures as at December 31, 2023, correspond to the Group's consolidated financial statements as defined above. The comparative figures as at June 30, 2023, correspond to the accounts of Suez S.A. prepared for the period from January 1, 2023, to June 30, 2023, including restated for the impact of the purchase price allocation exercise of Enviroserv, IWS and Suez R&R UK acquired in the second half of 2022 (see Note 1.4.5).

The financial statements have been prepared using accounting and calculation methods identical to those used in the consolidated financial statements for the financial year 2023, the Group's most recent annual financial statements, apart from the particularities described in note 1.4.

The financial statements are presented in millions of euros and rounded to the nearest hundred thousand euros. They were approved by the Board of Directors of Suez S.A. on 29 July 2024.

Standards, amendments, and interpretations issued by the IASB, applied for the first time by the Group as of January 1, 2024

The standards, amendments and interpretations issued by the IASB, applicables for the first time by the Group as of January 1, 2024, are as follows:

- Amendements to IFRS 16 – Lease debt in a sale-leaseback transaction
- Amendements to IAS 1 – Current/Non-Current Classification of Liabilities, and Non-Current Liabilities with Early Due Covenants

→ These amendments have no significant impact on the Group's financial statements as at June 30, 2024.

- Amendements to IAS 7 & IFRS 7 – Supplier financing agreements

→ In view of the derogation applicable to European companies for the preparation of their interim consolidated accounts, these amendments will only apply from the annual consolidated accounts.

The amendments published by the IASB, applicable after June 30, 2023, and not anticipated by the Group:

- Amendements to IAS 21 – Lack of convertibility

→ The analysis of the possible impact of these amendments is ongoing.

1.3 Use of estimates and judgment

The economic and financial environment leads the Group to maintain its risk monitoring procedures on financial instruments and operational assets. This environment leading to significant market volatility is considered by the Group in estimates such as business plans and the different discount rates used for both value tests and provision calculations. The preparation of financial statements requires the use of estimates and assumptions for determining the value of assets and liabilities, assessing positive and negative contingencies at the balance sheet date, and income and expenses for the year. Due to the uncertainties inherent in any valuation process, the Group revises its estimates based on regularly updated information. It is possible that the future results of the operations concerned may differ from these estimates.

In addition to the use of estimates, management exercises its judgment to define the appropriate accounting treatment of certain activities and transactions, particularly when the IFRS standards and interpretations in force do not precisely address the accounting issues concerned.

The financial statements have been prepared based on estimates and areas of judgment similar to those described in note 1.4 of the Group's consolidated financial statements as at December 31, 2023.

1.4 Particularities specific to the preparation of condensed interim consolidated financial statements

1.4.1 Seasonality of activities

The Group's activities are, by nature, seasonal activities, but climatic variations have a greater impact than seasonality on the various indicators of activity and operating income. Consequently, the interim results as at June 30, 2023 are not necessarily indicative of those that can be expected for the full year 2024.

1.4.2 Income taxes

Under the interim decrees, the tax expense (current and deferred) is calculated for each tax entity by applying to the result of the period the estimated annual average effective rate for the current year.

1.4.3 Post-employment benefits

The cost of pensions for an interim period is calculated on the basis of actuarial valuations carried out at the beginning of the financial year. These valuations are adjusted to take into account reductions, liquidations or other significant non-recurring events that occurred during the half-year. In addition, the amounts recognised in the statement of financial position for defined benefit plans are adjusted, where appropriate, to take account of significant changes in the yield on bonds issued by senior companies in the area concerned (the reference used to determine discount rates) and the actual return on hedging assets.

1.4.4 Provisions for site reconstitution

These provisions are recalculated once a year for the preparation of the statement of financial position as at December 31 (see Note 13.1.3 of the consolidated financial statements as at December 31, 2023). As at June 30, 2024, these provisions have been adjusted to reflect changes in discount and inflation rates over the period.

1.4.5 Pillar 2

As a reminder, following the OECD's recommendation under Pillar 2 leading to the creation of a minimum tax regime for large international organizations in November 2021, the European Union adopted a directive on December 14, 2022 making this regime effective as of January 1, 2024 or the date of transposition by the EU Member States, whichever is later. EU member states are required to transpose the directive by 2023/12/31 and France has voted to transpose it as part of the draft finance law for 2024.

In order to be as well prepared as possible for the new obligations arising from Pillar 2, the Group has followed all OECD publications and local legislation published in its countries of operation.

Within the Suez Group, the company that will be liable for the top-up tax under the Pillar 2 regulation in 2024 is Suez Holding, the Group's ultimate parent entity. As a result, no impact is recognized in this respect in the consolidated financial statements of Suez S.A. as of June 30, 2024. The subsequent implementation of specific rules in a given jurisdiction could lead to a change in the allocation of Pillar 2 tax between Suez Holding and its subsidiaries.

1.4.6 Comparative data as at June 30, 2023

The comparative data as at June 30, 2023 of the income statement, statement of comprehensive income, statement of change in equity and statement of cash flows correspond to the accounts of Suez S.A. prepared for the period from January 1, 2023 to June 30, 2023 and restated to reflect the impacts of the purchase price allocation of Enviroserv, IWS and Suez R&R UK, business combinations carried out in the second half of 2022, at the date of acquisition (see Note 3.3 of the consolidated financial statements as of December 31, 2023). The purchase price allocation work was finalised in the second half of 2023.

Impacts on the consolidated income statement

(in millions of euros)	**June 30, 2023 Published**	**EnviroServ**	**IWS**	**SUEZ R&R UK**	June 30, 2023 Restated
Revenues	4,371.3	-	-	(1.5)	4,369.8
Purchases	(1,138.1)	-	-	-	(1,138.1)
Personnel costs	(1,180.3)	-	-	-	(1,180.3)
Depreciation, amortization and provisions	(415.4)	(0.3)	(6.8)	(13.0)	(435.5)
Other operating expenses	(1,770.1)	-	-	-	(1,770.1)
Other operating income	105.5	-	-	-	105.5
Current operating income	**(27.1)**	**(0.3)**	**(6.8)**	**(14.5)**	**(48.7)**
Impairment on property, plant and equipment, intangible and financial assets	1.1	-	-	-	1.1
Restructuring costs	(19.4)	-	-	-	(19.4)
Scope effects	1.9	-	-	-	1.9
Gains and losses on disposals and other non-recurring items	(3.0)	-	-	-	(3.0)
Income from operating activities	**(46.5)**	**(0.3)**	**(6.8)**	**(14.5)**	**(68.1)**
Share in net income of equity-accounted companies	87.0	(0.6)	-	-	86.4
of which: share in net income (loss) of joint ventures	20.4	-	-	-	*20.4*
of which: share in net income (loss) of associates	66.6	*(0.6)*	-	-	*66.0*
Income from operating activities after share in net income of equity-accounted companies	**40.5**	**(0.9)**	**(6.8)**	**(14.5)**	**18.3**
Cost of net debt	(134.4)	-	-	(0.3)	(134.7)
Other financial income and expenses	61.3	-	-	-	61.3
Net financial income (loss)	(73.1)	**-**	**-**	**(0.3)**	**(73.4)**
Income tax expense	(40.6)	0.1	1.7	3.7	(35.1)
Net income	(73.2)	(0.8)	(5.1)	(11.1)	(90.2)
Net income, Group share	(85.9)	(0.4)	(5.1)	(11.1)	(102.5)
Net income, non-controlling interests	12.7	(0.4)	-	-	12.3

Impacts on key indicators

(in millions of euros)	**June 30, 2023 Published**	**EnviroServ**	**IWS**	**SUEZ R&R UK**	**PPA impacts**	June 30, 2023 Restated
Revenues	4,371.3	-	-	(1.5)	(1.5)	4,369.8
EBITDA	634.0	(0.6)	-	(1.5)	(2.1)	631.9
EBIT	70.6	(0.9)	(6.7)	(14.5)	(22.1)	48.5
Depreciation and amortization	(401.9)	(0.3)	(6.7)	(13.0)	(20.1)	(422.0)

Note 2 Significant transactions of the semester

2.1 Commercial activity of the Group

The Group has two main businesses, Water Cycle Management and Waste Recycling and Recovery. The main events of the first half of 2024 related to the Group's commercial activity are as follows:

2.1.1 Water cycle management

France

In April 2024, Suez and Vodafone, a global leader in communication technologies and services, are joining forces to accelerate the global deployment of remote water meter reading through Narrowband IoT (NB-IoT) communication networks. The goal is to put more than two million NB-IoT meters into operation by 2030.

Rest of the world

Philippines

In April 2024, as part of a historic partnership concluded following a call for tenders, Suez and Maynilad, the Philippines' leading private water management concessionaire, joined forces to carry out a structuring wastewater treatment project. Through a joint venture, under the aegis of the Philippine government, this project aims to drastically reduce the pollution of the waters of Manila Bay. It will play an essential role in preserving the environment and improving the quality of life of the inhabitants

China

In May 2024, Suez signed 3 strategic agreements on ecological transition with its Chinese partners, Envision, Chongqing Sanfeng Environment, and Dongguan Water Group. Signed in the presence of ministers from both countries, these partnerships focus on the recovery of waste into local and sustainable energy, as well as the recycling of electric vehicle batteries – key steps for the energy transition of China and France.

2.1.2 Recycling and recovery of waste

France

In March 2024, SEMMARIS, the managing authority of the Rungis International Market, entrusted Suez with the collection and sorting of waste from the world's largest fresh produce market. Since January 2024, Suez has been deploying solutions to raise awareness, strengthen waste sorting and recovery. The objective is to double the share of waste sorted by 2025. This new partnership to recover waste is part of the Rungis Market's CSR strategy, which aims to reduce its environmental footprint. This contract, worth 31 million euros, is planned for a period of 7 years.

In April 2024, Suez signed two photovoltaic Power Purchase Agreements (PPAs) with ENGIE. These contracts concern the production of ENGIE photovoltaic power plants located on SUEZ's Non-Hazardous Waste Storage Facilities, in Gueltas (56) and Vémars (95).

Rest of the world

Morocco

In January 2024, the AZURA Group, one of the world leaders in the fruit & vegetable and aquaculture sectors, and Suez announced the signing of two contracts, each for a period of 6 years, for the implementation of 2 platforms for the transformation of organic waste into compost. With a total capacity of 116,000 tonnes of organic waste per year, these platforms will produce 42,000 tonnes of compost and 43,000 tonnes of semi-finished Solid Recovered Fuel (SRF) annually.

Canada

In May 2024, Suez announced 2 equity investments in the innovative North American companies Airex Energie and Subeca for a total amount of EUR 8 million. These two investments in climate change adaptation and mitigation strengthen SUEZ's innovation dynamic. They are part of the Group's "open innovation" approach.

In addition, Suez and First Climate announced at Viva Technology the signing of a contract with Microsoft for the delivery of carbon sequestration credits from biochar by Carbonity:

- The three-year agreement covers the delivery of 36,000 carbon sequestration credits produced on a large scale by Carbonity, a Canadian company co-founded by Suez, Airex Energie and Groupe Rémabec,
- Biochar produced from forestry and agricultural residues is identified by the Intergovernmental Panel on Climate Change (IPCC) as one of the most effective negative emissions solutions.

2.2 Main changes in scope

The main changes in scope in the first half of 2024 are as follows:

- The sale of Suez Brazil in May 2024 for a capital loss of (10.9) million euros,
- The takeover of SEG in February 2024 (to 51%), resulting in the revaluation of the company's previously held share to 49%, which resulted in an impact of 4.3 million euros.

2.3 Other significant events

2.3.1 *Signing of a factoring contract*

In the first half of 2024, the Group implemented a factoring contract and sold a first batch of trade receivables in June 2024 for a net amount financed by the factor of €165.3 million euros (after deduction of associated costs). This program concerns subsidiaries of the Recycling and Recovery BU in France.

The terms of this factoring contract provide that Suez assigns to BNP Paribas Factor, at a specified frequency, its "debtor" balance of trade receivables (invoices and credit notes).

After acceptance and payment of the claims by the Factor, Suez transfers all its rights, guaranteed actions and ancillary attachments to the claims paid to the latter. Suez also transfers the benefit of an insurance policy that it will have taken out in advance and whose purpose is to cover the risk of non-payment of receivables by its customers. This is a non-recourse factoring contract.

Suez is responsible for recovering the factored receivables and the amounts collected are remitted to BNP Paribas Factor.

This factoring program is deconsolidating within the meaning of IFRS 9. Indeed, Suez transfers the contractual rights related to the cash flows and almost all the risks and rewards attached to the receivables assigned.

In return for the cash received from the Factor, Suez derecognizes the receivables ceded from its statement of financial position. Debt assignments are made at their nominal value, less a haircut that is used to cover the cost of financing the receivables, the risk of late payment and the credit risk.

2.3.2 *Free share plan allocation*

The Board of Directors of Suez S.A. on May 14, 2024, making use of the delegation granted by the Shareholders' Meeting of June 15, 2023, decided to grant free performance shares to certain employees and/or corporate officers of companies of the Suez Group. This plan covers a maximum number of 22,081,738 shares (which can be increased to a maximum of 27,368,156 shares in the event of outperformance), the acquisition of which is subject to a presence condition and several performance conditions. The definitive acquisition of these shares can only take place at the end of a three-year vesting period (from the date of the Board of Directors that decided to implement the plan) followed by a two-year holding period from the date of delivery of the shares.

2.3.3 *Power Purchase Agreements* (PPA)

The Suez Group has 4 effective PPA contracts from the 2024 financial year, representing a production volume of approximately 80 GWhs per year and for a period of between 10 and 20 years. These PPA contracts allow the associated green energy certificates of origin to be obtained. These contracts are treated for accounting purposes as traditional purchases (physical deliveries), insofar as they benefit from the "own-use" exemption stipulated in IFRS 9.

2.3.4 *Paid holidays and sick leaves*

The DDADUE law published on April 24, 2024 brought French law into line with EU law and clarified the rights/obligations of employees and employers. Indeed, as a reminder, in several judgments of September 13, 2023, the Court of Cassation had highlighted the non-compliance of French law with European Union law regarding the issue of the acquisition of paid leave rights for employees on sick leave. According to this case law of the Court of Cassation, all work stoppages, regardless of their origin or duration, gave the right to the acquisition of paid leave.

The DDADUE law now covers long-term work stoppages for non-professional reasons and provides for the applicable rules of postponement, prescription and foreclosure.

The amount recorded in this respect as a provision amounts to 5.5 million euros (as a reminder, as of 31/12/2023 the provision booked following the decisions of the Court of Cassation in 2023 was 4.8 million euros).

Note 3 Operating segments information

To effectively implement the Group's strategy, which aims to refocus around its two core businesses, the organization of the Group evolved during the fiscal year 2023, and the internal reporting monitored by the Group's chief operating decision maker was updated accordingly.

In accordance with the provisions of IFRS 8 - Operating Segments, three operating segments grouping the activities of the various business units were selected to present the Group's segment information and were identified based on internal reporting, notably those followed by the Chief Executive Officer, a member of the Executive Committee, and considered as the Group's chief operating decision maker:

- Water,
- Recycling and Recovery,
- Other activities.

The evolution of the Group's organization does not affect the segments presented in the consolidated financial statements as of December 31, 2023, but led the Group to reallocate certain activities from one segment to another.

he comparative data as of December 31, 2023, of key indicators within the meaning of IFRS 8, were restated to reflect the impacts of the evolution of the Group's organization, as well as the exercise of allocation of the purchase price of Enviroserv, IWS, and Suez R&R UK (see Note 1.4.5).

In accordance with the provisions of IFRS 8, the indicators presented correspond to those regularly provided to the chief operating decision maker via internal reporting, namely Revenue, EBITDA, EBIT, and Investments, as well as the information included in these indicators referred to in paragraph 23 of IFRS 8, namely Depreciation and amortization charges, and Share of net profit of joint ventures and associates.

3.1 Reportable segments

The Group is divided into the following sectors for reporting purposes:

- **Water**: provision of water distribution and treatment services, particularly under concession contracts (water management). These services are provided to individuals, local authorities, or industrial clients.
- **Recycling and Recovery**: service provision and waste treatment for local authorities and industrial clients. This includes collection, sorting, recycling, composting, energy recovery, and landfilling for both ordinary and hazardous waste.
- **Other activities**: Primarily consists of Digital Solutions and holdings, including Suez S.A.

The accounting methods and valuation techniques used for internal reporting are consistent with those used for the preparation of the consolidated financial statements. The EBITDA and EBIT indicators are reconciled to the consolidated accounts.

3.2 Impacts of the changes in the Group's organization and the exercise of allocation of acquisition prices on the comparative data

Below are the impacts of the changes in the Group's organization and the exercise of allocation of acquisition prices on the comparative data for 2023.

The main impacts are as follows:

- The reallocation of certain activities from the Water and Recycling and Recovery sectors to the Other activities sector, in line with the Group's strategy to refocus around its two core businesses.
- The amortization of customer relationships identified as part of the exercise of allocating acquisition prices.

(in millions of euros)	June 30,2023 Published	PPA impacts	Operating model impacts	June 30,2023 Restated
Water	1,629.0	-	(20.9)	1,608.1
Waste	2,705.3	(1.5)	(6.2)	2,697.6
Other activities	37.0	-	27.1	64.1
External revenues	4,371.3	(1.5)	-	4,369.8

(in millions of euros)	June 30,2023 Published	PPA impacts	Operating model impacts	June 30,2023 Restated
Water	308.2	-	(6.8)	301.4
Waste	355.3	(2.1)	(1.9)	351.3
Other activities	(29.5)	-	8.7	(20.8)
EBITDA	634.0	(2.1)	-	631.9

(in millions of euros)	June 30,2023 Published	PPA impacts	Operating model impacts	June 30,2023 Restated
Water	34.6	-	2.1	36.7
Waste	128.3	(22.1)	(1.3)	104.9
Other activities	(92.3)	-	(0.8)	(93.1)
EBIT	70.6	(22.1)	-	48.5

(in millions of euros)	June 30,2023 Published	PPA impacts	Operating model impacts	June 30,2023 Restated
Water	(178.2)	-	7.7	(170.5)
Waste	(184.7)	(20.1)	0.6	(204.2)
Other activities	(39.0)	-	(8.3)	(47.3)
Depreciation and amortization	(401.9)	(20.1)	-	(422.0)

(in millions of euros)	June 30,2023 Published	Impacts PPA	Operating model impacts	June 30,2023 Restated
Water	(82.1)	-	6.2	(75.9)
Waste	(133.5)	-	0.5	(133.0)
Other activities	(8.9)	-	(6.7)	(15.6)
Capital expenditures	(224.5)	-	-	(224.5)
of which maintenance CAPEX	*(112.1)*	-	-	*(112.1)*
of which growth CAPEX	*(112.4)*	-	-	*(112.4)*

3.3 Key indicators by reportable segments

3.3.1 Revenues

	June 30, 2024			June 30, 2023 - restated		
(in millions of euros)	External	Intragroup	Total	External	Intragroup	Total
Water	1,640.6	23.4	1,664.0	1,608.1	19.6	1,627.7
Recycling and Recovery	2,874.7	32.2	2,906.9	2,697.6	26.8	2,724.4
Other activities	34.5	68.0	102.4	64.1	91.3	155.4
Intragroup eliminations		(123.5)	(123.5)		-137.7	(137.7)
Revenues	4,549.8	-	4,549.8	**4,369.8**	**-**	**4,369.8**

3.3.2 EBITDA

The EBITDA corresponds to the Operating Income before Depreciation and Amortization, increased by the share of net income from associates and joint ventures, net of (i) depreciation and amortization, (ii) net provisions, (iii) net taxes under IFRIC 21, (iv) share-based payments, (v) net cash outflows from concessions, and (vi) net royalties for brand and know-how.

The EBITDA by sector breaks down as follows:

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Water	350.3	301.4
Recycling and Recovery	410.4	351.3
Other activities	(27.3)	(20.8)
EBITDA	733.4	631.9

3.3.3 Share in net income of equity accounted companies

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Water	79.9	78.6
Recycling and Recovery	7.1	8.3
Other activities	(5.3)	(0.5)
Share in net income of equity accounted companies	**81.7**	**86.4**

3.3.4 EBIT

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Water	78.0	36.7
Recycling and Recovery	136.3	104.9
Other activities	(108.6)	(93.1)
EBIT	**105.7**	**48.5**

3.3.5 Depreciation and amortization

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Water	(176.8)	(170.5)
Recycling and Recovery	(216.4)	(204.2)
Other activities	(50.4)	(47.3)
Depreciation and amortization	**(443.7)**	**(422.0)**

3.3.6 Investments

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Water	(75.5)	(75.9)
Recycling and Recovery	(143.8)	(133.0)
Other activities	(19.2)	(15.6)
Capital expenditures	**(238.6)**	**(224.5)**
of which maintenance CAPEX	*(117.0)*	*(112.1)*
of which growth CAPEX	*(121.6)*	*(112.4)*

3.4 Revenue by geographical area

The turnover presented below is broken down by customer marketing area.

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
France	2,606.0	2,639.1
Other EU	526.7	447.5
United Kingdom	694.3	593.2
China	103.9	108.5
Other Asia	169.9	162.3
Rest of the world	448.9	419.2
Total	**4,549.8**	**4,369.8**

3.5 Reconciliation of indicators with financial statements

3.5.1 Reconciliation of EBITDA to current operating income

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Current operating income	**12.0**	**(48.7)**
(+) Share in net income of equity-accounted companies	81.7	86.5
(-) Depreciation and amortization	443.8	422.0
(-) Net cash outflows from concessions	154.3	130.8
(-) Share-based payments	27.0	17.4
(-) Net of taxes under IFRIC 21	12.4	11.4
(-) Net allocations for risks provisions	(8.1)	7.5
(-) Net allocations for commercial provisions	9.1	6.1
(-) Others	1.2	(2.0)
EBITDA	**733.4**	**631.9**

3.5.2 Reconciliation of EBIT to current operating income

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Current operating income	**12.0**	**(48.7)**
(+) Share in net income of equity-accounted companies	81.7	86.5
(-) Net of taxes under IFRIC 21	12.4	11.4
(-) Others	(0.4)	(0.6)
EBIT	**105.7**	**48.6**

Note 4 Current operating income

The components of profit from recurring operations are as follows:

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Revenues	4,549.8	4,369.8
Purchases	(1,111.7)	(1,138.1)
Personnel costs	(1,236.6)	(1,180.3)
Depreciation, amortization and provisions	(444.7)	(435.5)
Other operating income	(1,838.2)	(1,770.1)
Other operating expenses	93.3	105.5
Current operating income	12.0	(48.7)

4.1 Depreciation, amortization, and provisions

The amounts shown below are net of reversals.

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Amortization	(443.7)	(422.0)
Depreciation of inventories, trade receivables and other assets	(9.1)	(6.0)
Net change in provisions [(a)]	8.1	(7.5)
TOTAL	(444.7)	(435.5)

(a) Excluding post-employment benefit obligations presented in Note 12.1.

Depreciation and amortization for the period, amounting to EUR (443.7) million, includes EUR (105.4) million for the amortization of assets recognized and/or revalued as part of the purchase price allocation work for the acquisition of the New Suez activities.

As of June 30, 2024, amortization is divided into:

- EUR (156.8) million for tangible fixed assets,
- EUR (192.1) million for intangible assets,
- EUR (94.7) million for rights of use.

As of June 30, 2023, amortization of EUR (422.0) million is divided into:

- EUR (151.5) million for tangible fixed assets,
- EUR (183.2) million for intangible assets,
- EUR (87.3) million for rights of use.

The asset allocation by type is provided in Note 8.

4.2 Other operating income and expense

Other operating income and expenses include:

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Other operating income	**93.3**	**105.5**
Other operating expenses	**(1,838.2)**	**(1,770.1)**
Sub-contracting	(731.8)	(566.0)
Taxes excluding corporate income tax	(210.8)	(230.4)
Other expenses	(895.5)	(973.7)
TOTAL	**(1,744.9)**	**(1,664.6)**

As of June 30, 2024, « Other expenses » breakdown as follow:

- maintenance expenditure of EUR (228.8) million compared with EUR (247.5) million as of June 30, 2023,
- concession renewal costs of EUR (154.3) million, compared with EUR (130.8) million as of June 30, 2023,
- costs of buildings sold to the grantor amounting to EUR (77.8) million, compared with EUR (45.7) million as of June 30, 2023,
- external staff of EUR (69.5) million, compared with EUR (67.5) million as of June 30, 2023,
- rental costs of EUR (61.6) million, compared with EUR (67.3) million as of June 30, 2023,
- transport costs of EUR (53.3) million, compared with EUR (54.1) million as of June 30, 2023,
- insurance costs of EUR (49.3) million, compared with EUR (46.6) million as of June 30, 2023,
- bad debt losses of EUR (10.6) million compared with EUR (12.6) million as of June 30, 2023,
- miscellaneous expenses of EUR (190.2) million, compared with EUR (301.7) million as of June 30, 2023.

Note 5 Income from operating activities

(in millions of euros)		June 30, 2024	June 30, 2023 - restated
Current operating income		**12.0**	**(48.7)**
Impairment on property, plant and equipment, intangible and financial assets	5.1	(16.2)	1.1
Restructuring costs	5.2	(17.9)	(19.5)
Scope effects	5.3	(4.0)	1.9
Gains and losses on disposals	5.4	2.6	0.5
Other non recurring items	5.4	(7.5)	(3.4)
Income from operating activities		**(31.0)**	**(68.1)**

5.1 Impairments of Property, plant and equipment, intangible assets, and financial assets

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Impairments		
Property, plant and equipment and other intangible assets	(10.0)	(2.4)
Rights of use	(0.6)	1.4
Financial assets	(7.9)	0.4
Total	**(18.5)**	**(0.5)**
Write-back of impairments		
Property, plant and equipment and other intangible assets	0.4	1.3
Rights of use	-	-
Financial assets	1.9	0.2
Total	**2.3**	**1.6**
Total	(16.2)	1.1

As of June 30, 2024, the impairment losses on tangible, intangible, and financial assets amount to (18.5) million euros, primarily due to the depreciation regarding one site of Suez R&R France for (6.4) million euros, as well as depreciations regarding activities in Mexico and Chile for respectively (3.6) million euros (3.3) million euros. Reversals of impairment amount to 2.3 million euros, mainly related to the loans from Suez Servicios Medioambientales to Suez International for 1 million euros.

5.2 Restructuring costs

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Cash restructuring costs	(22.4)	(22.6)
of which transformation plan linked to the acquisition of the new Suez business	*(1.3)*	*(3.2)*
Net variation of restructuring provisions	4.6	3.2
Total	(17.9)	(19.4)

As of June 30, 2024, restructuring costs mainly correspond to severance payments for (7.8) million euros, mainly in France, and transformation plans for (5.9) million euros, mainly at Suez SA.

As of June 30, 2023, restructuring costs mainly correspond to transformation plans at Suez S.A. for (7.5) million euros and in France for (3.7) million euros, as well as severance payments in France for (4.7) million euros.

5.3 Scope effects

As of June 30, 2024, the scope effects mainly consist of the loss on disposal of Suez Brazil for (10.9) million euros and the revaluation of the share of SEG (Gournay) following its takeover, amounting for 4.3 million euros.

As of June 30, 2023, the scope effects mainly consist of the capital gain on the sale of CDES for 3.6 million euros and acquisition costs for (1.4) million euros.

5.4 Other gains and losses on disposals and non-recurring items

(in millions of euros)	June 30, 2024	**June 30, 2023 - restated**
Disposals of property, plant and equipment and intangible assets	2.6	(1.4)
Disposals of shares	-	1.8
Total gains and losses on disposals	**2.6**	**0.5**
Other non-recurring items	(7.5)	(3.4)
Gains and losses on disposals and other non-recurring items	**(4.9)**	**(3.0)**

As of June 30, 2024, disposals amounting to a total of 2.6 million euros correspond to various operations within the group, primarily including the sale of offices in Italy for 0.6 million euros.

Other items mainly consist of the implementation costs of SaaS projects considered non-capitalizable, amounting to (6.2) million euros as of June 30, 2024.

Note 6 Net financial income

(in millions of euros)	June 30, 2024 Expenses	Income	Total	June 30, 2023 - restated Expenses	Income	Total
Cost of net debt	(112.9)	27.4	(85.5)	(115.8)	34.1	(81.7)
Other financial income and expenses	(14.9)	12.4	(2.5)	(18.9)	27.2	8.3
Financial income/(loss)	**(127.8)**	**39.8**	**(88.0)**	**(134.7)**	**61.3**	**(73.4)**

6.1 Cost of net debt

This item primarily includes interest expenses related to gross borrowings (calculated using the effective interest rate – EIR), gains and losses arising from foreign currency and interest rate hedging transactions on gross borrowings, as well as interest income on cash investments and changes in the fair value of financial assets measured at fair value through income.

(in millions of euros)	June 30, 2024 Expenses	Income	Total	June 30, 2023 - restated Expenses	Income	Total
Interest expense on gross borrowings	(101.9)	-	(101.9)	(98.0)	-	(98.0)
Interest income and expense on lease liabilities	(6.6)	-	(6.6)	(2.2)	-	(2.2)
Exchange gain/(loss) on borrowings and hedges [(a)]	(3.6)	9.0	5.4	(15.6)	19.8	4.2
Unrealized income/(expense) from economic hedges on borrowings	-	-	-	-	-	-
Income/(expense) on cash and cash equivalents, and financial assets at fair value through income	-	18.4	18.4	-	14.2	14.2
Capitalized borrowing costs	-	-	-	-	-	-
Financial income (expense) relating to a financial debt or receivable restructuring	(0.8)	-	(0.8)	-	0.1	0.1
Cost of net debt	**(112.9)**	**27.4**	**(85.5)**	**(115.8)**	**34.1**	**(81.7)**

[(a)] In 2024, the Group used derivatives (cross-currency swaps) qualified as net investment hedging of its investments held in China.

The effective portion recognized in equity (excluding tax effect) for these net investment hedges is + 0,8 million euros.

The ineffective portion recognized in profit and loss under these net investment hedges is+ 3,5 million euros.

6.2 Other financial income and expenses

(in millions of euros)	June 30, 2024 Expenses	Income	Total	June 30, 2023 - restated Expenses	Income	Total
Net interest expenses related to post employment and other long term benefits	(4.8)	-	(4.8)	(3.3)	-	(3.3)
Unwinding of discounting adjustment to long term provisions	(1.4)	-	(1.4)	-	3.0	3.0
Change in fair value of derivatives not included in net debt	(0.7)	-	(0.7)	-	6.7	6.7
Income from non-current financial assets at fair value through P&L / Non-recyclable equity	-	0.1	0.1	-	0.8	0.8
Other	(8.0)	12.3	4.3	(15.6)	16.7	1.1
Other Financial Income and Expenses	**(14.9)**	**12.4**	**(2.5)**	**(18.9)**	**27.2**	**8.3**

Note 7 Income tax

(in millions of euros)	June 30, 2024	June 30, 2023 Restated
Net income	**(63.9)**	**(90.2)**
- Share in net income of associates an joint veintures	81.7	86.4
- Income tax expense	(26.6)	(35.1)
Income before tax and share in net income of fully consolidated entities	**(119.0)**	**(141.5)**
Effective tax rate	-22.35%	-24.81%

The tax expense recognized in profit or loss for the period amounted to EUR (26.6) million. The effective tax rate is (22.35)%, compared to the group's normative rate of 25.8%.

The tax expense relating to French entities amounted to EUR (0.2) million, of which EUR (3.7) million corresponded to the CVAE (French tax) and those of foreign entities to EUR (26.4) million including the EGL tax in the United Kingdom for an amount of EUR (9.1) million.

This situation is mainly due to the lack of tax consolidation in France at the level of Suez S.A. The French entities belong to the tax consolidation group formed by Suez Holding (parent of Suez S.A.). In accordance with the tax rules in force and the tax consolidation agreements binding them to Suez Holding, the losses incurred during a financial year by the subsidiaries during their period of membership of the Tax Integration Group are automatically transmitted to Suez Holding and only a partial compensation of these losses is recorded in the accounts of Suez S.A..

Note 8 Goodwill, Tangible and intangible assets

(in millions of euros)	Goodwill	Intangible assets	Tangible assets	Total
A. Gross amount				
At December 31, 2023	**4,542.1**	**4,632.7**	**3,548.8**	**12,723.6**
Acquisitions	-	33.0	200.9	233.9
Disposals	-	(0.2)	(2.0)	(2.2)
Translation adjustments	34.9	38.4	42.1	115.4
Changes in scope of consolidation	(2.9)	(0.1)	12.5	9.5
Other	(1.9)	(0.1)	(12.6)	(14.6)
At June 30, 2024	**4,572.1**	**4,703.7**	**3,789.7**	**13,065.5**
B. Accumulated depreciation and impairment				
At December 31, 2023	**-**	**(576.5)**	**(1,384.3)**	**(1,960.8)**
Depreciation		(192.0)	(156.8)	(348.8)
Impairment losses		(0.9)	(8.7)	(9.6)
Disposals		0.2	0.2	0.4
Translation adjustments		(9.2)	(30.2)	(39.4)
Changes in scope of consolidation		(0.1)	(11.1)	(11.2)
Other		(1.6)	7.9	6.3
At June 30, 2024		**(780.1)**	**(1,583.0)**	**(2,363.1)**
C. Carrying Amount				
At December 31, 2023	**4,542.1**	**4,056.2**	**2,164.5**	**10,762.8**
At June 30, 2024	**4,572.1**	**3,923.6**	**2,206.7**	**10,702.4**

For all goodwill and intangible assets, in the absence of any trigger event for the first half of 2024, no impairment test has been conducted and, thus, no impairment has been recorded as of June 30, 2024.

8.1 Goodwill

For all goodwill, in the absence of any trigger event for the first half of 2024, no impairment has been recorded as of June 30, 2024.

The changes in goodwill mainly correspond to:

- Translation differences on the British pound (EUR +30.7 million) and on the Chinese renminbi (EUR +4.3 million).
- The disposal of goodwill of EUR 2.2 million, relating to the disposal of Suez Brazil.

8.2 Intangible assets

Intangible asset movements on the first half of 2024 are mainly explained by:

- Investments for the period for EUR 33.0 million,
- Depreciation for the period for EUR (192.0) million.
- Translation differences on the net value of tangible fixed assets are mainly recorded on the British pound (EUR +18.6 million).

8.3 Property, plant and equipment

Movements in property, plant and equipment on the first half of 2024 are mainly explained by:

- Investments for the period for EUR 200.9 million, including mainly EUR 166,6 million in France and EUR 14,2 million in the UK.
- Depreciation and amortization for the period for EUR (156.8) million,
- Translation differences on the net value of tangible fixed assets are mainly recorded on the British pound (EUR +9.6 million).

Change in the scope had a net impact of 1.4 EUR million correspond mainly to the acquisition of SEGOR for EUR 2,1 million (gross EUR 10.4 million), SEG for EUR 0.8 million (gross EUR 4,8 million) and the disposal of Suez Brazil for EUR (1.6) million (gross EUR (2.7) million).

Note 9 Investments in joint ventures and associates

(in millions of euros)	Investments in joint ventures	Investments in associates	Total
December 31, 2023	**600.8**	**2,003.5**	**2,604.3**
Acquisitions and capital increase	6.3	1.6	7.9
Dividends	(14.9)	(56.3)	(71.2)
Net income	24.4	57.3	81.7
Translation adjustements	3.1	6.4	9.5
Other	0.1	7.1	7.2
June 30, 2024	**619.8**	**2,019.6**	**2,639.4**

9.1 Investments in joint ventures

As of June 30, 2024, the most significant holdings are the Chinese joint ventures jointly owned by local concession-granting authorities. They encompass 36 different legal entities, with 3 entities representing over 50% of the amount presented in joint ventures investments.

	Carrying amount of investments in joint ventures		Share in net income/ (loss) of joint ventures	
(in millions of euros)	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2023 restated
Chinese JVs	576.1	558.9	22.6	22.0
of which Chongqing Sino French Water Supply Co. Ltd.	*157.3*	*154.1*	*4.2*	*7.3*
of which Jiangsu Sino French Water Co. Ltd.	*98.2*	*93.5*	*4.1*	*3.5*
of which Chongqing Sino French Tangjiatuo Wastewater Treatment Co. Ltd.	*76.3*	*73.0*	*2.9*	*1.3*
Other	43.7	41.9	1.8	(1.6)
Total	**619.8**	**600.8**	**24.4**	**20.4**

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Net income	24.4	20.4
Other comprehensive income (OCI)	3.1	(38.2)
Comprehensive income	**27.5**	**(17.8)**

9.2 Investments in associates

The equity interests and share in net income in associated companies are broken down as follows:

	Carrying amount of investments in associates		Share in net income/ (loss) of associates	
(in millions of euros)	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2023 restated
Acea Group	888.2	898.1	33.9	29.8
Suyu Group	660.1	635.4	18.6	20.4
Other (individual contributions < 10% of the total amount)	471.3	470.0	4.8	15.8
of which R&R France	*208.6*	*208.3*	*3.2*	*3.2*
of which Asia	*81.0*	*76.1*	*2.9*	*3.3*
of which R&R UK	*90.6*	*91.1*	*2.1*	*5.2*
Total	**2,019.6**	**2,003.5**	**57.3**	**66.0**

(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Net income	57.3	66.0
Other comprehensive income (OCI)	4.2	(52.4)
Comprehensive income	**61.5**	**13.6**

The most significant equity investments in associated companies are the Acea Group and the Suyu Group.

The Acea Group, in which Groupe Suez holds a 23.33% stake, is listed on the Milan Stock Exchange As of June 30, 2024, the carrying value of Acea in the Group's statement of financial position is EUR 888.2 million (value as of December 31, 2023 of EUR 898.1 million). This value considers the impacts related to the allocation of the acquisition price performed in 2022. The equivalent market value of the Acea Group amounts to EUR 750.8 million at the end of June 2024 (value as of December 31, 2023, of EUR 687.2 million. However, no impairment loss was recorded in the accounts of Groupe Suez in 2024, taking into account the result of the impairment tests carried out on December 31, 2023, the latter not being called into question as of June 30, 2024.

Note 10 Net financial assets and liabilities

The following table shows the various financial asset and liability categories:

(in millions of euros)		June 30, 2024 Non-current	June 30, 2024 Current	June 30, 2024 Total	December 31, 2023 Non-current	December 31, 2023 Current	December 31, 2023 Total
Financial assets measured at fair value through P&L		12.4	7.4	19.8	10.8	9.9	20.7
Derivative financial instruments	10.2	*5.1*	*7.4*	*12.5*	0.6	9.9	10.5
Other financial assets measured at fair value through income		*7.3*	-	*7.3*	*10.2*	-	*10.2*
Financial assets at fair value through non recyclable equity		51.6	-	51.6	*48.0*	-	*48.0*
Loans and receivables carried at amortized cost		370.7	3,471.4	3,842.1	364.1	3,266.7	3,630.8
Trade and other receivables [(a)]		-	*3,327.9*	*3,327.9*	-	3,124.7	3,124.7
Other loans and receivables at amortized cost		*370.7*	*143.5*	*514.2*	*364.1*	*142.0*	*506.1*
Financial assets		**434.7**	**3,478.8**	**3,913.5**	**422.9**	**3,276.6**	**3,699.5**
Cash and cash equivalents		-	1,252.8	1,252.8	-	1,203.8	1,203.8
Total financial assets and cash		**434.7**	**4,731.6**	**5,166.3**	**422.9**	**4,480.4**	**4,903.3**
Borrowings and debt		5,656.7	255.3	5,912.0	5,655.1	142.9	5,798.0
Lease liabilities		522.7	151.2	673.9	422.7	145.8	568.5
Derivative financial instruments	10.2	-	9.7	9.7	0.1	12.8	12.9
Trade and other payables [(a)]		-	2,313.5	2,313.5	-	2,192.7	2,192.7
Other financial liabilities [(b)]		1.8	-	1.8	1.9	-	1.9
Financial liabilities		**6,181.2**	**2,729.7**	**8,910.9**	**6,079.8**	**2,494.2**	**8,574.0**

[(a)] Trade and other receivables and trade and other payables are broken down in Note 5.3.
[(b)] The other financial liabilities as of June 30, 2024, consist of various individually insignificant items.

10.1 Net debt

(in millions of euros)	June 30, 2024 Non-current	June 30, 2024 Current	June 30, 2024 Total	December 31, 2023 Non-current	December 31, 2023 Current	December 31, 2023 Total
Bonds issues	*5,508.9*	-	*5,508.9*	*5,490.4*	-	*5,490.4*
Draw downs on credit facilities	*11.9*	*5.8*	*17.7*	*12.9*	-	*12.9*
Other bank borrowings	*112.7*	*77.2*	*189.9*	*126.3*	*44.9*	*171.2*
Other borrowings	*69.8*	*38.9*	*108.7*	*72.4*	*9.8*	*82.2*
Overdrafts and current cash accounts	-	*29.1*	*29.1*	-	*31.7*	*31.7*
Impact of measurement at amortized cost [(a)]	*(46.6)*	*104.3*	*57.7*	*(46.9)*	*56.5*	*9.6*
Faire value hedge impact [(b)]	-	-	-	-	-	-
Borrowings and debt	**5,656.7**	**255.3**	**5,912.0**	**5,655.1**	**142.9**	**5,798.0**
Lease liabilities	**522.7**	**151.2**	**673.9**	422.7	145.8	568.5
Debt-related derivatives under liabilities [(c)]	-	2.4	2.4	-	6.4	6.4
Gross debt	**6,179.4**	**408.9**	**6,588.3**	**6,077.8**	**295.1**	**6,372.9**
Other cash and cash equivalents	-	(1,252.8)	(1,252.8)	-	(1,203.8)	(1,203.8)
Debt-related derivatives under assets [(c)]	(4.6)	(5.2)	(9.8)	-	(6.9)	(6.9)
Net cash	**(4.6)**	**(1,258.0)**	**(1,262.6)**	-	**(1,210.7)**	**(1,210.7)**
Net debt	**6,174.8**	**(849.1)**	**5,325.7**	**6,077.8**	**(915.6)**	**5,162.2**
Impact of measurement at amortized cost [(a)]	46.6	(104.3)	(57.7)	46.9	(56.5)	(9.6)
Derivative instruments	4.6	2.8	7.4	-	0.5	0.5
Net debt excluding amortized cost and impact of derivative financial instruments	**6,226.0**	**(950.6)**	**5,275.4**	**6,124.7**	**-971.6**	**5,153.1**

[(a)] Includes accrued interest on gross debt as well as premiums and fees for setting up borrowings to be amortized.
[(b)] This item corresponds to the revaluation of the interest rate component of hedged debts within a fair value hedging strategy.
[(c)] This refers to the fair value of derivative instruments related to debt, whether designated as hedges or not.

Variations by flows of net debt as of June 30, 2024 are presented in the following table:

(in millions of euros)	December 31, 2023	Cash flows	Non cash flows: Forex effect	Non cash flows: Scope effect	Non cash flows: Change in fair value and amortized cost	Other	June 30, 2024
Bonds issues	*5,490.4*	*-*	*18.5*	*-*	*-*	*-*	*5,508.9*
Draw downs on credit facilities [(a)]	*12.9*	*4.8*	*-*	*-*	*-*	*-*	*17.7*
Other bank borrowings	*171.2*	*8.9*	*4.5*	*3.4*	*-*	*1.9*	*189.9*
Other borrowings [(b)]	*82.2*	*27.7*	*0.8*	*-*	*-*	*(2.0)*	*108.7*
Overdrafts and current cash accounts	*31.7*	*(11.1)*	*0.3*	*8.2*	*-*	*-*	*29.1*
Impact of measurement at amortized cost	*9.6*	*-*	*0.6*	*-*	*48.4*	*(0.9)*	*57.7*
Impact of fair value hedge	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Borrowings and debt	**5,798.0**	**30.3**	**24.7**	**11.6**	**48.4**	**(1.0)**	**5,912.0**
Lease liabilities	568.5	(87.0)	1.6	0.8	(0.9)	190.9	673.9
Debt-related derivatives under liabilities	6.4	-	(4.0)	-	-	-	2.4
Gross debt	**6,372.9**	**(56.7)**	**22.3**	**12.4**	**47.5**	**189.9**	**6,588.3**
Other cash and cash equivalents	(1,203.8)	(55.8)	(4.0)	10.8	-	-	(1,252.8)
Debt-related derivatives under assets	(6.9)	-	0.9	-	(3.7)	(0.1)	(9.8)
Net cash	**(1,210.7)**	**(55.8)**	**(3.1)**	**10.8**	**(3.7)**	**(0.1)**	**(1,262.6)**
Net debt	5,162.2	(112.5)	19.2	23.2	43.8	189.8	5,325.7

[(a)] As of June 30, 2024, this item solely comprises drawdowns on credit facilities carried by subsidiaries. The 750 million euros credit facility carried by Suez S.A. remains undrawn.
[(b)] The other borrowings notably include financial debt owed to Veolia corresponding to ongoing economic transfers as of June 30,2024, amounting to EUR 10.3 million, as at December 31, 2023.

As of June 30, 2024, net debt shows an increase of EUR 163.5 million, primarily attributable to:

- cash payment of dividends to minority shareholders of subsidiaries totaling EUR 26.2 million.
- net increase of IFRS16 lease liabilities totalling EUR 103.6 million.
- change in accrued interests on financial debt which contributed EUR 45.4 million euros to the increase in net financial debt
- effects of exchange rate fluctuations totaling EUR 16.8 million.
- these changes being partially compensated by:
    - cash surplus generated by the Group's activities for EUR 47.0 million.

10.2 Fair value of financial instruments by level

(in millions of euros)	June 30, 2024: Total	Level 1	Level 2	Level 3	Carrying Amount	December 31, 2023: Total	Level 1	Level 2	Level 3	Carrying Amount
Listed securities	0.2	0.2	-	-	0.2	5.3	5.3	-	-	5.3
Unlisted securities	58.7	-	-	58.7	58.7	52.9	-	-	52.9	52.9
Derivative financial instruments	12.5	-	12.5	-	12.5	10.5	-	10.5	-	10.5
Debt-related derivatives	*9.8*	*-*	*9.8*	*-*	*9.8*	*6.9*	*-*	*6.9*	*-*	*6.9*
Derivatives hedging commodities	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Derivatives hedging other items	*2.7*	*-*	*2.7*	*-*	*2.7*	*3.6*	*-*	*3.6*	*-*	*3.6*
Financial assets at fair value	71.4	0.2	12.5	58.7	71.4	68.7	5.3	10.5	52.9	68.7
Borrowings	5,858.8	5,448.1	410.7	-	5 912.0	5,945.3	5,637.5	307.8	-	5,798.0
Derivative financial instruments	9.7	-	9.7	-	9.7	12.9	-	12.9	-	12.9
Debt-related derivatives	*2.4*	*-*	*2.4*	*-*	*2.4*	*6.4*	*-*	*6.4*	*-*	*6.4*
Derivatives hedging commodities	*-*	*-*	*-*	*-*	*-*	*0.1*	*-*	*0.1*	*-*	*0.1*
Derivatives hedging other items	*7.3*	*-*	*7.3*	*-*	*7.3*	*6.4*	*-*	*6.4*	*-*	*6.4*
Financil liabilities at fair value	5 868.5	5 448.1	420.4	-	5 921.7	5,958.2	5,637.5	320.7	-	5,810.9

Financial assets

Listed securities, with a fair value of EUR 0.2 million as of June 30, 2024, are valued based on the quoted market price at that date. Therefore, they are classified as Level 1 financial instruments.

Unlisted securities, with a fair value of EUR 58.7 million as of June 30, 2024, are valued using valuation models primarily based on recent transactions, discounted cash flows, or net asset value. Therefore, they are classified as Level 3 financial instruments. The derivative financial instruments used by the Group for risk management purposes mainly include interest rate and currency swaps, currency options, forward foreign exchange contracts, and commodity swaps. They are recognized at their fair value as of June 30, 2024, totalling EUR 12.5 million. The fair value of almost all these contracts is determined using internal valuation models based on observable data. Therefore, they are classified as Level 2 financial instruments.

Financial liabilities

The fair value of financial liabilities and financial instruments positioned on the liabilities side is distributed as follows among the different levels of fair value (the definition of fair value levels is presented in Note 6.3):

Regarding financial liabilities, only the listed bond borrowings issued by Suez are presented in this table as Level 1. Other borrowings are presented as Level 2. The fair value of all these borrowings is determined, considering interest rate risk (interest rate component), based on observable data.

Regarding derivative financial instruments, they are classified as Level 2 fair value instruments (refer to Note 6.2.4 for justification of fair value level).

Note 11 Shareholders' equity

11.1 Equity management

Suez continuously seeks to optimize its financial structure by balancing its net financial debt with its total equity as shown in the consolidated financial position statement. The Group's primary objective in managing its financial structure is to maximize shareholder value, reduce the cost of capital, maintain a strong credit rating, and ensure the desired financial flexibility to seize value-creating external growth opportunities. The Group manages its financial structure and adjusts in response to evolving economic conditions.

11.2 Share capital

As of June 30, 2024, the individual share capital of Suez S.A. is made up of 6,324,968,822 ordinary shares and 51,800,662 preferred shares with a nominal value of € 0.01. Of this number of shares, 146,096,556 ordinary shares and 51,800,662 preferred shares are considered debt instruments in the consolidated statements.

				Value *(in millions of euros)*	
	Number of shares (incl. Own shares)	**Ordinary shares**	**Preference shares**	**Share capital**	**Additional paid-in capital**
Nb of shares part of the statutory share capital	6,378,313,176	6,326,512,514	51,800,662	62.7	5,946.4
Employee share plan (reclassification in debt instruments)	(197,897,218)	(146,096,556)	(51,800,662)	(1.0)	(138.4)
At December 31, 2023	**6,180,415,958**	**6,180,415,958**	**-**	**61.7**	**5,808.0**
At June 30, 2024	**6,180,415,958**	**6,180,415,958**	**-**	**61.7**	**5,808.0**

11.3 Non-controlling interest

In accordance with IFRS 10, non-controlling interests in subsidiaries consolidated using the full consolidation method are considered elements of equity.

The "Non-controlling interests" amount to EUR 434.5 million as of June 30, 2024, and are broken down as follows:

(in millions of euros)	**June 30, 2024**	**December 31, 2023**
Macau Water & Shanghai Chemicals industrial (Asia Pacific)	163.3	154.6
Nuove Acque (Italy)	65.3	63.4
Prospect Water Partnership (Australia)	58.9	59.2
Boone Comenor	50.0	51.8
Czech Republic	41.3	45.6
EnviroServ (South Africa)	25.1	27.9
Other	30.6	21.3
TOTAL	**434.5**	**423.8**

The non-controlling interests primarily arise from the acquisition of Suez's activities from Veolia completed on January 31, 2022.

The Asia Pacific line corresponds to (i) the 15% minority interest in Macao Water, which manages the water supply concession contract with the Government of Macao SAR to provide the city with comprehensive water management services; and (ii) the 50% minority interest in Shanghai Chemical Industrial Park SFWD, a company responsible for industrial water supply and wastewater treatment for Shanghai Chemical Industry Park.

The Nuove Acque line corresponds to the minority interests held by public shareholders of Nuove Acque for 53.84%. It is also held by the private shareholder Intesa Aretina Scarl for 46.16%. Intesa Aretina Scarl is 61% owned by Suez Group. Nuove Acque S.p.A. was established in 1999 to manage the integrated water service in the A.T.O. (Ambito Territoriale Ottimale) No. 4 Alto Valdarno, which includes 30 municipalities in the province of Arezzo and 5 in the province of Siena.

The Prospect Water Partnership line corresponds to the 49% minority interests in UniSuper. Operated by SUEZ since 1993 under an extended build-operate-transfer contract currently running until 2035, PWFP is Australia's largest water filtration plant and provides drinking water to 85% of Sydney's population, approximately four million people.

The Boone Comenor line corresponds to the minority interests in all entities of the joint-venture Boone Comenor Metalimpex, held by Suez at 67% and by Renault for the remaining 33%.

The Czech Republic line corresponds to minority interests in Czech entities (overall owned 50% by Suez) as well as the reassessment of these interests conducted as part of the allocation of the acquisition price of Suez's activities acquired from Veolia in January 2022.

The Enviroserv line corresponds to the 49% acquired by Suez's partners (RBH and AIIM) as well as the amount allocated to minorities on reassessments recorded as part of the acquisition price allocation in 2023.

Note 12 Provisions and contingent liabilities

12.1 Provisions evolution

In millions d'euros	December 31, 2023	Allowances	Reversals (utilizations)	Reversals (surplus provisions)	Impact unwinding discount adjustments (a)	Reclassification	Translation adjustments	Scope effects	Others	June 30, 2024
Post-employment benefit obligations and other long-term	274.4	5.0	(9.0)	-	4.8	(0.1)	0.7	-	(11.0)	264.8
Sector-related risks	15.5	7.3	-	-	-	2.6	-	-	-	25.4
Warranties	7.6	3.9	(3.1)	-	-	-	-	-	-	8.4
Tax risks, other disputes and claims	47.6	2.5	(5.0)	(8.2)	-	(0.5)	0.2	(0.1)	-	36.4
Site restoration [b]	804.9	14.1	(15.9)	-	(7.2)	-	4.5	2.9	-	803.3
Restructuring costs [c]	19.0	3.4	(7.9)	-	-	-	-	-	-	14.4
Reinsurance activity [d]	59.3	5.5	-	-	-	-	-	-	-	64.8
Other contingencies [e]	90.3	14.3	(15.5)	(0.7)	0.3	2.8	0.4	0.2	-	92.1
Total Provisions	**1,318.7**	**55.9**	**(56.4)**	**(8.9)**	**(2.1)**	**4.8**	**5.8**	**2.9**	**(11.0)**	**1,309.7**
Total current provisions	149.0	23.8	(31.7)	(8.9)	-	(3.3)	0.8	(0.1)	-	129.5
Total non-current provisions	1,169.8	32.2	(24.8)	-	(2.2)	8.0	5.0	3.1	(11.0)	1,180.2

NB : The values in the tables are expressed in millions of euros. Rounding may in some cases lead to an insignificant discrepancy in the totals or variations.

(a) The discount effect on post-employment and other long-term benefits is the interest expense calculated on the net amount of pension liabilities and the fair value of cover assets, in accordance with revised IAS 19, as well as the change in the rates used to calculate the long-term provision described in Note 12.4.

(b) Site restoration provisions include provisions for decommissioning and provisions for site remediation.

(c) See Note 12.5.

Provisions amounted to EUR 1,309.7 million as at June 30, 2024, including 717.7 million of euros in R&R France, 139.9 million euros in Hazardous Waste, 130.8 million euros in Water France.

The change in provisions is mainly explained by the actuarial gains and losses for (11.0) millions of euros, conversion effect for 5.8 million of euros and endowments and reversals for EUR (9.4) million of euros.

The flows of provisions, reversals and changes related to the discounting of provisions presented in the table above are broken down as follows in the consolidated income statement as at June 30, 2024:

(in millions of euros)	Net (reversals) 2024
Income from operating activities	(9.4)
Other financial income and expenses	(2.1)
Total	**(11.5)**

Analysis by nature of provisions and the principles applicable to their calculation are set out below.

12.1.1 Post-employment and other long-term benefits

Post-employment benefits mainly varied due to allocations of EUR 5 million, reversals of EUR (9.0) millions recoveries of EUR (9.0) million and actuarial losses of (11.0) million euros.

12.1.2 Tax risks, other disputes, and claims

This item includes provisions related to ongoing proceedings, concerning staff or social organizations (adjustment on social security contributions, etc.), ongoing litigation relating to the Company's normal activity (customer complaints, supplier disputes), tax adjustments and tax disputes.

The Group is engaged in the normal course of its business in several disputes and arbitrations with third parties or with the tax authorities of certain countries. Provisions are made for such disputes and arbitrations where there is an obligation (statutory, contractual, or implied) to a third party at the balance sheet date, it is likely that a non-requited outflow of resources is necessary to extinguish the obligation, and the amount of such outflow of resources can be estimated with sufficient reliability.

The amount of the provisions made in this respect as at June 30, 2024, amounts to EUR 36.4 million, including:

- EUR 8.8 million for tax litigation excluding corporate tax,
- EUR 19.6 million for numerous disputes on markets and contracts in France,
- EUR 8.0 million relating to disputes against staff and social organizations, mainly in France.

12.1.3 Site reconstruction

The European Directive of June 1998 on waste storage sites introduced obligations in terms of closure and long-term monitoring of these sites. These obligations imposed on the holder of the operating order (or failing that, on the owner of the land in the event of failure of the operator) set rules and conditions to be observed in terms of the design and dimensioning of storage, collection, and treatment centres for liquid (leachate) and gaseous (biogas) effluents and establish a thirty-year monitoring of these sites.

These provisions of two types (redevelopment and long-term monitoring) are calculated site by site and are constituted during the operating life of the site in proportion to the consumption of the excavation vacuum (attachment of loads and products). These costs, which will have to be incurred during the closure of the site or during the long-term monitoring period (generally 30 years in the European Union after the closure of the site, 20 years in France pursuant to the ministerial decree of 15 February 2016 followed by a monitoring period of 5 years renewable and 60 years in Great Britain) are subject to an update. An asset is recognized against the provision. It is amortized at the rate of the consumption of the excavation vacuum or the need for cover, in the exercise.

The calculation of the provision for redevelopment (when the storage center closes) depends on the type of cover chosen: semi-permeable, semi-permeable with drain, or waterproof. This choice has a significant impact on the level of future leachate production and therefore on the future costs of treating this effluent. The calculation of this provision requires an assessment of the cost of redevelopment of the surface remaining to be covered. The provision recorded in the statement of financial position at the end of the period must allow the redevelopment of the part not yet treated (difference between the filling rate and the percentage of the surface of the site already redeveloped). Each year, the provision is revalued based on the work carried out and those to be carried out.

The calculation of the provision for long-term monitoring depends on the costs associated with the production of leachate and biogas. The main items of long-term follow-up expenditure are:

- The construction of infrastructure (biogas recovery unit, leachate treatment plant) and demolition work of facilities used during the operating period,
- Maintenance and repair of cover and infrastructure (surface water collection),
- Control and monitoring of surface water, groundwater and leachate,
- Replacement and repair of control points (piezometers),
- Leachate treatment costs,
- Expenses related to the collection and treatment of biogas.

The provision for long-term monitoring to be included in the statement of consolidated financial position at the end of the period is based on the occupancy rate of the storage facility at the end of the period, the estimated total expenses per year and per item (based on standard or specific costs), the estimated date of closure of the site and the discount rate used for each site (based on its remaining life).

As at June 30, 2024, these provisions mainly concern R&R France entities for EUR 551.4 million, Suez R&R UK for EUR 137.2 million, IWS for EUR 94.9 million and EnviroServ entities for EUR 19.5 million.

12.1.4 Other risks

This item mainly includes provisions for miscellaneous risks related to personnel, the environment and various business risks. As at June 30, 2024, these mainly include:

- EUR 19.2 million for onerous contracts, mainly in R&R UK,
- EUR 8.2 million for the risk of dismantling covered facilities,
- EUR 59.4 million for miscellaneous risks, including EUR 24.0 related to Waste activity and EUR 28.3 million related to Water activity.

12.2 Contingent liabilities

The Group is not aware of any contingent liability that could significantly and with a serious probability affect the Group's results, financial position, assets, or activities.

Note 13 Share-based or cash-based payments

The amounts recorded for share-based payments are as follows:

(in millions of euros)	(Expense) of the period	
	June 30, 2024	June 30, 2023 - restated
Free share allocation plans	(11.5)	(3.9)
Employees share issues	(12.1)	(13.5)
Total	(23.6)	(17.4)

These expenses are accounted for in accordance with IFRS 2.

13.1 Free share allocation plans

The expense recognized as at June 30, 2023 under free share allocation plans – expenses recorded in personnel costs in the ROC – breaks down as follows:

(in millions of euros)	(Expense) of the period	
	June 30, 2024	June 30, 2023 - restated
Free share allocation plans 2022	(3.9)	(3.9)
Free share allocation plans 2023	(5.7)	-
Free share allocation plans 2024	(1.9)	-
Total	(11.5)	(3.9)

On July 20, 2022, the Board of Directors of Suez S.A., making use of the delegation granted by the Annual General Meeting of June 28, 2022, decided to allocate free performance shares to certain employees and/or corporate officers of Suez Group companies. This plan covers a maximum number of 19,863,314 shares (which may be increased to a maximum of 26,929,121 shares in the event of outperformance), the acquisition of which is subject to a presence condition and several performance conditions.

The definitive acquisition of these shares can only take place at the end of a three-year vesting period (from the date of the Board of Directors that decided to implement the plan) followed by a retention period of two years from the date of delivery of the shares. The number of shares definitively acquired will depend on the achievement of various performance conditions assessed over 3 years:

- financial performance conditions (evolution of EBITDA and Free Cash Flow) for 80%
- 3 conditions related to Corporate Social Responsibility for 20%.

On July 19, 2023, the Board of Directors of Suez S.A., making use of the delegation granted by the Annual General Meeting of June 15, 2023, decided to allocate free performance shares to certain employees and/or corporate officers of Suez Group companies. This plan covers a maximum number of 23,531,944 shares (which may be increased to a maximum of 30,808,796 shares in the event of outperformance), the acquisition of which is subject to a presence condition and several performance conditions.

The definitive acquisition of these shares can only take place at the end of a three-year vesting period (from the date of the Board of Directors that decided to implement the plan) followed by a retention period of two years from the date of delivery of the shares. The number of shares definitively acquired will depend on the achievement of various performance conditions assessed over 3 years:

- Financial performance conditions (evolution of EBITDA and Free Cash Flow) for 80%
- 3 conditions related to Corporate Social Responsibility for 20%.

It was also decided to allocate free shares only subject to conditions of presence:

- Decision by the Board of Directors of Suez S.A. dated July 20, 2022, to grant, in favor of a designated beneficiary, 2,542,668 free shares, the acquisition of which is subject to a presence condition: (i) one year from the date of allocation for 1,543,692 shares, and (ii) two years from the date of allocation for 998,976 shares.
- Decision dated July 5, 2023, by the CEO acting under the sub-delegation of authority granted by the Board of Directors on February 7, 2023, to grant 500,000 free shares of the Company to a designated beneficiary. The definitive acquisition of these shares can only take place at the end of a one-year acquisition period from the date of allocation of the plan.

- Decision by the Board of Directors of Suez S.A., dated July 19, 2023, to grant:
    - 750,000 free shares to certain employees in the United Kingdom, the acquisition of which is subject to a presence condition of two years.
    - 175,926 free shares to an employee, the acquisition of which is subject to a presence condition extending until November 1, 2023.

The movements that occurred during the year relating to this free share allocation plan are as follows:

	Free share allocation plan 2022	Free share allocation plan 2023	Free share allocation plan 2024	Total
Number of shares at December 31, 2023	**17,550,191**	**24,149,606**	**-**	**41,699,797**
Number of shares awarded during the year	-	-	23,924,331	23,568,775
Number of shares delivered during the year	-	-	-	-
Number of shares cancelled during the year	(911,953)	(855,095)	(355,556)	(1,767,048)
Number of shares at June 30, 2024	**16,638,238**	**23,294,511**	**23,568,775**	**63,501,524**

The liquidity of the shares, upon delivery, will be provided by Suez S.A. These plans are classified, according to IFRS 2, as cash-settled plans. Consequently, the group recognizes a personnel expense over the vesting period in exchange for a liability measured at fair value at the grant date and at each reporting date until settlement, with the change in fair value of the liability recognized in profit or loss.

The expense and the liability recognized at December 31, 2023, amount to EUR 11.5 million including social charges (EUR 10.0 million excluding social charges) and EUR 29.1 million, based on a fair value of the share estimated at EUR 1.16 as of June 30, 2024 (value of EUR 1.08 as of December 31, 2023), i.e EUR 25.0 million excluding social charges.

In terms of sensitivity, a +10% variation in the fair value of all instruments would increase the liability by EUR 3.2 million as of June 30, 2024.

13.2 Employee Share Ownership Plans

The charge recognized as of December 31, 2023, for the employee share ownership plans is broken down as follows:

	(Expense) of the period	
(in millions of euros)	June 30, 2024	June 30, 2023 - restated
Plan GO SUEZ 2022 - Formule reinvest	(2.5)	(4.3)
Plan GO SUEZ 2022 - Formule classique	(4.1)	(1.4)
Plan GO SUEZ 2022 - Formule multiple	(5.5)	(7.8)
Total	**(12.1)**	**(13.5)**

As a reminder, as part of the implementation of an employee share ownership plan during the 2022 fiscal year, the Board of Directors of Suez S.A. decided on July 17, 2022, to proceed with a capital increase for employees and executive officers of the group by issuing new ordinary shares, along with different forms of employee share ownership plans, the issuance of free preference shares (hereinafter "ADP"), or stock subscription warrants (hereinafter "BSA").

Employees' investments are made through the Go Suez Employee Mutual Fund (hereinafter the "FCPE").

The main characteristics of the plans implemented, and the issuances of shares and other associated instruments are detailed below.

	Go Suez Reinvest	**Go Suez Classic**	**Go Suez Multiple**
Summary of the plan	At the end of the 5-year lock-up period or in the event of an early exit, if the price of the Suez share is higher than the reference price of EUR 1, the value of the assets will be equal to the initial investment plus 2.2 times the capital gain on the Suez share. Dividends attached to common shares are automatically reinvested in the CMF resulting in the issuance of new units.	At the end of the 5-year rental period or in the event of an early exit, the amount of the redemption will correspond to the price of the Suez share. Dividends attached to common shares are automatically reinvested in the CMF resulting in the issuance of new units.	This plan guarantees the beneficiary, at maturity, to recover 100% of his personal contribution If at the end of the 5-year lock-up period, the price of the Suez share is higher than the reference price of the Suez share set at EUR 1, the gain will be equal to 7.2 times the difference. As a guarantee of the personal contribution and the multiplier effect, the beneficiaries renounce any dividends.
Main characteristics of the emissions set by the Board of Directors	Subscription of ordinary shares at a price of EUR 1. For each ordinary share subscribed is allocated 1.2 preference shares	Subscription of ordinary shares at a price of EUR 1 after deduction of a 20% cash discount, i.e., EUR 0.8 per share. A cash contribution paid by the employer completes the employees' subscription	Subscription of ordinary shares at a price of EUR 1 after deduction of a cash discount of 2.41%, i.e., EUR 0.9759 per share. The beneficiary's investment capacity is increased by a bank supplement of 8.759 times his personal contribution. For each ordinary share subscribed is allocated 0.72 warrants
Subscription period	From September 27, 2022, to November 2, 2022	From November 25, 2022, to December 8, 2022	From November 25, 2022, to December 8, 2022
Date of capital increase	December 2, 2022	January 6, 2023	January 6, 2023
Subscription amount (cash received)	43,167,219	14,634,329 (1)	82,596,688
Number of ordinary shares issued	43,167,219	18,292,912	84,636,426
Number of preference shares issued	51,800,662	-	-
Number of warrants issued	-	-	60,938,226

(1) Contribution paid in cash by the employer included

To enable the FCPE to meet early release cases and, if necessary, to repurchase available assets, Suez S.A. has committed to providing liquidity to the FCPE by repurchasing all securities and ordinary shares that may result from the conversion of the issued instruments.

This plan is classified, according to IFRS 2, as a cash-settled plan. Consequently, the group recognizes a personnel expense in exchange for a liability evaluated at fair value, which is revalued at each closing until the settlement date, with the change in fair value of the liability recognized in the income statement.

As of December 31, 2023, the Group revalued this liability to account for the change in fair value of the instruments at the closing date (fair value of an ordinary share estimated at EUR 1.08, fair value of a preference share estimated at EUR 0.2637, and fair value of a stock subscription warrant estimated at EUR 0.2637), and the number of instruments in circulation at the closing date. The expense and the liability recognized as of December 31, 2023, amounted to EUR 13.3 million and EUR 181.5 million, respectively.

As of June 30, 2024, the Group revalued this liability to account for the change in fair value of the instruments at the closing date (fair value of an ordinary share estimated at EUR 1.16, fair value of a preference share estimated at EUR 0.2833, and fair value of a stock subscription warrant estimated at EUR 0.2833) and the number of instruments in circulation at the closing date. The expense and the liability recognized as of June 30, 2024, amounted to EUR 13.2 million and EUR 190.0 million, respectively.

As at June 30, 2023, this liability has been revalued on the basis of a fair value of one share of EUR 1.08 and a fair value of one preference share and a warrant of EUR 0.2637, i.e. an amount of EUR 185.1 million. The expense recorded over the period thus amounted to EUR 13.5 million.

In terms of sensitivity, a +10% variation in the fair value of all instruments would increase the liability by EUR 19.6 million as of June 30, 2024.

Note 14 Related party transactions

The significant transactions between the group and its related parties are presented in accordance with the revised IAS 24 strandard, titled « Related Pary Disclosures ».

14.1 Transactions with Suez Holding

At June, 2024, the transactions carried out with Suez Holding company correspond to cash current accounts of EUR 164.0 million, resulting in an interest payment of EUR 3.9 million for the first half of 2024, and tax consolidation current accounts of EUR 3.6 million.

No other significant transactions were recorded for the first half of 2024.

14.2 Transactions with joint ventures, joint operations, and associated compagnies

These transactions involve dealings with associated companies and joint ventures of the Suez group. The amounts of transactions carried out during the first half of 20224 with these companies are presented below:

(in milions of euros)	June 30,2024		June 30,2024
Transactions with associates		**Transactions with joint-ventures**	
Profit / (losses)	**5.6**	**Profit / (losses)**	**4.0**
Green Metals	1.9	France Plastique Recyclage	2.8
SEN'EAU	1.8	DropMi	0.8
Sardi	1.4	Re-Source Industries Holding	0.3
Roanne Bioenergie	1.2	Other	0.1
Aquasure Holding	1.0		
Biosynergy	(3.1)		
Other	1.3		
Receivables / Payables	**69.5**	**Receivables / Payables**	**41.8**
Aquasure Holding	30.7	France Plastique Recyclage	22.7
SCIP SITA Waste Services Co. Ltd.	16.0	Re-Source Industries Holding	14.4
SEN'EAU	10.3	Qingdao Sino French Company	1.7
Tarmac Aerosave	3.4	DropMi	1.3
Roanne Bioenergie	3.4	Other	1.7
Shanghai Chemical industry Park AnYo	1.3		
Biosynergy	0.5		
Wuhan Sino French Water Company	0.4		
Other	3.7		
Liabilities	**0.2**	**Liabilities**	**0.5**
Other	0.2	Other	0.5

14.3 Transactions with key executives

The main executives are understood as the members of the Board of Directors and/or the Executive Committee of Suez S.A. present on June 30, 2024.

(in millions of euros)	June 30, 2024	**June 30, 2023 - restated**
Remuneration paid (including allowances)	(2.0)	(1.7)
Fringe benefit	-	-
End of term benefit	-	-
Post employment benefits (costs services)	**(2.0)**	**(1.7)**
Post employment benefits	(0.2)	(0.2)
Free shares	(1.9)	(0.5)
Other benefits due to the key executives	**(2.1)**	**(0.7)**

A charge of EUR 3.7 million was recorded for variable compensation provisioned as at June 30, 2024.

the directors present as at June 30, 2023 had 11,530,873 performance free shares, the conditions of acquisition of which are presented in Note 13.1.

There are no service-type transactions between the main managers and entities of the group.

Note 15 Post-closing events

The main post-closing events are as follows:

- Capital increase of €5,000 on July 5, 2024 through the free issuance of 500,000 new ordinary shares, following the delivery of shares allocated free of charge in July 2023.
- Acquisition of a majority stake of 51% in ARA Cursus (ARA), a developer and operator of biogas plants in Eastern Europe. The Group is thus strengthening its position in the European market for anaerobic waste digestion and renewable energy production from waste.