HOLDING D’INFRASTRUCTURES

DES METIERS DE L’ENVIRONNEMENT

Société par actions simplifiée

11, chemin de Bretagne

92130 Issy-les-Moulineaux

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2024

This is a translation into English of the statutory auditors’ report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors’ report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

KPMG S.A.
Tour Eqho
2, avenue Gambetta
CS 60055
92066 Paris-La Défense Cedex
S.A. au capital de € 5 497 100
775 726 417 RCS Nanterre
Société de Commissariat aux Comptes inscrite
à la Compagnie Régionale de Versailles et du Centre

Deloitte & Associés
Tour Majunga
6, place de la Pyramide
92908 Paris-La Défense Cedex
S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre
Société de Commissariat aux Comptes inscrite
à la Compagnie Régionale de Versailles et du Centre

HOLDING D’INFRASTRUCTURES

DES METIERS DE L’ENVIRONNEMENT

Société par actions simplifiée

11, chemin de Bretagne

92130 Issy-les-Moulineaux

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2024

To the shareholders of HOLDING D’INFRASTRUCTURE DES METIERS DE L’ENVIRONNEMENT,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of HOLDING D’INFRASTRUCTURES DES METIERS DE L’ENVIRONNEMENT for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2024 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

- Goodwill, which as at December 31, 2024 had a net book value of €1,611 million, has been tested for impairment as described in note 5 of the consolidated financial statements;
- Revenue recognition related to water distribution estimated in accordance with the procedures presented in Note 19 of the consolidated financial statements.

Our work consisted of assessing the appropriateness of these methods, evaluating the data and assumptions on which the estimates used were based and verifying the appropriateness of the disclosures given in the notes of the consolidated financial statements.

Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific verifications required by law and regulations of the information pertaining to the Group presented in the management report of the Chairman.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Chairman.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or inaggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris-La Défense, March 26, 2025

The Statutory Auditors

French original signed by

KPMG S.A.	**Deloitte & Associés**
Bertrand de NUCÉ	Xavier LEFEVRE

HIME Group

Consolidated financial statements
as of
December 31, 2024

(IFRS standards)

Consolidated statement of financial position

In thousands of euros	Notes	31 December 2024	31 December 2023
ASSETS			
Goodwill	5	1 611 319	1 549 384
Intangible fixed assets	4	1 023 910	997 375
Tangible fixed assets	6	442 592	330 465
Rights of use	7	123 946	106 492
Interests in joint ventures and in equity affiliates	8	135 510	134 580
Non-current financial assets	9	26 225	31 375
Non-current derivative financial instruments assets	25	403	596
Deferred tax assets	18	6 202	4 771
NON-CURRENT ASSETS		**3 370 107**	**3 155 038**
Inventories and work in progress	10	65 927	63 734
Trade receivables and related accounts	10	1 594 514	1 475 223
Other current assets	10	190 972	168 370
Current Derivative financial instruments assets	25	152	1 505
Cash and cash equivalents	11	678 745	323 587
CURRENT ASSETS		**2 530 310**	**2 032 419**
TOTAL ASSETS		**5 900 417**	**5 187 457**
LIABILITIES			
Share capital	12.1	557 464	544 842
Share premiums		1 469 160	1 442 953
Consolidated reserves	12.2	(890 574)	(837 590)
Profit (loss) for the period		(25 278)	(56 596)
Foreign exchange reserve	12.3	7 414	(6 523)
SHAREHOLDER EQUITY (Group share)		**1 118 186**	**1 087 086**
Non-controlling interests		41 934	35 661
SHAREHOLDER EQUITY		**1 160 119**	**1 122 746**
Non-current provisions	13.1	120 753	118 575
Provisions for pensions and post-employment benefits		47 452	46 805
Non-current financial liabilities	15	1 372 676	1 273 183
Non-current lease liabilities	15	71 570	70 672
Other non-current liabilities		211 239	148 038
Non-current derivative financial instruments liabilities	25	3 065	8 734
Deferred tax liabilities	18	64 541	59 352
NON-CURRENT LIABILITIES		**1 891 296**	**1 725 359**
Current provisions	13.2	8 316	9 742
Current financial liabilities	15	565 767	160 519
Current lease liabilities	15	53 167	36 191
Cash liabilities	11	7 404	16 665
Other current liabilities	16	2 210 454	2 115 710
Current Derivative financial instruments liabilities	25	3 894	525
CURRENT LIABILITIES		**2 849 002**	**2 339 352**
TOTAL LIABILITIES AND SHAREHOLDER EQUITY		**5 900 417**	**5 187 457**

Consolidated income statement

In thousands of euros	Notes	31 December 2024	31 December 2023
REVENUE	**3 - 19**	2 317 480	2 091 867
Other income from ordinary activities	**19**	22 495	38 500
INCOME FROM ORDINARY ACTIVITIES		**2 339 975**	**2 130 368**
Purchases		(1 027 504)	(997 923)
Personnel expenses		(724 618)	(680 968)
External expenses		(239 375)	(168 312)
Taxes and duties		(25 676)	(24 987)
Net depreciation		(219 926)	(186 153)
Amortisation of intangible assets recognised in respect of business combinations		(27 076)	(32 602)
Net provisions		(4 347)	10 437
Other current operating income and expenses	**20**	(58 722)	(63 461)
CURRENT OPERATING PROFIT (LOSS)	**21**	**12 730**	**(13 602)**
Profit (loss) from asset disposals		1 102	(3 307)
Other non-recurring operating income and expenses	**22**	(4 659)	(3 527)
OPERATING PROFIT (LOSS)		**9 173**	**(20 435)**
Share of net income of equity-accounted companies in the extension of the Group's operations	**8**	10 986	9 143
OPERATING PROFIT (LOSS) after share of net income of equity-accounted companies in the extension of the Group's activity		**20 159**	**(11 292)**
Net borrowing cost	**23**	(44 986)	(27 769)
Other net financial income (expenses)	**23**	12 342	(10 307)
FINANCIAL PROFIT (LOSS)		**(32 644)**	**(38 076)**
Corporate income tax	**24**	(6 978)	(5 324)
NET PROFIT (LOSS)		**(19 463)**	**(54 692)**
Net income - Group share		**(25 278)**	**(56 596)**
Net income - Share of non-controlling interests		**5 816**	**1 905**

Statement of comprehensive income

In thousands of euros	31 December 2024	31 December 2023
NET PROFIT (LOSS) FOR THE PERIOD	**(19 463)**	**(54 692)**
Change in fair value of hedging instruments	(145)	(2 768)
Deferred taxes on the above item	39	197
Foreign exchange gains and losses	14 216	(3 153)
Total other comprehensive income recyclable to profit or loss	**14 110**	**(5 724)**
Actuarial gains and losses on employee benefits	(522)	1 403
Deferred taxes on the above items	113	(232)
Total other comprehensive income not recyclable to profit or loss	**(409)**	**1 171**
Total other comprehensive income	**13 701**	**(4 553)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(5 762)**	**(59 245)**
of which Group share	(11 891)	(61 217)
portion attributable to non-controlling interests	6 130	1 972

Statement of changes in consolidated shareholder equity

In thousands of euros	HIME share capital	Premiums	Consolidated reserves	Fair value reserves	Translation reserves	Shareholder equity (Group share)	Non-controlling interests	Total shareholder equity
TOTAL SHAREHOLDER EQUITY AT 01/01/2023	**538 802**	**1 448 993**	**(841 825)**	**3 243**	**(3 473)**	**1 145 740**	**39 680**	**1 185 420**
Other comprehensive income, net of taxes			997	(2 568)	(3 050)	**(4 621)**	68	**(4 553)**
Profit (loss) for the period			(56 596)			**(56 596)**	1 904	**(54 692)**
Comprehensive income			**(55 599)**	**(2 568)**	**(3 050)**	**(61 217)**	**1 972**	**(59 245)**
Capital increase	6 040	(6 040)						
Change in scope			641			**641**	(5 569)	**(4 928)**
Other changes (a)			1 922			**1 922**	3	**1 925**
Dividends paid to non-controlling interests							(425)	**(425)**
TOTAL SHAREHOLDER EQUITY AT 31/12/2023	**544 842**	**1 442 953**	**(894 862)**	**675**	**(6 523)**	**1 087 085**	**35 661**	**1 122 746**
TOTAL SHAREHOLDER EQUITY AT 01/01/2024	**544 842**	**1 442 953**	**(894 862)**	**675**	**(6 523)**	**1 087 085**	**35 661**	**1 122 746**
Other comprehensive income, net of taxes			(407)	(103)	13 897	**13 387**	314	**13 701**
Profit (loss) for the period			(25 278)			**(25 278)**	5 816	**(19 463)**
Comprehensive income			**(25 685)**	**(103)**	**13 897**	**(11 891)**	**6 130**	**(5 762)**
Capital increase	12 622	26 207				**38 829**	329	**39 158**
Change in scope			(252)		40	**(212)**	189	**(23)**
Other changes (a)			4 375			**4 375**	4	**4 379**
Dividends paid to non-controlling interests							(379)	**(379)**
TOTAL SHAREHOLDER EQUITY AT 31/12/2024	**557 464**	**1 469 160**	**(916 424)**	**572**	**7 414**	**1 118 186**	**41 934**	**1 160 119**

(a) Including the impact in December 2024 of €2.5 million in treasury shares and €1.9 million related to the IFRS2 expense on the allocation of free shares and the impact in December 2023 of €0.3 million in treasury shares

Consolidated statement of cash flows

In thousands of euros	Notes	31 December 2024	31 December 2023
A – OPERATING ACTIVITIES			
Consolidated net income		(19 463)	(54 692)
Share of net income of joint ventures, net of dividends received		(1 385)	(1 855)
Net allowances for amortisation, depreciation and provisions		250 231	216 473
Change in deferred taxes		(1 341)	(8 078)
Profit (loss) on disposal of assets		383	3 222
Investment grants		(1 554)	(1 525)
Other components (a)		(8 443)	6 588
Net borrowing cost		33 654	23 033
Taxes		8 319	13 401
Cash flow from operating activities before change in working capital requirements and income taxes paid		**260 401**	**196 568**
Change in working capital requirements	**17**	(44 496)	(92 740)
Income taxes paid		(9 433)	(9 543)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)		**206 471**	**94 285**
B – INVESTING ACTIVITIES			
Purchase costs of intangible and tangible assets	**3**	(209 485)	(212 021)
Disposal price of intangible and tangible assets		1 569	3 225
Net debt on intangible and tangible assets held		(5 285)	(3 905)
Subtotal of cash flows from intangible and tangible assets		**(213 200)**	**(212 702)**
Purchase costs of non-consolidated securities and other long-term investments		(26)	131
Proceeds from the sale of non-consolidated securities and other long-term investments		46	2 112
Dividends received from non-consolidated companies		760	580
Subtotal of cash flows from non-consolidated securities and other long-term investments		**780**	**2 823**
Purchase costs of consolidated securities		(66 755)	(24 591)
Changes in cash flow related to purchase costs of consolidates securitites		(119)	1 085
Subtotal of cash flows from consolidated securities		**(66 873)**	**(23 506)**
Change in other financial assets		5 379	(939)
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)		**(273 915)**	**(234 324)**
C – FINANCING ACTIVITIES			
Increase/decrease in share capital of HIME		40 000	0
Increase/decrease in other companies		329	
Dividends paid to non-controlling interests		(379)	(425)
Change in financial liabilities	**15.4**	494 583	265 815
Repayments of lease liabilities	**15**	(56 502)	(48 039)
Interest (paid) received - excluding lease liabilities		(34 706)	(10 602)
Financial interest on lease liabilities		(3 935)	(2 061)
Other flows related to financing operations (b)		(8 954)	
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)		**430 437**	**204 686**
D – IMPACT ON CASH FLOWS OF EXCHANGE RATE FLUCTUATIONS		**1 426**	**539**
CHANGE IN CASH FLOW (A+B+C+D)		**364 419**	**65 187**
Opening cash position		306 922	241 735
Net cash flows for the year		364 419	65 187
Closing cash position	**11**	**671 341**	**306 922**

(a) The other components relate mainly to the derivative financial instruments fair value for the period ended December 31, 2024
(b) Other flows related to financing operations are linked to employee sharing plan (FCPE)

Notes appended to the consolidated financial statements

General company information

As an exclusive player in water and essential water services, the Group works to protect the environment at the heart of the regions it serves. The Group has always acted to offer an equal quality of service to small communities as to large cities, guided by its mission: defend water. Internationally, the Group is present in Saudi Arabia, Cyprus, Spain, the United States, the United Kingdom, Italy, the Netherlands, Poland and Portugal, the United Arab Emirates, Finland, Sweden, Singapore, Chile, Germany and Belgium.

HIME (Holding d'Infrastructures des Métiers de l'Environnement), parent company of the Saur Group, is a French simplified joint-stock company (*SAS*), registered in France under number RCS 495137077, created on March 29, 2007 for the acquisition of the former NOVASAUR Group, itself owner of the entire Saur Group.

The consolidated financial statements for the 2024 financial year were approved by the Chairman of HIME on March 24, 2025.

Note 1 – Key events for 2024 and post-balance sheet events

1.1 – Key events

Acquisition of Natural Systems Utilities

On January 16, 2024, the Group announced the acquisition of Natural Systems Utilities (NSU) for $50.9 million (€55 million), a leading provider of turnkey water treatment and Treated Wastewater Reuse (TWR) solutions in the United States with over 270 systems currently in service.

The Group acquired 100% of NSU which is fully consolidated. Purchase price allocation has been done during the second half of 2024.

The shareholders participated in the financing of this acquisition by subscribing to HIME's cash capital increase on April 12, 2024 in the amount of €40 million.

Preliminary Goodwill:

The preliminary goodwill amounts to $40 million (€36 million) as at December 31, 2024 after preliminary allocation to identified assets and liabilities and taking into account the recognition of acquired customer relationship and acquired backlog. The allocation of preliminary goodwill will be completed during the first half of 2025, with a potential impact on the amount of goodwill currently recognised.

Acquisition of Ekos Poznań

On February 2, 2024, the Group is expanding its activities in Poland with the acquisition of Ekos Poznań SP. Z O.O. for PLN 69 million (€16 million). Ekos Poznań is a leading company that will bring its expertise in separator maintenance, sewer network cleaning and wastewater treatment facilities.
Ekos Poznań is owned at 100% and is fully consolidated.

Goodwill:

After allocation to identified assets and liabilities, the final goodwill amounts to PLN 63.1 million (€14 million) as at December 31, 2024.

Acquisition of CTGA and Enviman

On July 5, 2024, the Group announced, through its subsidiary company Aquapor, the acquisition of CTGA and Enviman for €10 million in Portugal. CTGA and Enviman are specialized in the preparation of studies and projects in the areas of hydraulic, sanitary and environmental engineering, as well as in the operation, maintenance and optimization of environmental systems.

The Group acquired 100% of CTGA and Enviman which are fully consolidated.

Goodwill:

After allocation to identified assets and liabilities, the preliminary goodwill amounts to €10 million as at December 31, 2024. The allocation of preliminary goodwill will be completed during the first half of 2025, with a potential impact on the amount of goodwill currently recognised.

Group transformation

The Group is entering a new phase of transformation, with the aim of accelerating synergies from both technical and geographical perspective.

On January 1, 2024, the Water France segment was reorganised, with the activities of the French overseas territories transferred to the Water International segment.

Downgrade of rating agencies

In 2024, the Group's credit rating was downgraded from BBB- outlook stable to BB+ outlook stable by Standard & Poor's and Fitch.

Revolving credit facility renewal on October 7, 2024

The Group renewed its revolving credit facility for €400 million with a final maturity of 5 years.

Issue of €550 million blue bond on October 24, 2024

The Group issued a €550 million bond linked to sustainability for water transition, with a 5-year maturity. Through this issuance of Blue Bonds, the Group takes an additional step in its environmental commitment to resource preservation. The bond, issued at a price of 100 %, has an annual coupon of 4.875% and is rated BB+ outlook stable by Standard & Poor's and Fitch, in line with the company ratings. The proceeds of the bond will be used for the partial repayment of €450 million sustainability-linked Senior Notes due in 2025 and for financing and refinancing eligible blue projects related to the protection of water resources.

1.2 – Reminder of key events 2023

Indirect entry of PGGM and DIF Capital Partners into the capital of HIME, head of the Saur Group

In order to guarantee long-term stability and additional investment capacity for the Group's growth, EQT Infrastructure has sold to PGGM and DIF Capital Partners 50% of its indirect stake in HIME, the parent company of the Group. EQT is and will remain a key shareholder of the Group to continue to support value creation in the years to come.

PGGM and DIF Capital Partners, respectively one of the largest pension funds in the Netherlands and a specialized infrastructure fund, share Group's values and vision and will commit to supporting Group's development over the long term to accelerate its growth and development.

A capital increase of €6 million has been carried out on June 6, 2023 by way of incorporating the premiums to capital.

Issue of €300 million sustainability-linked bond on April 6, 2023

The Group issued a €300 million sustainability-linked bond, a further step in aligning the company's ESG and financing strategies. The bond, issued at a price of 99.603 %, has an annual coupon of 4.5% and is rated BBB- outlook stable by S&P and Fitch, in line with the company ratings. The transaction confirms once again the resilience of the Group's business profile in a difficult economic climate. The proceeds of the bond have been used for general corporate purposes including the repayment of existing drawn down revolving credit facility.

1.3 – Subsequent events

No significant post-closing events have occurred since December 31, 2024.

Note 2 – Accounting Rules and Methods

2.1 – Financial reporting framework

The consolidated financial statements for the year ended December 31, 2024 are produced in accordance with the international accounting standards and interpretations (IAS/IFRS) adopted by the European Union and applicable as of December 31, 2024.
These standards and interpretations are consistently applied to the financial years presented, with the exception of the items mentioned below in paragraph 2.1.2.

2.1.1 – Piliar 2 rules

The OECD reform establishing a minimum country tax of 15% for large companies with a turnover of at least €750 million (Pillar 2 rules) has been transposed into an EU directive and French national legislation, in force since January 1, 2024.
As the Group has annual turnover in excess of €750 million and entities located in at least two countries, the group is affected by the GloBE declaration. The Group finalized its analysis of the global minimum tax impact. The Group applied the transitional Safe Harbour to the entities included in the scope defined by Pillar 2. The Group calculated the top-up tax for subsidiaries operating in the United States. Indeed,

these subsidiaries did not meet the exclusion criteria defined by the transitional Safe Harbour. Following this calculation, no Pillar two tax expense was recognised in the consolidated financial statements (see note 24).

The exception for non-recognition of deferred tax relating to Pillar 2, permitted by the draft amendment to IAS 12 "Income Taxes" approved by the IASB in May 2023, has been applied by the Group.

2.1.2 – Main compulsory standards, amendments, and interpretations applicable from January 1, 2024

The standards and amendments applicable as of January 1, 2024 are as follows:

- ► Amendment to IAS 7 and IFRS 7 – Supplier finance arrangements
- ► Amendment to IFRS 16 – Lease liability in a sale and leaseback
- ► Amendment to IAS 1 – Classification of liabilities as Current or Non-current
- ► Amendment to IAS 1 – Non-current Liabilities with Covenants

No standards, amendments, and interpretations that came into force on January 1, 2024, had a material impact on the Group's financial statements.

2.1.3 – Main compulsory standards, amendments, and interpretations that have not been adopted by the European Union

The Group has not opted for the early adoption of any of the new standards and interpretations referred to below that were not mandatory as of January 1, 2024:

- ► IFRS 18 – Presentation and disclosure in financial statements
- ► Amendment to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments
- ► IFRS 19 – Subsidiaries without public accounting disclosures: disclosures

A study of the impacts and practical consequences of applying these provisions is underway.

2.2 – Principles used when preparing the financial statements

General principles

The financial Instruments are presented at historical cost, except for assets and liabilities held for sale that are measured in accordance with IFRS 5 and financial instruments that are recorded in accordance with the treatment of various categories of financial assets and liabilities defined in IFRS 9.

Basis of preparation

The consolidated financial statements are presented in thousands of euros, unless stated otherwise.

The consolidated financial statements include the financial statements of HIME, the entities it controls (its subsidiaries) and those over which it exercises considerable influence. The financial statements of the subsidiaries are prepared for the same reference period as those of the parent company, from January 1 to December 31, 2023, using consistent accounting policies.

2.3 – Consolidation methods

The consolidation methods used by the Group are specified below. All the internal transactions and positions are eliminated in the consolidated financial statements.

The list of companies that have been consolidated, whether by full consolidation, equity method or in proportion to the Group's direct rights to assets, and direct obligations for liabilities (joint operations), is presented in note 34 of the financial statements at December 31, 2024 and at December 31, 2023.

2.3.1 – Controlled entities

The Group fully consolidates entities over which it has direct or indirect control.

Control definition

Control exists when the Group (i) holds power over an entity, (ii) is exposed to risks or entitled to variable returns from its relationship with the entity and (iii) has the ability to influence the amount of those returns because of its power over the entity.

Full consolidation method

A subsidiary is included in the Group's consolidated financial statements from the date on which the Group takes control and ceases to be consolidated on the date on which the Group loses control of that entity.

Non-controlling interests represent the portion of interest that is not directly or indirectly attributable to the Group.

Profits or losses and each component of other comprehensive income are allocated between the Group and its non-controlling interests. The profit or loss of subsidiaries is allocated between the Group and its non-controlling interests even if this results in the recognition of losses to non-controlling interests.

Changes in the percentage of interest in subsidiaries that do not result in a change in the method of control are treated as equity transactions, as they are transactions with shareholders acting in this capacity. The effects of these transactions are recognized in equity for their amount net of tax and therefore have no impact on the Group's consolidated income statement. These transactions are also presented in the cash flow statement under investing activities.

2.3.2 – Interests in associates and joint ventures

Definition

An associate is an entity over which the Group exercises considerable influence. Notable influence is characterised by the power to participate in decisions relating to the financial and operational policies of the entity, without controlling or jointly controlling these policies.

A joint venture is a partnership in which the parties who exercise joint control over the entity have rights to its net assets.

Joint control is the contractually agreed sharing of control of an entity, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control.

Equity accounting method

Income, assets and liabilities on interests in associates or joint ventures are accounted for in the Group's consolidated financial statements using the equity method, except when the investment is classified as held for sale. It is then recorded according to the provisions of IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*".

The equity accounting method presumes that the investment in an associate or joint venture is initially recognised at its acquisition cost and subsequently adjusted for the Group share in the income and other components of the comprehensive income of the associate or joint venture.

An investment is accounted for using the equity accounting method from the date on which the entity becomes an associate or a joint venture. On the acquisition of an associate or a joint venture, the difference between the cost of investment and the Group's share in the net fair value of the entity's identifiable assets and liabilities is recognised in goodwill, included in the line "Interests in joint ventures". When the net fair value of the entity's identifiable assets and liabilities exceeds the cost of investment, the difference is recognised in the income statement.

Impairment tests

In accordance with IAS 36, an impairment test for its investment in an associate or joint venture is carried out when there is an objective indicator of impairment loss.

Loss of notable influence or joint control

When the investment is no longer an associate or joint venture, the equity method is no longer applied. If the Group retains a residual interest in the entity and that interest is a financial asset, this financial asset is measured at fair value at the date the investment ceases to be an associate or a joint venture.

In cases where an associate becomes an investment in a joint venture, or vice versa, the equity method continues to be applied, and these changes in ownership interest do not trigger a remeasurement at fair value.

2.3.3 – Interests in joint operations

Definition

A joint operation is a partnership in which parties exercising joint control over the entity have rights to the assets, and obligations for the liabilities, relating to that entity.

Accounting method for joint operations

As a joint operator, the Group accounts for the assets, liabilities, revenue and expenses related to its interests in the joint operation, in accordance with the IFRS standards applicable to these assets, liabilities, revenue and expenses.

2.4 – Elimination of intercompany transactions

All intercompany balances, intercompany transactions as well as income, expenses and results included in the carrying amount of assets, arising from internal transactions, are eliminated.

When a Group entity enters into a transaction with a joint venture or associate of the Group, the gains and losses resulting from the transaction with the joint venture or associate are recognized in the Group's consolidated financial statements only to the extent of the interests held by third parties in the joint venture or associate.

2.5 – Conversion method

Conversion of foreign currency financial statements

Financial statements of foreign companies prepared in their functional currency are converted in the currency of presentation of the consolidated financial statements (euro) using the following exchange rates:

• balance sheet: all assets and liabilities are converted at year-end closing rate;

• income statement and statement of cash flow: the average rate for the period is used as long as it is not affected by significant exchange rate changes.

Differences resulting from the conversion of foreign currency financial statements of consolidated companies are directly recorded in "Foreign exchange gains and losses" within other elements of comprehensive income.

In addition, goodwill relating to foreign entities whose functional currency is not the euro is considered as part of the assets and liabilities acquired and, as such, is converted at the exchange rate prevailing at the closing date.

Translation of foreign currency transactions

Transactions in foreign currencies are converted into the operating currency at the exchange rate on the date of the transaction. At year-end, any items in monetary assets and liabilities expressed in a foreign currency are converted into euros at the rate as of the closing date. Any resulting exchange gain or losses are recorded in the income statement in "other net financial charges".

2.6 – Estimates and assumptions

In accordance with the rules established by the IFRS, the preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, to assess the positive and negative impact of events at the closing date and to present the income and expenses of the period. These estimates are based on the principle of continuing operations and use the information available at the time of preparation. The estimates may be revised if the circumstances on which they are based change or if new information becomes available, up to the accounts settlement date. Due to the uncertainties inherent to any valuation process, the Group regularly updates its information and revises its estimates accordingly.

The future results of the transactions may therefore differ from these estimates.

The key estimates made by the Group in preparing its consolidated financial statements relate mainly to:

- the measurement of the recoverable amount of goodwill, tangible and intangible assets;
- the valuation of provisions and in particular provisions for guarantees;
- pension and similar commitments
- the realized and unmetered revenue, called "*metered water*";
- the revenue recognized on a percentage-of-completion basis for the construction and engineering contracts;
- measuring capitalised tax-loss carry forwards.

2.7 – Assessment of the effects of climate change

Given the nature of its activities, the Group's exposure to the consequences of climate change is considered material in the light of the assessment criteria defined by the CSRD (Corporate Sustainability Reporting Directive).

The Group is paying close attention to climatic events and is preparing a full range of adaptation measures to ensure business continuity.

In 2024, the Group is pursuing its sustainable approach, built around the following pillars, among others:

- investment strategy;
- sustainable financing strategy;
- expenditure specifically incurred to address environmental issues.

The Group is working on the CSRD (Corporate Sustainability Reporting Directive) and on double materiality.

The deployment of the initiatives listed above is reflected in the Group's financial statements through operating expenses and investments made during the year as well as trough the issue of a "blue" bond in October 2024 specifically dedicated to financing projects aimed at protecting and restoring water resources.

In addition, the elements related to the pillars of the Group's sustainable approach, made by Management in collaboration with the Sustainable Development department, have been taken into account, where appropriate, in the accounting estimates (business plan used for impairment test, valuation of provisions, …) and in the preparation of these financial statements.

No other significant impact relating to climate change is reflected in the 2024 financial statements.

2.8 – Concessions - IFRS notion

Interpretation of SIC 29 "*Service Concession Arrangements – Disclosures*" deals with information about concession contracts to be disclosed in the notes to the financial statements, while IFRIC 12 deals with the recognition of certain concession contracts by the concession holder.
These interpretations specify the common characteristics to concession contracts:
• the supply of a public service and the management of the associated infrastructure are entrusted to the concession holder with more or less extensive extension and replacement obligations;
• the grantor has the obligation to provide the public service covered by the concession (determining criterion);
• the concession holder is the entity in charge of operation and not a simple agent acting on order;
• the price and the price adjustment conditions are fixed at the origin of the contract.

In order for a concession contract to be included within the scope of interpretation of IFRIC 12, the use of the infrastructure must be controlled by the grantor, and the following criteria must be met:
• the grantor controls or regulates the public service, i.e., it controls or regulates the services that must be rendered thanks to the infrastructure covered by the concession and determines to whom and at what price they must be rendered; and
• the grantor controls the infrastructure, i.e., it has the right to take over the infrastructure at the end of the contract.

This IFRS concept of concession is independent of the legal qualification of contract, which can take different forms in France (leasing, concession, management). However, there has been a convergence since the reform of the Concession Ordinance applicable from April 1, 2016: the term "concession" has become legally more generic and encompasses any type of Public Service Delegation, without distinguishing according to whether the concession holder builds the initial assets (building no longer carries a specific legal distinction). Within the Group, most of its delegated public service contracts are of the operate and maintain type.

Accounting for concession contracts
The concession operator's rights over the infrastructures of concession contracts are recorded according to the nature of the remuneration to be received. Thus:
• the "*financial asset*" model is applicable when the concession holder obtains an unconditional right to receive cash or another financial asset, either directly from the grantor or indirectly through the guarantees given by the grantor on the amount of receipts from public service users, i.e., paid in substance by the grantor;
• the "*intangible asset*" model is applicable: the concession holder then has a simple right to invoice public service users; the concession holder is paid in substance by the user.
The term "in substance" means that the identity of the payer is not in itself the determining criterion, but that it is in fact necessary to determine who the true ultimate debtor is.
• the "*mixed*" or "*bifurcation*" model where, for the same contract, the concession holder obtains an unconditional right to receive cash or another financial asset (accounted for using the "*financial asset*" model) and a right to invoice public service users (accounted for using the "*intangible asset*" method).

In application of these principles:

• fixed assets received free of charge from the grantor, as infrastructure elements for which access is granted to the concession holder for the purposes of the service agreement, which cannot be assigned and are returned to the grantor free of charge at the end of the contract, are not recorded in the statement of financial position. In particular, the infrastructure elements entrusted by the grantor to the concession holder for the duration of the contract for upkeep and maintenance are not recorded in the statement of financial position;

Infrastructure elements constructed by the concession holder are recorded as follows:
• if the "*intangible asset*" model is applied, the fair value of the works represents the acquisition cost of the intangible asset recorded at the time of the construction of the structures when such works generate future economic benefits (for example, network extension),
• if the "*financial asset*" model is applied, the grantor's receivable is recorded at the time of the construction of the works at the fair value of the works

In addition to the transfer of the sums collected from users of the service for the benefit of the grantor, the Group may be required to make payments to the grantor. If these payments are not made in exchange for goods or services separate from the concession contract or rights of use characteristic of a lease separate from the rights granted by the concession contract, these payments constitute:

• a reduction of the selling price of the infrastructure if the "financial asset" model is applied,

• an increase in the intangible asset for fixed payments if the "intangible asset" model is applied. The offset is recorded in "*Other non-current liabilities*" in the consolidated statement of financial position.

Replacement expenses correspond to contractual obligations whose terms may differ (general replacement obligation in case of failure, contractual renewal plan, contractual tracking account, etc.). They are recorded either as assets in the financial statements as an intangible asset or as a financial asset according to the model applicable to the contract if they generate future economic benefits (improving replacement) or in expenses in the opposite case (identical replacement). Expenses for identical replacement are recorded as an asset or a liability for replacement when, at a given date, there is a time lag between the contractual commitment and its realisation.

2.9 – General presentation principles

2.9.1 – Current/non-current classification in the consolidated statement of financial position

In accordance with IAS 1, the Group separates its current and non-current assets and its current and non-current liabilities on its balance sheet. For the majority of the Group's activities, the difference lies in the time expected to realise the asset or settle the liability: if less than 12 months, the item is current, or if more than 12 months, the item is non-current.

Assets and liabilities that are part of the working capital used in the entity's normal operating cycle are classified as current. Those not part of the operating cycle are classified as current when the entities intend to realise these assets or settle these liabilities within 12 months following the financial year closing date. Conversely, they are classified as non-current whenever the asset (or liability) is to be realised (settled) beyond 12 months following the financial year closing date.
Fixed assets are non-current, except for financial assets, which may be current or non-current. Current financial assets primarily comprise financial assets that the Group is holding for sale or realisation within 12 months as well as the part of any long-term receivables and loans maturing within one year.

Provisions that are part of the operating cycle and any other provisions maturing within one year are also classified as current. Provisions that do not meet these criteria are classified as non-current liabilities.

Financial liabilities due within 12 months of the financial year closing date are classified as current. Conversely, financial liabilities maturing beyond 12 months are classified as non-current.
Deferred tax is presented entirely as non-current assets and liabilities.

2.9.2 – Aggregates of the income statement

Current Operating Income (COI)
Current operating income is an indicator used by the Group to present a level of operational performance that can be used as part of an approach to forecast recurring performance. This indicator facilitates better understanding of the Group's performance by excluding elements that are unusual, irregular, or non-recurring in nature.
Other non-current operating income and expenses
This item includes components of income which, due to their nature, amount or recurrence, cannot be considered part of the Group's operating income on ordinary activities. Details are provided in note 23.

These expenses included restructuring costs and expenses incurred in connection with the Group's external growth operations.
The restructuring costs stemmed from a programme planned and controlled by management, which significantly alters either the company's scope of activity or how this activity is managed, according to the criteria set out in IAS 37.

Note 3 – Segment reporting

The Group presents information in accordance with IFRS 8. Operating results by sector correspond to the ones which are regularly reviewed by Management to assess the Group's performance.

In accordance with the provisions of the standard, four operating segments comprising the activities of the various regions and/or activities were selected to present the Group's segment information and were identified on the basis of internal reports, particularly those monitored during the monthly Board meetings attended by the Group's operating main decision-makers to which are added the costs borne by the "Global Structures" (non-operating sector):

► Water France
► Water International
► Industry
► Engineering & Works
► Global structures

The following changes were made in the segment reporting presentation:

► "Global Structures" are fully allocated to operating segments since December 31, 2023;

► Reallocation of overseas department companies (DOM) from Water France to Water International since the Water France segment reorganisation in the beginning of 2024, leading to a restatement of revenue, EBITDA and Capex published in June and December 2023. The Group has changed the structure of its internal organisation in a manner that causes the composition of its reportable segments to change

The bridge between published and restated information for June and December 2023 is shown hereafter.

3.1 – Operating segments

The Group's subsidiaries are divided into the following operating segments:

► Water France: water distribution and treatment services, particularly under concession contracts (water management). They are delivered to individuals, local authorities or businesses;

► Water International: mainly drinking water and wastewater management in various countries such as Spain, Portugal, Saudi Arabia, Qatar, the United Kingdom, Poland and Cyprus;

► Industry: provides engineering, procurement and construction services ("EPC"), turnkey solutions and systems, mobile solutions, operating and maintenance services ("O&M") as well as rental solutions in the field of industrial water and wastewater treatment in various market segments; these include food & beverages, personal care and pharmaceuticals, refineries and chemicals as well as renewable energy, infrastructure and utilities, with sales and service centres in the Netherlands, the United Kingdom, France, Poland, Germany, Russia, the United Arab Emirates, Saudi Arabia, Sweden, Singapore, Chile, Finland , Italy, Mexico and the United States;

► Engineering: engineering and construction of wastewater and drinking water treatment plants, installation of pipes, sanitation and maintenance;

► The "Global Structures" are mainly made up of holding companies, including HIME SAS.

The accounting and valuation methods used to prepare internal reporting are identical to those used to prepare the consolidated financial statements. Revenue, Reported EBITDA and CAPEX indicators (i.e. Investments) are reconciled with the consolidated financial statements.

3.2 – Key indicators by operating segment

The information is provided as at December 31, 2024 with comparison at December 31, 2023.

Revenue

	12/2024	%	*12/2023 published*	*Water France reorganisation*	12/2023 restated	%
Water France	1 244 290	*53,7%*	1 272 405	(84 710)	1 187 695	*56,8%*
Water International	373 631	*16,1%*	218 585	84 710	303 295	*14,5%*
Industry	545 150	*23,5%*	444 943		444 943	*21,3%*
Engineering & Works	154 409	*6,7%*	155 934		155 934	*7,5%*
TOTAL Revenue	**2 317 480**	***100,0%***	**2 091 867**	**0**	**2 091 867**	***100,0%***

The "Global Structures" operating segment recorded no revenue over the two periods.

EBITDA REPORTED

	12/2024	%	*12/2023 published*	*Water France reorganisation*	12/2023 restated	%
Water France	122 693	*44,6%*	119 129	(9 296)	109 833	*49,9%*
Water International	66 431	*24,2%*	28 523	9 320	37 843	*17,2%*
Industry	76 057	*27,7%*	63 252	(1)	63 251	*28,8%*
Engineering & Works	9 621	*3,5%*	8 982	(23)	8 959	*4,1%*
Total operating segments	**274 802**	***100,0%***	**219 886**	**0**	**219 886**	***100,0%***
Global structures	0	*0,0%*	0	0	0	*0,0%*
TOTAL EBITDA Reported	**274 802**	***100,0%***	**219 886**	**0**	**219 886**	***100,0%***

The Global Structures operating segment is fully allocated to the other operating segments.

CAPEX ("Purchase costs of intangible and tangible fixed assets" line in the statement of cash flows)

	12/2024	%	*12/2023 published*	*Water France reorganisation*	12/2023 restated	%
Water France	89 955	*42,9%*	96 027	(2 613)	93 414	*44,1%*
Water International	27 782	*13,3%*	15 601	2 613	18 214	*8,6%*
Industry	68 331	*32,6%*	74 920	0	74 920	*35,3%*
Engineering & Works	2 078	*1,0%*	806	0	806	*0,4%*
Total operating segments	**188 146**	***89,8%***	**187 354**	**0**	**187 354**	***88,4%***
Global structures	21 339	*10,2%*	24 667	0	24 667	*11,6%*
TOTAL CAPEX	**209 485**	***100,0%***	**212 021**	**0**	**212 021**	***100,0%***

Note 4 – Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

If the intangible asset has a definite useful life, it is amortised. Assets with an indefinite useful life are not amortised but are tested for impairment at each annual closing and whenever there is an indication that they may be impaired.

The Group's intangible assets comprise mainly amortisable items such as software, operating rights, client contracts and concession works.

Research and development costs

Development costs are recognised as assets whenever the criteria for recognising them as an asset according to IAS 38 are met. In this case, the intangible asset generated from the development is amortised over its useful life. The amounts recognised as development costs on the assets side of the balance sheet relate mainly to the Industry operating segment.

Software

Software and IT developments specific to the Group's core businesses are amortised using the straight-line method over periods of between 3 and 7 years.

Operating rights

This item in particular includes amounts paid to local authorities by way of operating royalties and funding for works. They are amortised using the straight-line method over the remaining term of the contracts.

Concession works

Saur and its water distribution subsidiaries, which delegate public services, are in charge of managing the installations incorporated into local authorities.
These installations are not entered in the balance sheet as assets, and their renewal is recognised in expenses.

On the other hand, improving concessions works funded by the Group and falling within the scope of IFRIC 12 are are recorded as intangible assets in the balance sheet. They are amortised over the term of the contract.

Impairment tests

Intangible assets with an indefinite useful life undergo an impairment test as described in note 5.1.

	R&D expenses	Softwares, Patents and similar rights	Operating rights	Client contracts	Concession works	Other intangibles	TOTAL
I - GROSS							
1st January 2023	**12 318**	**328 959**	**109 453**	**821 729**	**469 489**	**108 376**	**1 850 324**
Change in scope	110			8 602		1 981	10 693
Invest. and other increases	3 778	7 079	2 318		47 123	25 453	85 751
Disposals and misc. reductions	(110)	(24 599)	(5 851)		(88 565)	(3 354)	(122 479)
Foreign exchange differences	22	9		(2 804)		57	(2 716)
Line-to-line transfers and others	52	34 444	646	(2)	100 821	(35 295)	100 666
31 December 2023	**16 170**	**345 892**	**106 566**	**827 525**	**528 868**	**97 218**	**1 922 239**
Change in scope		8		2 951			2 959
Invest. and other increases	8 625	2 306	14 659		71 548	28 835	125 973
Disposals and misc. reductions		(988)	(1 782)		(53 303)	(84)	(56 157)
Foreign exchange differences	236	3		5 604		115	5 958
Line-to-line transfers and others **(1)**	354	31 429	2 196		23 653	(34 439)	23 193
31 December 2024	**25 385**	**378 650**	**121 639**	**836 080**	**570 766**	**91 645**	**2 024 165**
II - AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES							
1st January 2023	**(2 904)**	**(180 748)**	**(60 639)**	**(410 120)**	**(241 484)**	**(22 990)**	**(918 885)**
Invest. and other increases	110	24 404	5 835		86 238	587	117 174
Disposals and misc. reductions	(1 372)	(41 268)	(5 445)	(21 498)	(51 666)	(2 008)	(123 257)
Foreign exchange differences	8	(7)		140		(8)	133
Line-to-line transfers and others	(3)	38				(64)	(29)
31 December 2023	**(4 161)**	**(197 581)**	**(60 249)**	**(431 478)**	**(206 912)**	**(24 483)**	**(924 864)**
Change in scope		1				1	2
Disposals and misc. reductions		973	1 780		53 298	82	56 133
Allowances and reversals	(1 626)	(41 483)	(8 031)	(19 491)	(57 701)	(3 098)	(131 430)
Foreign exchange differences	(52)	(3)		(474)		(25)	(554)
Line-to-line transfers and others **(1)**	(83)	13	9	(179)	1	697	458
31 December 2024	**(5 922)**	**(238 080)**	**(66 491)**	**(451 622)**	**(211 314)**	**(26 826)**	**(1 000 255)**
III - NET CARRYING AMOUNT							
Net value at 31 December 2023	**12 009**	**148 311**	**46 317**	**396 047**	**321 956**	**72 735**	**997 375**
Net value at 31 December 2024	**19 463**	**140 570**	**55 148**	**384 458**	**359 452**	**64 819**	**1 023 910**

(1) Other movements on intangible assets :

	NBV
- IFRIC12 reclassification of tangible assets under construction as intangible assets	23 654
- Other reclassifications	(3)
	23 651

Note 5 – Goodwill

5.1 – General accounting principle

A. Principle

When control is acquired, the assets and liabilities of the acquired company, including any intangible elements that meet the definition of identifiable assets or liabilities, are recognised at their fair value as of the purchase date.
The fair value is the amount that may be obtained from the sale of an asset or a Cash-Generating Unit (CGUs) in transactions under normal competitive conditions between informed and consenting parties.

According to revised IFRS 3, positive goodwill is recognised as an asset and recorded in the balance sheet, and negative goodwill is credited to the income statement in the year of acquisition.

The fair value of the assets, liabilities and contingent liabilities of the acquired company may be adjusted within twelve months following the acquisition; after this time, the goodwill can only be changed in order to correct errors.

Determination of goodwill
The application of IFRS 3 (revised) on January 1, 2010 requires the Group to identify business combinations carried out before or after that date.

Business combinations completed before January 1, 2010
Goodwill represents the difference between the cost of the business combination (acquisition price of shares plus any costs directly attributable to the acquisition) and the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities of the acquired company as of the date of takeover (unless the takeover is achieved in stages).

In the case of an acquisition of control by successive purchases of a subsidiary's shares, the Group determines a goodwill for each transaction based on the fair value of identifiable assets, liabilities and contingent liabilities acquired at the date of each exchange.

Business combinations completed after January 1, 2010
Goodwill is measured as the excess of the total of:
i. the transferred consideration;
ii. the amount of any non-controlling interest in the acquired company; and
iii. in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquired company;

compared with the net balance of the identifiable assets acquired and liabilities assumed.

The amount of goodwill recognised at the date of acquisition of control cannot be adjusted after the end of the measurement period.

B. Measurement of goodwill

Goodwill is not amortised but is tested for impairment each year, or more frequently when an indication of impairment is identified. These tests are carried out at the level of Cash-Generating Units (CGUs), which constitute groups of assets generating cash inflows that are largely independent of the cash inflows from other cash-generating units.

C. Impairment of goodwill, intangible assets and tangible assets

The Group regularly analyses the carrying amount of its goodwill, tangible assets and intangible assets in order to assess whether there is any indication of an impairment loss, especially in the event of the appearance of unfavorable performance indicators. If such indication exists, the recoverable amount of the asset is estimated in order to compare it with its carrying amount.

The recoverable amount of goodwill and intangible assets with a definite useful life is estimated on each annual closing date, regardless of whether there are any indications of an impairment loss.

When the recoverable amount is less than the carrying amount, an impairment loss is recorded in the income statement. When it relates to goodwill, the impairment loss is final and cannot be reversed during a later period.

The recoverable amount of an asset or CGU is defined as the higher of the fair value less costs to sell and the value in use:

- The value in use is determined using the discounted future cash flows generated by the asset or CGU to which it belongs;

- The fair value less costs to sell is determined using the market comparables approach or, in the absence of such method, based on recent market transactions involving comparable assets.

If the discounted future cash flow approach is used, these cash flows must be taken from the three- to five-year budget and forecasts prepared by management and reviewed by the Group's supervisory and control bodies.

- The terminal value is calculated by adding the discounted cash flows to infinity, calculated on the basis of a normalised flow and a perpetual growth rate.

- This growth rate is consistent with the potential for growth on the markets in which the business line in question operates, as well as with its competitive position on these markets;

- Discount rates, long-term growth rates and cash flows used to calculate the recoverable amounts of fixed assets are determined in the light of the economic environment at the time and the Group's activities. Any change in these assumptions could have a significant effect on the recoverable amount and lead to changes in the impairment losses to be recorded.

The determined recoverable amount, whether by reference to the value in use or to the fair value, is then compared with the value contributing to the consolidated balance sheet. An impairment loss is recognised in non-current income, where applicable, if this value in the balance sheet is greater than the recoverable amount and allocated first to goodwill, then to intangible assets, and finally to tangible assets.

5.2 – Change in net value of Goodwill

	Gross value	Impairment losses	Net value
31 December 2023	**2 362 424**	**(813 039)**	**1 549 385**
Change in scope (1)	51 808		**51 808**
Foreign exchange differences	10 126		**10 126**
31 December 2024	**2 424 358**	**(813 039)**	**1 611 319**

(1) Change in scope	**2024**
- Natural Systems Utilities	36 447
- Ekos	14 533
- Mobile Water Services	(9 057)
- CTGA & Enviman	9 885
	51 808

The increase in goodwill comes from the acquisition of Natural Systems Utilities (NSU) in the United States, Ekos Poznań in Poland and CTGA and Enviman in Portugal.
Goodwill on NSU remains preliminary, amounting to €36 million at 31 December 2024 after preliminary allocation to identifiable assets and liabilities and taking into account the recognition of customer relationships acquired. The final allocation of preliminary goodwill will be made in the first half of 2025.
The change in the goodwill of Mobile Water Services results from the finalisation of the allocation of the purchase price to identifiable assets and liabilities.
The goodwill relating to Mobile Water Services is detailed below:

Identified assets and liabilities and final goodwill for Mobile Water Service at December 31, 2024:

in K€	Consideration paid	Fair value at date of acquisition	Fair value at 31 December 2023	Fair value adjutment 2024	Foreign exchange differences	Final fair value at 31 December 2024
Consideration paid (A)	**189 069**					
Net assets at fair value		**30 303**	**38 020**	**9 057**	**635**	**47 712**
Intangible fixed assets			10 253	(5 709)	89	4 633
Tangible fixed assets		32 021	32 015	18 192	636	50 843
NON-CURRENT ASSETS		**32 021**	**42 268**	**12 483**	**725**	**55 476**
TOTAL ASSETS (B)		**32 021**	**42 268**	**12 483**	**725**	**55 476**
Deferred tax liabilities			2 537	3 401	68	6 006
NON-CURRENT LIABILITIES			**2 537**	**3 401**	**68**	**6 006**
Other current liabilities		1 718	1 711	25	22	1 758
CURRENT LIABILITIES		**1 718**	**1 711**	**25**	**22**	**1 758**
TOTAL LIABILITIES (C)		**1 718**	**4 248**	**3 426**	**90**	**7 764**
FOREIGN EXCHANGE DIFFERENCES Goodwill (D)			**266**		**2 360**	**2 626**
Goodwill (A-B+C+D)		**158 766**	**151 315**	**(9 057)**	**1 725**	**143 983**

The final fair value of net assets acquired is €47,712 thousand, after adjusting for the value of customer relationships and tangible assets acquired.

5.3 – Presentation of the net value of goodwill by CGU

	31 December 2024	31 December 2023
CGU Water France	1 052 130	1 052 130
CGU Industry	437 534	400 308
CGU Water International	121 655	96 947
TOTAL	**1 611 319**	**1 549 385**

5.4 – Goodwill impairment test

Goodwill is subject to systematic impairment tests annually and whenever there is evidence of impairment.

However, IAS 36 specifies that the recoverable amount is either the value in use (determined using the discounted cash flow method), or the fair value, which corresponds to an observable market value.

In view of changes in the economic environment and in discount rates, the Group has tested goodwill at 31 December 2024 for each CGU (see note 3) by reference to a value in use determined according to the discounted cash flow method (DCF) based on the 2025 budget and the 2026-2028 forecasts without taking external growth prospects into account. These forecasts are tied to the operating conditions of the continued activities foreseen by Management, notably the duration and renewal of contracts, price changes and future market prospects. These forecasts have been prepared at the level of each of the Group's operating segments and are based on the latest available information on future trends in the markets in which these activities are carried out. In connection with this approach, a terminal value for the period beyond 2028 was determined by applying a long-term growth rate adapted to each of the tested normalised cash flow operations in the last year of projections. The discount rate used (WACC) was similarly determined according to the inherent risks to each of the Group's operating segments. According to the operating segments concerned, the table of WACC used is as follows:

	31 December 2024		31 December 2023	
	WACC	Long term Growth	WACC	Long term Growth
Water France	6,1%	1,90%	6,0%	1,75%
Industry	7,6%	1,85%	7,9%	1,85%
Water International	6,8%	1,85%	6,8%	1,85%
Engineering	6,1%	1,90%	6,0%	1,75%

Sensitivity tests were performed on the results obtained with regard to the discount rate (+/- 50 points) and the long-term growth rate (+/- 25 points) applied to the normalised free cash flow. This analysis based on DCF flows demonstrated that there is no reason to recognise an impairment of the goodwill presented in the statement of financial position at December 31, 2024.

The impairment loss of €813 million in the statement of financial position mainly dates back to 2012 when the financial restructuring led to the recognition of an impairment of goodwill. Impairment losses on goodwill cannot be reversed under IAS 36.

Note 6 – Tangible assets

Tangible assets are recognised at their historical cost of acquisition, production or entry into the Group, less any accumulated depreciation and any impairment losses.

Assets and components are amortised on a straight-line basis over their estimated useful life.

Useful life assumptions:

Constructions not in use	**(1)**
Industrial constructions by type	10 to 20 years
Technical installations, equipment and tools	3 to 8 years
Other tangible assets (Transport and office equipment)	3 to 8 years

(1) In accordance with IAS 16, when a fixed asset comprises components with different useful lives, these components are recognised and depreciated as separate items (assessment of a terminal residual value in the calculation of depreciation).

Profits and losses on disposal are calculated as the difference between the proceeds from disposal and the net book value thus determined; they are recorded in "Profit (loss) from asset disposals".

	Land	Constructions	Plant and equipment	Other tangible assets	TOTAL
I - GROSS					
1st January 2023	**8 673**	**82 650**	**326 974**	**335 396**	**753 693**
Change in scope	240	1 547	2 375	(408)	**3 754**
Investments and other increases	105	2 894	18 959	106 418	**128 376**
Disposals and misc. reductions	(481)	(1 931)	(9 768)	(17 710)	**(29 890)**
Foreign exchange differences	4	437	369	285	**1 095**
Line to line transfers and others	702	6 387	6 257	(55 017)	**(41 671)**
31 December 2023	**9 243**	**91 984**	**345 166**	**368 964**	**815 357**
Change in scope	4 255	2 310	1 693	15 363	**23 621**
Investments and other increases	33	2 001	77 084	92 638	**171 756**
Disposals and misc. reductions	(16)	(427)	(10 762)	(7 623)	**(18 828)**
Foreign exchange differences	238	651	1 027	1 056	**2 972**
Line-to-line transfers and others (1)	323	1 394	14 037	(39 324)	**(23 570)**
31 December 2024	**14 076**	**97 913**	**428 245**	**431 074**	**971 308**
II - AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES					
1st January 2023	**(2 971)**	**(50 758)**	**(241 474)**	**(168 571)**	**(463 774)**
Disposals and misc. reductions	429	1 857	7 786	16 691	**26 763**
Allowances and reversals	(304)	(3 251)	(23 520)	(20 192)	**(47 267)**
Foreign exchange differences	(7)	(153)	(260)	(79)	**(499)**
Line to line transfers and others	1	(4)	(45)	(67)	**(115)**
31 December 2023	**(2 852)**	**(52 309)**	**(257 513)**	**(172 218)**	**(484 892)**
Change in scope		2		29	**31**
Disposals and misc. reductions		405	8 855	7 522	**16 782**
Allowances and reversals	(277)	(5 007)	(29 140)	(24 781)	**(59 205)**
Foreign exchange differences	(2)	(166)	(723)	(308)	**(1 199)**
Line-to-line transfers and others (1)	(2)	738	318	(1 287)	**(233)**
31 December 2024	**(3 133)**	**(56 337)**	**(278 203)**	**(191 043)**	**(528 716)**
III - NET CARRYING AMOUNT					
Net value at 31 December 2023	**6 391**	**39 675**	**87 653**	**196 746**	**330 465**
Net value at 31 December 2024	**10 943**	**41 576**	**150 042**	**240 031**	**442 592**

(1) Reclassification of fixed assets

- IFRIC12 reclassification of tangible assets under construction as intangible assets	(23 654)
- Reclassification in stock for sale - Industry activity	(273)
- Other reclassifications	124
	(23 803)

Note 7 – Rights of use (IFRS 16)

The Group has a large number of lease contracts concluded as lessee, spread across all the Group subsidiaries. These contracts are mainly composed of building and vehicle leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration. Lease liabilities and right-of-use assets are recognized at the lease commencement date.

As the lessee, the Group applies a single method of accounting for all its leases, considering the exemptions offered by the accounting standard for short-term leases (less than or equal to 12 months) or for leases of low value.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.
The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the related right of use asset) when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised, resulting from a decision of the Group.

When the Group incurs a material obligation to restore the leased asset to the condition required by the lease terms, these costs are included in the cost of the asset as part of the right of use with a corresponding increase in the lease liability.

Deferred tax is applied to IFRS 16 entries based on local applicable tax rates.

	Property	Vehicles	Other	TOTAL
I - GROSS				
1st January 2023	**108 011**	**80 911**	**581**	**189 503**
Change in scope	56			**56**
Investments and other increases	33 131	29 012	166	**62 309**
Disposals and misc. reductions	(10 634)	(6 773)	(364)	**(17 771)**
Foreign exchange differences	44	121		**165**
31 December 2023	**130 608**	**103 271**	**383**	**234 262**
Change in scope	1 006	4 655	31	**5 692**
Investments and other increases	20 514	50 282	2 561	**73 357**
Disposals and misc. reductions	(10 035)	(39 399)	(78)	**(49 512)**
Foreign exchange differences	264	259	106	**629**
31 December 2024	**142 357**	**119 068**	**3 003**	**264 428**
II - AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES				
1st January 2023	**(47 360)**	**(45 817)**	**(561)**	**(93 738)**
Allowances and reversals	(17 544)	(30 476)	(62)	**(48 082)**
Disposals and misc. reductions	7 922	5 829	364	**14 115**
Foreign exchange differences	(16)	(49)		**(65)**
31 December 2023	**(56 998)**	**(70 513)**	**(259)**	**(127 770)**
Change in scope	2			**2**
Allowances and reversals	(18 815)	(38 154)	(400)	**(57 369)**
Disposals and misc. reductions	6 222	38 514	78	**44 814**
Foreign exchange differences	(63)	(81)	(15)	**(159)**
31 December 2024	**(69 652)**	**(70 234)**	**(596)**	**(140 482)**
III - NET CARRYING AMOUNT				
Net value at 31 December 2023	**73 610**	**32 758**	**124**	**106 492**
Net value at 31 December 2024	**72 705**	**48 834**	**2 407**	**123 946**

The breakdown of the IFRS 16 lease liabilities by due date is provided in note 15.

Note 8 – Equity-accounted investments

		Shareholder equity - Group share		Share of profit (loss)	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
Water International	ÁGUAS DE CASCAIS	**78 109**	76 698	**5 894**	**4 719**
Water International	ÁGUAS DE GONDOMAR	**20 852**	23 980	**1 588**	**1 905**
Water International	ÁGUAS DA FIGUEIRA	**16 422**	15 753	**1 072**	**541**
Water International	ÁGUAS DE ALENQUER	**13 242**	13 078	**164**	**312**
Water International	IWPC	**2 613**	1 838	**630**	**531**
Water International	TAWZEA AQUAPOR	**1 955**	1 420	**1 034**	**645**
Water International	CASCAIS SEDE NOVA	**809**	778	**181**	**180**
Water International	OBEIKAN DIGITAL JV	**(115)**	0	**(123)**	**0**
Water International	IWPC2	**882**	456	**381**	**131**
Water France	CALITI - SEMOP	**461**	425	**35**	**86**
Water France	EAU DE DINAN - ASSAINISSEMENT	**265**	132	**130**	**120**
Water International	Argentina entities	**15**	17	**0**	**(27)**
Engineering	STEREAU IACOUVOU	**0**	5	**0**	**0**
	Total	**135 510**	**134 580**	**10 986**	**9 143**

Note:

- Eau de Dinan and Caliti are based in mainland France;
- Stereau Iacouvou, based in Cyprus, was liquidated in 2024;
- TAWZEA AQUAPOR, IWPC, IWPC2 and OBEIKAN DIGITAL JV are based in Saudi Arabia;
- AGUAS DE GONDOMAR, AGUAS DE FIGUEIRA, AGUAS DE CASCAIS, AGUAS DE ALENQUER, and CASCAIS DEL SUR DEL ATLANTICO are based in Portugal (joint ventures of Aquapor).

The summarised financial information of the most significant joint ventures is presented below:

Summarized financial information shown at 100% of the entity Aguas de Cascais

	31/12/2024
BALANCE SHEET	
Non-current assets	66 910
Current assets	34 170
Total assets	**101 080**
Shareholder equity	59 819
Liabilities	41 261
Total shareholder' equity and liabilities	**101 080**
The amounts of assets and liabilities presented below include the following elements:	
- Cash and cash equivalents	22 377
- Current financial liabilities (excluding debts to suppliers, other creditors and provisions)	3 770
- Non-current financial liabilities (excluding debts to suppliers, other creditors and provisions)	7 746
INCOME STATEMENT	
Turnover	69 326
Operating income	16 611
Net income	**11 787**
Including:	
Allowances for amortisation/depreciation	(10 146)
Interest income	0
Interest expenses	0
Tax expenses or income	(3 832)

	31/12/2024
Net assets of the joint venture	59 819
Holding percentage	50%
Revaluation upon acquisition	48 200
Carrying amount of the Group's interests in Aguas de Gondomar	78 109

Summarized financial information shown at 100% of the entity Aguas de Gondomar

	31/12/2024
BALANCE SHEET	
Non-current assets	45 330
Current assets	13 032
Total assets	**58 362**
Shareholder equity	18 240
Liabilities	40 122
Total shareholder' equity and liabilities	**58 362**
The amounts of assets and liabilities presented below include the following elements:	
- Cash and cash equivalents	5 084
- Current financial liabilities (excluding debts to suppliers, other creditors and provisions)	4 762
- Non-current financial liabilities (excluding debts to suppliers, other creditors and provisions)	21 810
INCOME STATEMENT	
Turnover	25 191
Operating income	6 887
Net income	**3 737**
Including:	
Allowances for amortisation/depreciation	(6 036)
Interest income	0
Interest expenses	0
Tax expenses or income	(1 349)

	31/12/2024
Net assets of the joint venture	18 240
Holding percentage	42,50%
Revaluation upon acquisition	13 100
Carrying amount of the Group's interests in Aguas de Gondomar	20 852

Note 9 – Non-current financial assets

Non-current financial assets include in particular:

- ownership interests in companies over which the Group has neither control nor notable influence, which are not consolidated and are measured at fair value through profit or loss;
- loans and receivables whether or not related to ownership interests, carried at amortised cost;
- miscellaneous financial assets (in particular deposits and guarantees), recognised at amortised cost.

	Non-consolidated ownership interests	Receivables from ownership interests	Other long-term investments	Loans	Other financial assets	Total
I - GROSS						
1st January 2023	**1 031**	**1 385**	**2 621**	**7 441**	**20 037**	**32 515**
Increases			114	3 530	1 229	**4 873**
Disposals and misc. reductions			(61)	(1 322)	(3 580)	**(4 963)**
Foreign exchange differences		(135)		(28)	457	**294**
Line to line transfers and others					496	**496**
31 December 2023	**1 031**	**1 250**	**2 674**	**9 621**	**18 639**	**33 215**
Change in scope					89	**89**
Increases			14	4 403	1 305	**5 722**
Disposals and misc. reductions	(3)		(86)	(2 066)	(9 020)	**(11 175)**
Foreign exchange differences				48	109	**157**
Line to line transfers and others					15	**15**
31 December 2024	**1 028**	**1 250**	**2 602**	**12 006**	**11 137**	**28 023**
II - IMPAIRMENT						
1st January 2023		**(1 215)**	**(535)**		**(89)**	**(1 839)**
31 December 2023		**(1 215)**	**(535)**		**(89)**	**(1 839)**
Allowances				(11)		**(11)**
Reversals			53			**53**
Line to line transfers and others			1		(2)	**(1)**
31 December 2024		**(1 215)**	**(481)**	**(11)**	**(91)**	**(1 798)**
III - NET CARRYING AMOUNT						
Net value at 31 December 2023	**1 031**	**35**	**2 139**	**9 621**	**18 550**	**31 376**
Net value at 31 December 2024	**1 028**	**35**	**2 121**	**11 995**	**11 046**	**26 225**

Loans

The net carrying amount of €12 million includes loans granted to social organizations collecting the contribution to the construction effort.

Other financial assets

They mainly correspond to deposits and guarantees as well as long-term receivables held by the subsidiary Gestagua with certain local authorities.

If necessary, the latter are written down to their recoverable amount.

Note 10 – Inventories, trade receivables and other current receivables

Trade receivables and other receivables

Taking into account the operating and billing cycle of the services (in particular water supply and sanitation, works), this heading includes:

- the invoices and statements issued as the services or work are performed (statements accepted by the project owner) and remaining unpaid by the balance sheet date,
- invoices to be drawn up corresponding to earned work which could not, for reasons of temporary delay, be invoiced or accepted by the project owner, as well as accrued income specific to the water business (the invoicing period in the water business is governed by contractual rules).

Trade receivables are initially recognised at their transaction price.

The impairment of trade receivables is based on two methods:

- A collective method on a statistical basis to reflect expected credit losses over the life of the receivables, including receivables not yet due, in accordance with IFRS 9;
- An individual method according to which an impairment is recognised when there is an objective indicator of the Group's inability to recover all amounts due under the conditions initially provided for in the transaction.

Inventories and work in progress

Inventories are valued at their acquisition cost (weighted average cost).

When the realisable value of the inventories is less than their cost, impairments are recorded.

	31 December 2023			1st January 2023
	Gross value	Impairment	Net value	Net value
- Inventories	66 831	(3 097)	**63 734**	46 242
- Trade receivables and related accounts	1 564 979	(89 756)	**1 475 223**	1 405 019
- Advances and payments on account paid on orders	7 542		**7 542**	8 107
- Operating receivables	95 849	(82)	**95 767**	79 404
- Miscellaneous receivables	11 934	(182)	**11 752**	6 092
- Prepaid expenses	53 309		**53 309**	45 889
TOTAL	**1 800 444**	**(93 117)**	**1 707 327**	**1 590 753**

	31 December 2024			31 December 2023
	Gross value	Impairment	Net value	Net value
Inventories	68 024	(2 097)	**65 927**	63 734
Trade receivables and related accounts	1 688 359	(93 845)	**1 594 514**	1 475 223
Advances and payments on account paid on orders	2 911		**2 911**	7 542
Operating receivables	106 335	(85)	**106 250**	95 767
Miscellaneous receivables	19 766	(756)	**19 010**	11 752
Prepaid expenses	62 801		**62 801**	53 309
TOTAL	**1 948 196**	**(96 783)**	**1 851 413**	**1 707 327**

Trade receivables and other current receivables are due within one year.

VAT credit, with no recourse to banks with transfer of risks as defined by IFRS 9, has been regularly sold in 2024 for a total amount of €27 million.

Note 11 – Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with an initial maturity of less than three months, which are considered to be liquid, convertible into a known amount of cash and subject to an insignificant risk of change in value in accordance with the criteria set out in IAS7.

Overdrafts are excluded from the scope of cash and cash equivalents and are recognised in cash liabilities.

	Cash and Term accounts	Cash current accounts	Cash assets	Cash current accounts	Current bank lines	Cash liabilities	Closing cash position
1st January 2023	**275 075**	**3 130**	**278 206**	**6 097**	**30 374**	**36 471**	**241 735**
Change in scope	1 085	0	**1 085**				**1 085**
Foreign exchange differences	340	571	**911**	372		**372**	**539**
Change	41 848	1 537	**43 385**	739	(20 917)	**(20 178)**	**63 563**
31 December 2023	**318 348**	**5 238**	**323 587**	**7 208**	**9 457**	**16 665**	**306 922**
Change in scope	561	19	**580**	699		**699**	**(119)**
Foreign exchange differences	1 234	170	**1 404**	(23)		**(23)**	**1 427**
Change	355 387	(2 212)	**353 174**	(2 517)	(7 420)	**(9 937)**	**363 111**
31 December 2024	**675 530**	**3 215**	**678 745**	**5 367**	**2 037**	**7 404**	**671 341**

On the assets side, cash and cash equivalents include cash in hand, demand deposits, cash current accounts with non-consolidated companies and liquid investments in marketable securities.

For a security and term accounts to be classified as a cash equivalent, it must be easily convertible into a known amount of cash and not be affected by any non-negligible risk of change in value. Marketable securities belong in the category of financial assets measured at fair value through profit or loss. Term accounts are qualified as cash equivalents according to the criteria defined by the IAS 7 accounting standard.

On the liabilities side, cash and cash equivalents include current bank overdrafts, cash current accounts with non-consolidated companies and credit bank balances.

Note 12 – Shareholder equity

12.1 – Share capital

The share capital of HIME amounting to €557,464,129 at December 31, 2024 is made up of €557,464,129 shares with a par value of €1 each.

	1st January 2023	Capital increase/ reduction	31 December 2023	Capital increase/ reduction	31 December 2024
Number of shares	538 801 636	6 040 051	544 841 687	12 622 442	557 464 129
Per value in euros	€1	€1	€1	€1	€1
Share capital in euros	**538 801 636**	**6 040 051**	**544 841 687**	**12 622 442**	**557 464 129**

12.2 – Consolidated reserves

	1st January 2023	Change	31 December 2023	Change	31 December 2024
HIME:					
Retained earnings	(1 451 542)	60 948	(1 390 594)	9 773	(1 380 821)
Subtotal	**(1 451 542)**	**60 948**	**(1 390 594)**	**9 773**	**(1 380 821)**
Consolidated reserves:					
- consolidation reserves	582 783	(30 456)	552 328	(62 653)	489 675
- change in fair value	3 243	(2 568)	675	(103)	572
Total	**(865 516)**	**27 925**	**(837 592)**	**(52 983)**	**(890 574)**

12.3 – Translation exchange reserve

	1st January 2023	Change	31 December 2023	Change	31 December 2024
US Dollar	84	(5 503)	(5 419)	12 021	6 602
Saudi Arabian riyal	1 030	(70)	960	(66)	894
Russian rouble	485	(60)	425	9	434
Polish zloty	(1 759)	1 688	(71)	352	281
Singapore dollar	(174)	(9)	(183)	19	(164)
Pound sterling	(3 007)	808	(2 199)	1 814	(385)
Other currencies	(132)	96	(36)	(212)	(248)
Total	**(3 473)**	**(3 050)**	**(6 523)**	**13 937**	**7 414**

Note 13 – Provisions

In accordance with IAS 37, provisions are recognised:

- when an entity has a legal, contractual or implicit obligation at the closing date as a result of a past event;
- where it is likely that an outflow of resources representing economic benefits will be required to settle the obligation without an equivalent consideration ; and
- when the amount of the obligation can be reliably estimated.

The Group's main provisions relate to contractual obligations to maintain and repair the installations it manages under public service contracts. The two parameters that have a significant influence on the amount of such provisions are level of costs strictly speaking and the payment schedule. These parameters are determined using the information and estimates deemed most relevant by the company on the closing date.

13.1 – Non-current provisions

Non-current provisions mainly include:

- provisions for contractual obligations,
- provisions for employee benefits (see note 14),
- provisions to cover litigation costs.

Contractual replacement obligations

As part of its delegated management of public water and sanitation services, the Group operates the facilities owned by local authorities and has a contractual obligation to provide continuous service.

This obligation may be fulfilled by replacing certain facilities with identical ones. At the end of the contract, ownership of all replaced items is transferred to the local authority at no cost.

There are three types of replacement clause: guarantee, on account and scheduled, although one single contract may include all three types.

1 - Guarantee: contractual obligation to maintain the installations and replace them if necessary in order to ensure continuity of operations. The contract does not contain any replacement budget or schedule and thus provides no reimbursement to the local authority at the end of the contract.

2 - On account: contractual obligation to invest a certain amount each year into replacement equipment. The nature and provisional schedule for these replacements are not specified. At the end of the contract, any un-invested amounts are reimbursed to the local authority.

3 - Scheduled: contractual obligation to invest a certain amount into replacing specific types of equipment according to a given schedule. At the end of the contract, any un-invested amounts are reimbursed to the local authority.

These obligations mean the Group is required to make the necessary provisions each year, in line with applicable contractual rules. The Group recognises two types of liabilities in relation to these replacement obligations:

- a provision for risks and charges:

calculated based on the estimated replacement value known at the end of the period and the theoretical useful life of the equipment. This provision is only made to the extent that the assets are likely to be replaced before the end of the contract. For each contract, it is determined for each piece of equipment separately. The average useful life of equipment is regularly reviewed on the basis of statistical data and updated accordingly.

- an accrued expense in relation to "on account" and "scheduled" obligations:

expenses are recognized progressively as expenses are incurred. Any expenses that are not made in accordance with the annual contractual obligation (determined on a straight-line basis) are recorded as accrued expenses.

	Provisions for contractual obligations (1)	Long-term employee benefits (2)	Other provisions for charges (3)	Litigation (4)	Guarantees given	Other provisions for risks (5)	TOTAL
1st January 2023	**66 175**	**46 490**	**35 976**	**8 970**	**667**	**7 209**	**165 487**
Change in other comprehensive income		(906)					**(906)**
Foreign exchange differences			62				**62**
Line-to-line transfers		(2)	6 637	2 022		(2 190)	**6 467**
Allowances	2 907	2 960	11 947	4 378	438	944	**23 574**
Reversals used	(5 143)	(1 735)	(13 199)	(1 470)	(106)	(1 438)	**(23 091)**
Reversals not used	(1 939)	(2)	(3 866)	(328)	(65)	(13)	**(6 213)**
31 December 2023	**62 000**	**46 805**	**37 557**	**13 572**	**934**	**4 512**	**165 380**
Change in scope		75	673				**748**
Change in other comprehensive income		522					**522**
Translation adjustments		1	157				**158**
Line-to-line transfers	(1)		668	(7)			**660**
Allowances	2 688	2 693	19 602	4 909	244	640	**30 776**
Reversals used	(4 951)	(1 676)	(10 519)	(2 717)	(84)	(2 972)	**(22 919)**
Reversals not used	(1 383)	(968)	(3 802)	(935)	(32)		**(7 120)**
31 December 2024	**58 353**	**47 452**	**44 336**	**14 822**	**1 062**	**2 180**	**168 205**

(1)	- Provisions for replacement/warranty	58 353
(2)	- Pensions	43 013
	- Second-tier pension for long service life	63
	- Long-service awards	4 376
		47 452
(3)	- Provision for deferred maintenance	10 239
	- Other provisions for charges	34 097
		44 336
(4)	- Provisions for client litigation	657
	- Provisions for staff risks	6 666
	- Provisions for other litigation	7 499
		14 822
(5)	- Compensation on terminated contracts	1 109
	- Provisions for various litigations	404
	- Other	667
		2 180

The provision for renewal has been discounted by €0.7 million in 2024.

13.2 – Current provisions

	Operating provisions	Provision for policy excess on accidents	Other provisions	TOTAL
1st January 2023	**2 184**	**4 419**	**10 112**	**16 715**
Line-to-line transfers			(6 475)	**(6 475)**
Allowances	66	1 093	400	**1 559**
Reversals used	(79)	(306)	(291)	**(676)**
Reversals not used	(36)	(1 108)	(237)	**(1 381)**
31 December 2023	**2 135**	**4 098**	**3 509**	**9 742**
Line-to-line transfers		9	(676)	**(667)**
Allowances	9	1 103	57	**1 169**
Reversals used	(56)	(808)	(679)	**(1 543)**
Reversals not used		(383)	(2)	**(385)**
31 December 2024	**2 088**	**4 019**	**2 209**	**8 316**

In addition to standard operating provisions relating to construction risks and accident deductibles, current provisions include future disbursements in relation to voluntary departures recorded in Water France operating segment under a collective mutually agreed termination mechanism and a dedicated company agreement.

Note 14 – Post-employment benefits

The measurement of employee benefit obligations under defined-benefit plans is based on actuarial calculations. The Group believes that the assumptions used to measure these commitments are appropriate and justified. However, any change in assumption could have a significant impact.

These provisions are measured and recognised in accordance with IAS 19 (revised), which applies to all contractual, informal and customary retirement obligations as well as to long-service awards.

Within the Group, employee benefits primarily include:
1) retirement benefits: determined using "*the projected unit credit method*", each period of service gives rise to an additional benefit entitlement, as defined in the plan's benefit formula, and using a linear effect if the rate at which the entitlement is acquired is not uniform across subsequent periods of service.

The valuation is based on the contracts for each business line and takes account of:
- the status, age and seniority acquired by the various categories of personnel,
- the staff turnover rate, calculated using historic data for the business lines, age ranges and categories,
- average wages and salaries including bonuses, increased by a coefficient representing the applicable rate of employer contributions,
- an inflation rate,
- a rate of salary increase,
- a retirement bonus discount rate,
- a life expectancy calculation, preferably determined using mortality tables.

The actuarial assumptions are specific to each country. This results in provisions being recorded in the balance sheet and any related net expenses being recognised.

Actuarial gains and losses are recognised directly in other comprehensive income.

2) premiums paid out with the issue of long-service awards: a provision is recognised in the consolidated balance sheet to cover probable payments to employees in the company.

This provision is calculated:
- the probability that employees will reach the seniority required for the award of a medal (probability depending on staff turnover and mortality tables),
- taking account bonuses that may be paid,
- taking into account the probability that employees will apply for the medal,
- taking account the discount rate.

This results also in a provision being recorded in the balance sheet and any related net expenses being recognised.

14.1 – Description of pension plans

The Group has the following defined-benefit pension plans:
- A standard retirement benefits plan for companies located in France, Poland, and Italy. The commitment as of December 31, 2024 is €39 million for France.
- A retirement benefits plan called Trattamento di Fine Rapporto (TFR) in Italy. Every employer is required to set aside a severance payment (TFR) for the employees, and it is paid to the employees when they leave the company. The commitment as of December 31, 2024 is €3 million.
- A retirement benefits plan, disability and death benefit scheme in Poland. The commitment as of December 31, 2024 is €0.1 million.
- A plan offering a seniority bonus ("long-service awards") in France. The commitment amounts to €4 million as of December 31, 2024.
- Lastly, a limited supplementary pension plan, closed for several years, to which some employees of the former company CISE are entitled (only one beneficiary remains

at the end of 2024). The commitment amounts to €0,1 million as of December 31, 2024.

It should also be noted that there is a defined-benefit plan for former subsidiaries in the United Kingdom, for which there are no beneficiaries currently working for the Group. This fund is closed. The gross commitment in respect of this plan amounts to £9 million as of December 31, 2024, fully covered by a portfolio of low-risk assets dedicated to pension funds and valued at £12 million (no surplus assets are recognised).

There is no post-employment benefit for executives in the Group.

14.2 – Benefits expected over the next 10 years for Saur

	Pension plans	Long-service awards	TOTAL
Benefits in 2025	1 752	354	**2 106**
Benefits in 2026	1 996	393	**2 389**
Benefits in 2027	2 498	361	**2 859**
Benefits in 2028	3 065	368	**3 433**
Benefits in 2029	2 718	354	**3 072**
Benefits in 2030/2034	14 707	1 517	**16 224**

14.3 – Change in commitments

	Pension plans	Long-service awards	TOTAL
Actuarial liability at 1st January 2023	**41 994**	**4 496**	**46 490**
Service cost	2 082	997	**3 079**
Interest on actuarial liability	1 289	128	**1 417**
Actuarial gains and losses	(906)		**(906)**
Benefits paid	(2 973)	(302)	**(3 275)**
Actuarial liability at 31 December 2023	**41 486**	**5 319**	**46 805**
Change in scope	75		**75**
Service cost	1 991	(632)	**1 359**
Interest on actuarial liability	1 205	150	**1 355**
Actuarial gains and losses **(1)**	522		**522**
Benefits paid	(2 203)	(462)	**(2 665)**
Foreign exchange differences	1		**1**
Actuarial liability at 31 December 2024	**43 077**	**4 375**	**47 452**

(1) Experience (gains)/losses	(850)
(Gains)/losses from financial assumptions	352
(Gains)/losses from demographic assumptions	1 020
	522

The actuarial liability at December 31, 2024 increased by €0.6 million (€47.4 million at December 31, 2024 compared with €46.8 million at December 31, 2023). Actuarial losses amount to €0.5 million.

The breakdown of actuarial liability by country is as follows:

Breakdown by country	Retirement plans	Long-service awards	Total
France	38 424	5 319	43 743
Italy	3 062		3 062
Actuarial liability at 31 December 2023	**41 486**	**5 319**	**46 805**

Breakdown by country	Retirement plans	Long-service awards	Total
France	39 516	4 375	43 891
Poland	76		76
Italy	3 485		3 485
Actuarial liability at 31 December 2024	**43 077**	**4 375**	**47 452**

At December 31, 2024, the actuarial liability (PBO, Projected Benefit Obligation) for pension plans of €43.1 million, all countries included, breaks down into €43 million for non-covered defined benefits and €0.1 million for partially covered plans (supplementary pensions concerning 1 beneficiary).

14.4 – Changes in the plan's financial assets

Pension plans	12/2024	12/2023
Opening value of investments	**5**	**5**
Closing value of investments	**5**	**5**

The financial assets are related only to supplementary pension plans.

14.5 – Total recognised expenses

	Pension plans	Long-service awards	TOTAL
Service cost	2 082	997	3 079
Benefits paid	(2 973)	(302)	(3 275)
Interest on actuarial liability	1 289	128	1 417
Expected return on investments	0		0
Total expenses recognised as at 31 December 2023	**398**	**823**	**1 221**

	Pension plans	Long-service awards	TOTAL
Service cost	1 991	(632)	1 359
Benefits paid	(2 203)	(462)	(2 665)
Interest on actuarial liability	1 205	150	1 355
Total expenses recognised as at 31 December 2024	**993**	**(944)**	**49**

Note: Recognised expenses are presented with a positive sign in this table

14.6 – Actuarial assumptions

At December 31, 2024, the main actuarial assumptions used are the following:

	France		Italy	
	12/2024	12/2023	12/2024	12/2023
Pension commitments				
Discount rate	3,23 %	3,17 %	3,1 %	3,2 %
Pay increase rate net of inflation	(a)	(a)	3,25 %	3,25 %
Inflation rate	1,9 %	2,1 %	2,25 %	2,25 %
Long service awards				
Discount rate	3,02 %	3,09 %	na	na

(a) The Group updated its analyses carried out in 2019 covering the last five years by employee category and relative age group concerning:

- observed wage increases
- observed voluntary departures

These analyses made it possible to determine revaluation and turnover rates that are appropriate for each employee category.

Following the entry into force of the pension reform in France actuarial assumptions have been updated to reflect:

- the gradual increase in the legal retirement age from 62 to 64,
- the abolition of certain special schemes
- and the acceleration of the timetable resulting from the 2014 "Touraine" reform, to gradually reach the 43-year contribution period in 2027 instead of 2035.

The actuarial liability is sensitive to discount rates. Therefore, for companies located in France, a 0.25-point increase in the discount rate would reduce the actuarial liability by €1 million. Conversely, a 0.25-point decrease in this rate would result in the actuarial liability rising by €1 million.

The returns used for reference are those of Corporates Bonds AA reported by the iBoxx index, which gave a rate of 3.23% for a period of 12 years for retirement bonuses and of 3.02% for a period of 9 years for long-service awards on December 31, 2024.

Note 15 – Financial liabilities

With the exception of derivative liabilities measured at fair value, loans and other financial liabilities are initially measured at fair value less transaction costs, then at their amortised cost calculated using the effective interest rate (EIR).

The EIR is the rate that accurately re-estimates the future cash flows until maturity. This calculation includes all commissions paid or received between the contractual parties.

The portion of financial liabilities due within one year is presented in current liability.

	HIME bonds	HIME term loan	Other loans and debt	TOTAL	IFRS 16 lease liabilities	TOTAL FINANCIAL LIABILITIES
Non-current financial liabilities	1 236 701		36 482	**1 273 183**	70 672	**1 343 855**
Current financial liabilities		100 000	60 519	**160 519**	36 191	**196 710**
31 December 2023	**1 236 701**	**100 000**	**97 001**	**1 433 702**	**106 863**	**1 540 565**
1st January 2023	**937 353**	**150 000**	**63 069**	**1 150 422**	**95 496**	**1 245 918**
Change in scope			5 306	**5 306**	56	**5 362**
Foreign exchange differences			254	**254**	80	**334**
Increase	299 348		60 906	**360 254**	63 679	**423 933**
Decrease		(50 000)	(32 534)	**(82 534)**	(52 448)	**(134 982)**
31 December 2023	**1 236 701**	**100 000**	**97 001**	**1 433 702**	**106 863**	**1 540 565**

	HIME bonds	Revolving Credit Facility	Other loans and debt	TOTAL	IFRS 16 lease liabilities	TOTAL FINANCIAL LIABILITIES
Non-current financial liabilities	1 338 944		33 732	**1 372 676**	71 570	**1 444 246**
Current financial liabilities	240 346	244 976	80 445	**565 767**	53 167	**618 934**
31 December 2024	**1 579 290**	**244 976**	**114 177**	**1 938 443**	**124 737**	**2 063 180**
1st January 2023	**1 236 701**	**100 000**	**97 001**	**1 433 702**	**106 863**	**1 540 565**
Change in scope			7 551	**7 551**	5 500	**13 051**
Foreign exchange differences			5 088	**5 088**	477	**5 565**
Increase	548 961	146 506	25 755	**721 222**	78 808	**800 030**
Decrease	(207 902)		(21 212)	**(229 114)**	(66 911)	**(296 025)**
Other changes	1 530	(1 530)	(6)	**(6)**		**(6)**
31 December 2024	**1 579 290**	**244 976**	**114 177**	**1 938 443**	**124 737**	**2 063 180**

The increase of €8 million in loans in the "change in scope" line is due to the takeover of debts held by Natural Systems Utilities and Ekos Poznań.

During the period, other loans and debt increased by €26 million mainly as a result of the subscription to European commercial paper for €13 million and the increase of put and earn-out liabilities by €6 million.

The decrease of €21 million in other loans and debt was due to:

- the repayment by Natural Systems Utilities and of €6 million of bank debt existing prior to its acquisition;
- the repayment by Group companies of other borrowings totalling €11 million.

In addition, €150 million were repaid on the revolving credit facility during the year.

15.1 – Main characteristics of financial liabilities

The September 2021 bond financing is characterised by two tranches of senior unsecured sustainability-linked bonds, comprising a €450 million tranche with a 4-year maturity (September 2025) with an annual coupon of 0.125%, and a €500 million tranche with a 7-year maturity (September 2028) with an annual coupon of 0.625%. The €450 million tranche was partially reimbursed on 22 October 2024 for €207 million at a price of 97%.
In April 2023, the Group issued a sustainability linked bond of €300 million, with a 4-year maturity (March 2027) and an annual coupon of 4.5%.
The revolving credit line, set up in 2021, was renewed in October 2024 for €400 million and a final maturity of 5 years (October 2029) of which €150 million are undrawn as of December 31, 2024. This line has a floating interest rate based on the maturity of the drawdowns. The Group analysed this revolving line of credit renewal transaction in accordance with IFRS 9 standard to determine whether it was equivalent to an extinguishment of the previous credit line and the recognition of the newly refinanced credit line. The Group carried out a quantitative test and a qualitative test to assess whether or not the changes were substantial. The result of these tests led the Group to conclude that the renewal of the revolving credit line was a modification of the existing debt.
In October 2024, the Group issued a €550 million bond linked to sustainability for water transition, with a 5-year maturity and an annual coupon of 4.875%.

15.2 – Financial liabilities by due date

	Total	< 1 year	1 to 5 years	> 5 years
HIME bonds	1 579 290	240 346	1 338 944	
Revolving Credit Facility	244 976	244 976		
Other loans and debt	114 177	80 445	23 116	10 616
Lease liabilities (IFRS 16)	124 737	53 167	49 125	22 445
TOTAL	**2 063 180**	**618 934**	**1 411 185**	**33 061**

In other loans and debt, the portion due within one year primarily relates to the €53 million European commercial paper, representing around half of the total of other borrowings.

Other loans and debts include put options on minority interests, earn-out debts and several operating loans carried by the subsidiaries.

15.3 – Financial liabilities by interest rate and currency

Given the Group's hedging policy, the breakdown of financial debts by type of interest rate is as follows:

	12/2024	12/2023
Fixed-rate debt	85,3%	90,9%
Variable-rate debt	14,7%	9,1%

The fixed-rate debt includes the lease liability resulting from the IFRS 16 restatement.

All financial liabilities recognised in the balance sheet are in euros.

Bonds pay a fixed coupon. Coupon on bond issued in 2021 and 2023 is subject to change depending on meeting ESG criteria defined at the time of the bond issue, which are, for the 2021 bond issue, (i) changes in the annual water deduction rate per subscriber and (ii) carbon intensity and for the 2023 bond issue carbon intensity.

If the criteria defined at the time of the bond issue are met, the coupon rate paid will not change. Otherwise, it may change as follows:

	Year of issue	Year tested	Coupon	Revised coupon if 1 ESG target is not met	Revised coupon if 2 ESG targets are not met	Years impacted by coupon revision
4-year tranche (Sept. 2025)	2021	2023	0,125%	0,250%	0,375%	2024-2025
7-year tranche (Sept. 2028)	2021	2025	0,625%	0,750%	0,875%	2026-2028
4-year tranche (April 2027)	2023	2025	4,500%	5,000%		2026-2027
5-year tranche (October 2029)	2024		4,875%			

The two sustainability performance targets (water preservation and carbon emissions intensity reduction) associated to the 4-year tranche were tested successfully in 2023.

The new blue bond issued on October 2024 is not subject to ESG criteria. The proceeds of this bond will be used for financing and refinancing eligible blue projects related to the protection of water resources.

15.4 – Change in net debt

	1st January 2023	Flows for the period	31 December 2023	Flows for the period	31 December 2024
Cash - assets	**278 206**	45 381	**323 587**	355 158	**678 745**
Cash - liabilities	**(36 471)**	19 806	**(16 665)**	9 261	**(7 404)**
Net cash (a)	**241 735**	**65 187**	**306 922**	**364 419**	**671 341**
Non-current financial liabilities	**983 534**	289 649	**1 273 183**	99 493	**1 372 676**
Current financial liabilities	**166 888**	(6 369)	**160 519**	405 248	**565 767**
Non-current lease liabilities	**62 679**	7 993	**70 672**	898	**71 570**
Current lease liabilities	**32 817**	3 374	**36 191**	16 976	**53 167**
Total Financial liabilities	**1 245 918**	**294 647**	**1 540 565**	**522 615**	**2 063 180**
Net financial instruments at fair value	**(2 481)**	9 639	**7 158**	(754)	**6 404**
Gross debt including net financial instruments at fair value (b)	**1 243 437**	**304 286**	**1 547 723**	**521 861**	**2 069 584**
Net debt (b) - (a)	**1 001 702**	**239 099**	**1 240 801**	**157 442**	**1 398 243**

Reconciliation of increases and decreases in gross debt with the change in financial debt in the statement of cash flows

	Increases	Decreases	Net change
Increase and decrease of financial debts (Note 14)	**721 222**	**(229 114)**	**492 108**
Non-cash items			
Amortized cost of debt and amortization bond premium	4 533		**4 533**
Accrued interests	(6 129)	2 601	**(3 528)**
Other non-cash items	(6 067)	7 538	**1 471**
Change in financial debt in the Statement of Cash Flows	**713 559**	**(218 975)**	**494 583**

Note 16 – Other current liabilities

	31 December 2024	31 December 2023
Advances and payments on account received	617 939	585 965
Trade payables and related accounts	464 774	437 829
Debt with local authorities	723 731	676 229
Other debts	344 694	345 258
Prepaid income	59 316	70 429
TOTAL OTHER CURRENT LIABILITIES	**2 210 454**	**2 115 710**

Debts to local authorities correspond to the taxes and fees collected from users and payable to the local authorities. These debts are subject to significant seasonality according to the invoicing schedules of water sales to users and then reverse payments to local authorities.

Note 17 – Details of the consolidated statement of cash flows

Change in working capital requirements:

	31 December 2024	31 December 2023
Change in inventories	(712)	(14 962)
Change in trade receivables	(102 163)	(65 117)
Change in advances and payments on account received	31 859	61 234
Change in trade payables	16 756	(76 152)
Change in debt with local authorities	46 413	35 201
Change in others current assets and current liabilities	(36 650)	(32 946)
Change in working capital requirements	**(44 496)**	**(92 742)**

Note 18 – Deferred tax assets and liabilities

In accordance with the approach established by IAS 12, deferred tax is recorded for a temporary difference between the carrying amount of an asset or liability and its tax base and calculated using the liability method, company by company.

These temporary differences are:

- Either source of future taxation: (deferred tax liabilities) mainly income on which the payment of tax is deferred as well as deferred tax on entries recognised in the context of purchase price allocation exercises;
- or sources of future tax deductions: (deferred tax assets) and mainly concern provisions that are temporarily non-deductible for tax purposes;

Deferred tax assets arising from temporary differences are recognised only to the extent that it is probable:

- - sufficient taxable temporary differences within the same tax entity or tax group that are expected to reverse in equivalent periods;
- - or the Group is likely to generate sufficient future taxable profits against which the asset can be offset.

For the calculation of deferred taxes, the impact of changes in tax rates is taken into account in the year in which the change in rates is adopted by the government or has a high probability of being adopted in the next reporting period.

Deferred tax liabilities are offset against the assets whenever a particular law allows an entity to establish itself as the sole party liable for the tax of a group of companies (tax consolidation) with comparable payment horizons.

18.1 – Change in deferred tax

	Deferred tax assets	Deferred tax liabilities	TOTAL net deferred tax
Deferred taxes at 1st January 2023	**5 369**	**65 286**	**(59 917)**
Change in profit or loss	724	(7 353)	8 077
Change in other comprehensive income	(34)		(34)
Foreign exchange differences	(20)	(331)	311
DTA/DTL netting and reclassifications	(1 268)	1 750	(3 018)
Deferred taxes at 31 December 2023	**4 771**	**59 352**	**(54 581)**
Change in profit or loss	(3 113)	(4 454)	1 341
Change in other comprehensive income	152		152
Change in scope	1 118	5 626	(4 508)
Foreign exchange differences	165	908	(743)
DTA/DTL netting and reclassifications	3 109	3 109	
Deferred taxes at 31 December 2024	**6 202**	**64 541**	**(58 339)**

The corporate tax rate used to calculate deferred taxes was 25.83% at December 31, 2024 (identical to that of December 31, 2023).
This approaches the last tax rate to be applied in France by 2025 (25%) plus the social welfare tax. To date, no rates have been communicated beyond 2025 by the French government.

18.2 – Breakdown of deferred tax by type

Deferred tax assets	12/2024	12/2023
Employee benefits (IAS 19)	10 185	10 039
Tax losses to be carried forward	44 091	42 469
Temporary differences	8 443	7 113
IFRS IC decision in regards to SaaS software (IAS38)	1 310	1 790
Other deferred tax assets	4 517	7 105
DTA/DTL netting	(62 344)	(63 745)
Total	**6 202**	**4 771**

Deferred tax liabilities	12/2024	12/2023
Client contracts	121 910	110 628
Discounting of provision for replacement/warranty	1 361	1 184
Other deferred tax liabilities	3 614	11 285
DTA/DTL netting	(62 344)	(63 745)
Total	**64 541**	**59 352**

It should be noted that recognised tax losses carried forward by the HIME tax consolidation group are only recognised because of the presence of a deferred tax liability applicable to the amortisation of customer contracts (recognised as part of the purchase price allocation exercise) over the same time horizon.
The deferred tax asset takes into account the current rules of capping the allocation of loss at 50%.

Note 19 – Revenue and income from ordinary activities

Consolidated Revenue

The Group's revenue mainly includes income related to the following business lines:

- Water,
- Engineering contracts, construction contracts and services.

In accordance with IFRS 15, sales are recognized when their amount can be reliably measured, when control over the promised goods and services is transferred to the customer, either at a point in time, generally when the goods are delivered, or over time for service and construction contracts.

Revenue is measured at the transaction price, which is the amount of the offset that the Group expects to receive in exchange for the transfer to the customer of the promised goods or services. When the existence of a deferred payment has a significant effect on the determination of the price of the transaction, the transaction price is taken into account by discounting future payments.

Water

Revenue related to water distribution is recognised on the basis of the volumes delivered to customers, whether these volumes resulted in specific invoicing ("*metered*") or they were estimated according to the supply network performance (so-called "*unmetered*" revenue). This estimate of "*metered*" water at the end of the year is based on historical data, consumption statistics and sales price estimates.

With regard to wastewater or effluents' treatment, the price of the service is either included in the water supply invoice or invoiced specifically to the local authority or the industrial customer.

In the case of management contracts, the manager's remuneration is recorded as revenue.

Also note that fees and taxes collected on behalf of local authorities are not included in Revenue to the extent that the Group does not bear the risk of third-party irrecoverability.

Engineering contracts, construction contracts and services

Revenue from engineering contracts and construction contracts, which relate to the design and construction of the equipment necessary for the treatment and distribution of water, is determined by applying the percentage of completion method in accordance with IFRS 15.

Revenue, generated by the engineering and construction services provided by the Group, is measured at the transaction price and recognised on completion only if the Group can reasonably measure this progress in relation to the complete achievement of the performance obligation.

The percentage of completion is determined by the ratio of costs incurred at the balance sheet date to the estimated total contract costs.

When total contract costs exceed total contract revenue, the expected loss is immediately recognized as an expense through the recognition of a provision for loss on completion, regardless of the stage of completion.

Any partial payments received before the corresponding work has been completed are recorded as liabilities in the balance in advances and payments on account received.

Contracts with a rental component

Contracts are signed with industrial customers for assets built, financed, operated and maintained by the Group. These contracts, which do not take the legal form of a lease but give the Group's customers control over the use of a specific asset throughout their term in return for consideration, are treated as leases in accordance with IFRS 16.

These contracts mainly take the form of Design, Build, Finance, Operate and Maintain (DBFOM) or Build, Operate and Transfer (BOT) contracts.

The Group analyses contracts to determine whether the rental component corresponds to:

- An operating lease, where the Group retains a substantial part of the risks and rewards associated with the asset in question,
- A finance lease, where all or substantially all the risks and rewards of ownership are transferred to the lessee.

To date, all the contracts signed by the Group are operating leases.

The Group recognises rental income as revenue on a straight-line basis. Leased assets are included in the Group's property, plant and equipment and depreciated over their useful life.

The leases concerned generally include clauses requiring the customer to pay the Group for maintenance services on the leased assets. These services reduce the risk of a rapid decline in the residual value of the assets and are recognised in revenue over time in accordance with IFRS 15.

	12/2024	*% of total*	12/2023	*% of total*
France	1 465 212	*63,2%*	1 416 285	*67,7%*
Other countries + overseas departments	852 268	*36,8%*	675 582	*32,3%*
TOTAL REVENUE	**2 317 480**	***100,0%***	**2 091 867**	***100,0%***

Income from ordinary activities

Grants

Grants are recorded differently depending on their type:

- investment grants related to tangible assets: these are recorded in "Deferred income" and are recognised in profit or loss at the same rate as the amortisation of the asset with which they are associated, on the line "Other current operating income and expenses".
- - revenue grants: by definition, these relate to operating elements and therefore are recognised under the item "Other income from ordinary activities".

	12/2024	12/2023
Revenue	**2 317 480**	**2 091 867**
Operating subsidies	4 887	20 371
Income from recovery on water sales	17 608	18 130
Other income from ordinary activities	**22 495**	**38 500**
INCOME FROM ORDINARY ACTIVITIES	**2 339 975**	**2 130 368**

Note 20 – Other current operating expenses and income

	12/2024	12/2023
Royalties on concessions and patents	(1 087)	(1 196)
Irrecoverable losses	(11 936)	(11 979)
Staff departures	(6 411)	(12 381)
Argentina settlement	12 913	
Sharing Saur 2024	(8 305)	
Other current operating income and expenses	(43 897)	(37 906)
OTHER CURRENT OPERATING INCOME AND EXPENSES	**(58 722)**	**(63 461)**

The staff departures included in this item correspond to departures of staff who are not replaced or were affected by the implementation of the reorganisation of a department or changes in senior management. These expenses are presented in the Group's Current Operating Income on a constant basis. Departures that are part of a larger, more formalized restructuring plan, such as a voluntary redundancy plan, are presented under non-current items (see note 23).

Saur implemented the "Sharing SAUR 2024" plan (new FCPE) for the benefit of employees, in France and abroad in some countries of Water international and Industry. The AMF (French financial markets authority) approved this plan in January 17th, 2024, and the employee investment fund has been in effect since June 2024. It holds approximately 1% of the share capital of the holding company of the group.

In August 2019, the province of Mendoza in Argentina took control of OSM's concession. On September 28, 2010, the contract was terminated for breach of contract by the operator. In December 2016, ICSID rendered a definitive award ordering Argentinian government to pay a compensation to Saur International. In the first semester 2024, Saur international unwinds € 13.3 million liability following a payment received related to this litigation in 2014, strongly supported by our lawyers of the negligible risk the group supports having no longer any activities in Argentina.

In 2023, the line item *"Other current operating income and expenses"* includes the IFRS 2 expense related to the free share allocation plan ("AGA") and also one-off expenses such as consultant fees that accompany the implementation of organisational changes (with the exception of fees related to restructuring costs recognised as non-current). Most of these expenses are positioned after EBITDA (see note 22).

Note 21 – Reconciliation of current operating income with reported EBITDA and Economic EBITDA

EBITDA is a non-GAAP indicator because it is not standardised under IFRS. However, it is used within the Group to monitor operational performance and is the basis for calculating the consolidated leverage ratio as defined in the implementation of the RCF line in September 2021 and renewed in October 2024 simultaneously with the ESG bond issue.

A new aggregate entitled Economic EBITDA was introduced in 2023 to present a better understanding of the underlying operating performance of the Group.
The Economic EBITDA includes the realized gain or loss on the Virtual Power Purchase Agreement (VPPA) signed in July 2022 to benefit from advantageous energy costs in Iberia (difference between the agreed fixed price and the floating price observed in the spot market).

The bridge table between current operating income (COI) as shown in the income statement and the Reported and Economic EBITDA is as follows:

	12/2024	12/2023
CURRENT OPERATING PROFIT (LOSS)	**12 730**	**(13 602)**
(-) Net depreciation	(219 926)	(186 153)
(-) Amortization of intangible assets recognised in business combinations	(27 076)	(32 602)
(-) Net provisions (excluding current assets)	(1 909)	10 909
(-) Staff departures excluding EBITDA	(6 411)	(12 381)
(-) Other current operating income and expenses excl. EBITDA	(6 750)	(13 260)
REPORTED EBITDA	**274 802**	**219 886**
(+/-) VPPA gain (loss)	(841)	2 366
ECONOMIC EBITDA	**273 961**	**222 252**

"*Staff departures excluding EBITDA*" and "*Other current operating income and expenses excluding EBITDA*" are presented in note 20.

Note 22 – Other non-current operating expenses and income

	12/2024	12/2023
Water France restructuring expenditure (net of reversals)	(1 131)	(1 466)
Company acquisition expenditures	(2 932)	(4 319)
Cost of closed UK pension fund	(259)	(1 130)
Other expenses or incomes	(337)	3 388
OTHER NON-CURRENT OPERATING INCOME AND EXPENSES	**(4 659)**	**(3 527)**

As of December 31, 2024 and December 31, 2023, this item consists mainly of expenses incurred in connection with the Group's external growth operations and costs related to the Water France Restructuring.

Note 23 – Financial profit (loss)

Net borrowing costs include:

- interest (paid or accrued not yet due) on loans, measured at amortised cost,
- interest expenses included in payments made under a lease,
- interest income or expenses related to cash,
- income and profit/loss on the disposal of marketable securities,
- amortisation of the bond issue premium.

Other financial income and expenses comprise mainly income from financial receivables, dividends received from non-consolidated companies, profit or loss on foreign exchange and impairment losses on financial assets.

	12/2024	12/2023
Interest expenses on financial liabilities	(44 438)	(27 811)
Interest expenses under IFRS 16	(3 935)	(2 061)
Interest income or expenses related to cash	8 482	6 038
Amortized cost of debt and amortization bond premium	(5 095)	(3 935)
Net borrowing cost	**(44 986)**	**(27 769)**
Net provisions	2 255	(3 498)
Exchange rate difference	(2 057)	(1 722)
Income from equity interests	760	580
Other financial income and expenses	6 559	1 084
Net gain (losses) on derivative instruments	4 825	(6 751)
Other financial income and expenses	**12 342**	**(10 307)**
FINANCIAL PROFIT (LOSS)	**(32 644)**	**(38 076)**

The net gains and losses on derivatives instruments include gains related to the fair value measurement of the VPPA as at December 31, 2024, a virtual power purchase contract (VPPA) with a solar farm in Spain for a total production of 100 GWh per year for 13 years. This contract, with the exception of the component of certificates of origin acquired, is considered to be a derivative financial instrument within the meaning of IFRS 9, recognised in financial income on the income statement (level 3 fair value, determined using valuation techniques incorporating parameters estimated by the Group in the absence of observable data).

Note 24 – Corporate income tax

Corporate income tax (expense or income) includes the current tax expense (or income), the deferred tax expense (or income) and the Pillar 2 tax expense.

Deductible temporary differences and tax losses give rise to deferred tax assets to the extent that it is demonstrated that they will be recovered in future years. Taxable temporary differences result in the recognition of deferred tax liabilities.

Pillar 2

The Group finalized its analysis of the minimum country tax impact in the consolidated financial statements. Based on the transitional safe harbour applied on the entities within the Pillar 2 scope, only entities which operate in the United States did not meet the exclusion criteria. The Group therefore calculated a top-up tax for these entities. As a result, no Pillar 2 tax expense has been recognized in the consolidated financial statements.

Tax consolidation

French companies that are at least 95% directly or indirectly owned are included in the scope of this tax consolidation. The tax expenses are borne by each subsidiary, as if they had been taxed separately, after deducting of any tax credits.

HIME alone is liable for the corporate income tax calculated on the basis of the overall tax return. The potential tax savings are acquired by HIME, head of tax consolidation group, without redistribution to the subsidiaries.

Breakdown of net tax expense

	France + FOD	Other countries	12/2024	12/2023
Taxes payable	(2 100)	(6 787)	(8 887)	(11 278)
Deferred tax	(178)	1 519	1 341	8 078
Tax on distribution		(321)	(321)	(29)
Tax credit	2 805		2 805	259
CVAE	(1 915)		(1 915)	(2 353)
TOTAL (expense) income	**(1 389)**	**(5 589)**	**(6 978)**	**(5 324)**

Unrecognised deferred tax assets related to the HIME tax consolidation group amount to €153 million at December 31, 2024. As part of the tax consolidation of HIME, the tax savings generated in the year ended December 31, 2024 amounts to €3 million (compared to €5 million in 2023).

The transition from theoretical tax at the current rate to tax expense is explained by:

	12/2024	12/2023
Consolidated net income - Group share	(25 278)	(56 596)
Minority interests	5 816	1 905
Current tax expense (income)	6 978	5 324
Profit (loss) of equity-accounted companies	(10 986)	(9 143)
Pre-tax profit (loss)	**(23 470)**	**(58 511)**
Theoretical tax income (expense) at 25.83%	**6 062**	**15 113**
Permanent differences	(2 335)	(1 041)
DTA not applied against tax losses **(1)**	(23 020)	(16 722)
Tax credits and other tax reductions	7 694	2 556
Use of tax losses carried forward	2 698	155
Rate differential **(2)**	(131)	(2 354)
Other	2 054	(3 031)
Tax income (expense)	**(6 978)**	**(5 324)**
(1) DTA not applied against:		
- tax loss of the HIME tax consolidation	(15 868)	(11 267)
- tax losses of foreign subsidiaries	(2 787)	(4 571)
- tax losses of French subsidiaries	(1 694)	(884)

(2) including the differential related to the CVAE expense, presented on the corporate income taxes

Note 25 – Hedging financial instruments

		31 December 2024		31 December 2023	
	Notes	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	25.1	462	19	715	21
Foreign exchange derivatives	25.2	93	3 894	1 386	525
Commodity derivatives	25.3	0	3 046	0	8 713
Total Derivatives		**555**	**6 959**	**2 101**	**9 259**
of which non-current derivatives		*403*	*3 065*	*596*	*8 734*
of which current derivatives		*152*	*3 894*	*1 505*	*525*

25.1 – Interest rate risk

	31/12/2024	< 1 year	1 to 2 years	2 to 3 years	3 to 10 years	> 10 years
Interest rate swaps						
- on financial liabilities (hedged capital)	12 033	1 186				10 847
Caps/floors						
- on financial liabilities (notional amount)	2 617				2 617	
TOTAL	**14 650**	**1 186**			**2 617**	**10 847**

The Group's debt is mainly fixed-rate.

Nevertheless, a part of our floating rate debt is hedged for some of our financing transactions.

Interest rate hedging financial instruments are recognised at fair value and amount to €0.4 million as of December 31, 2024 in derivative financial instruments assets in the balance sheet.

25.2 - Foreign exchange risk

Due to its international presence, the Group is naturally exposed to fluctuations in foreign currencies (excluding the euro, its reporting currency) in which its transactions are carried out (transaction and conversion risks) and in which its assets and liabilities are denominated.

At December 31, 2024, the Group has currency hedges (forward currency sales) for a total MTM of -€3.8 million.

	USD	GBP	PLN	AED	SAR	SEK	RON	TOTAL
Forward purchases and sales								
- forward purchases (counter-value in euros) in thousands of €							2	2
- forward sales (counter-value in euros) in thousands of €	(26)							(26)
Currency swaps	(2 736)	(370)	(333)	(270)	(103)	35		(3 777)
TOTAL	**(2 762)**	**(370)**	**(333)**	**(270)**	**(103)**	**35**	**2**	**(3 801)**

25.3 - Raw material risk

The Group is exposed to oil price fluctuations through its fuel consumption activity. However, these fluctuations are taken into account in contractual price adjustment mechanisms with clients.

The Group is also exposed due to its electricity consumption, which is necessary for its operation. In terms of electricity, the Group has taken positions in the Water France operating segment in order to cover 100% of its electricity needs.

A total of 326 GWh was reserved for 2023 for an amount of €75.9 million, representing 100% of the energy to be sourced on the market, with the rest of Group's electricity requirements covered by the ARENH mechanism.

For 2024, a total of 307 GWh has been reserved for an amount of €85 million representing 100% of the energy to be sourced on the market, with the rest of Group's electricity requirements covered by the ARENH mechanism.

For 2025, a total of 305.8 GWh has been reserved for an amount of €41.6 million, representing 100% of the energy to be sourced on the market. The part not exposed to the market will be covered by the ARENH mechanism.

For 2026, 2027 & 2028, the group covered 70% of its electricity needs over the 3-year period. 580 GWh for every year has been reserved for an amount respectively of: €36,6 million, €35,6 million, €35,9 million.

Furthermore, the VPPA signed by the Group on July 20, 2022 is accounted for as a derivative financial instrument in accordance with IFRS 9.

The market value of the VPPA adjusted for valuation uncertainty was -€17.2 million. These transactions are recorded on the balance sheet at their fair value defined on the basis of quoted commodity prices for similar maturities and using internal models with unobservable inputs for longer maturities, in the absence of a liquid market.

25.4 - Counterparty risk

Counterparty risk is the risk of financial loss to the Group in the event that a customer or debtor fails to meet its contractual obligations.

The Group’s exposure to counterparty risk results mainly from:
- financial investments to either invest excess cash flow or hedge post-employment benefits;
- hedging agreements under which the counterparty is a financial institution.

The Group minimises its counterparty risk via procedures that limit its choice of counterparties to leading financial institutions and banks.

25.5 - Liquidity risk

At December 31, 2024, the Group's cash position amounted to €671 million, including €53 million in European commercial paper (compared to €307 million at December 31, 2023), plus €150 million in an undrawn confirmed medium-term revolving bank credit line.

The Group's financing is secured by long-term debt (bank loans and bonds) and short-term financing (short-term negotiable securities), ensuring sufficient financial resources for the continuity of its business.

Although access to the market did not present any difficulties in 2024, there can be no assurance that the Group will continue to access the financing or refinancing necessary for its day-to-day operations and investments on satisfactory terms.

HIME is rated BB+ outlook stable by Fitch and Standard & Poor’s.

In particular, credit agreements include commitments to inform lenders, compliance at the end of each half-year with a solvency ratio (which must be less than or equal to 7.0x) and compliance with certain usual commitments for credit agreements of this nature (in particular maintaining the loan at pari passu ranking).

Note 26 – Commitments

26.1 – Commitments related to the financing of the Group

Financial liabilities

The amount and timing of the Group's financial liabilities at December 31, 2024 are indicated in note 15.2.

Pledges

No pledges were in place at December 31, 2024.

Revolving credit line

cover the Group's financing needs and the working capital On October 7, 2024, the revolving credit line, set up in 2021 to cover the Group's financing needs and the working capital requirements of its subsidiaries, was renewed for €400 million with a maturity in October 2029.

Blue bond

On October 24, 2024 the Group issued a €550 million blue bond linked to sustainability for water transition maturing in October 2029. Funds will be specifically dedicated to financing projects aimed at protecting and restoring water resources.

26.2 – Contractual investment commitments

In the context of public service contracts concluded with the public entity, the Group may be led to or committed to invest in infrastructure that will then be operated and remunerated under the contract.

Investments in the construction and improvement of the concession network (referred to as "concession works") are examined under interpretation IFRIC 12. The amount of concession work contracted over the duration of the contracts and not yet completed was estimated at approximately €94 million at December 31, 2024, taking into account the long-term contracts in force in the Water France operating segment.

26.3 – Commitments given in respect of operational activities

Parent company guarantees

The Group grants parent company guarantee commitments to some of its subsidiaries or equity interests located outside France in order to permit the continuation or development of their operational activities.

The total guaranteed amount was €175 million at December 31, 2024. It relates mainly to the following commitments:

- Saur has issued a parent company guarantee in favour of Scotia Water Dalmuir Ltd for an amount equivalent to £10 million (€11.8 million) as part of the construction, operation and maintenance of a wastewater treatment plant in Scotland. It has been issued on behalf of Saur Glasgow Services to guarantee its obligations under an operate and maintain contract (expires on June 15, 2026).

- Saur has issued a €31.2 million guarantee in favour of CTEP France SNC for the North Field East water treatment project awarded to Unidro. This guarantee has been issued on behalf of Unidro to secure its obligations under each purchase order relating to the project (expiring in July 2026).

- HIME has issued a parent company guarantee in favour of Aqua-Chem for $10 million (€9.6 million) in connection with the issue of local guarantees by Aqua-Chem (expires on March 30, 2026).

- HIME has issued a parent company guarantee in favour of Solarpack for a maximum amount of €32 million (amount reduced by €2 million at each anniversary of the PPA starting from January 1, 2024) under the electricity purchase agreement. It has been issued in the name of Saur Relais to secure its obligations to Solarpack (expires on February 28, 2036).

- Saur SAS has issued a parent company guarantee in favour of NWC for an amount of SAR 24.9 million (approximately €6.4 million) - the amount for the first year of the contract - in relation to the management, operation and maintenance of the north-west cluster. It has been issued on behalf of Saur Saudi Arabia to secure its obligations under a management, operating and maintenance contract (expires on March 31, 2028).

- Saur SAS has issued a parent company guarantee in favour of NWC for approximately SAR 27.7 million (€7.1 million) - the amount for the first year of the contract - in relation to the management, operation and maintenance of the Eastern cluster. It has been issued on behalf of Saur Saudi Arabia to secure its obligations under a management, operating and maintenance contract (expires on March 31, 2029).

- Nijhuis Saur Industry BV has issued a parent company guarantee of €2.6 million in favour of PT Chiyoda International Indonesia for the construction, operation and maintenance of a wastewater treatment plant in Indonesia, for the completion of the Sewage Treatment Package. It has been issued on behalf of Unidro S.R.L to guarantee its obligations under an operating and maintenance contract (expires on May 31, 2026).

- Nijhuis Saur Industry BV has issued a parent company guarantee of €2.3 million in favour of PT Chiyoda International Indonesia for the construction, operation and maintenance of a foundry project in Indonesia, for the completion of the Manyar smelter project. It has been issued on behalf of Unidro S.R.L to guarantee its obligations under an operating and maintenance contract (expires on May 31, 2026).

- Nijhuis Saur Industry BV has issued a parent company guarantee in favour of South West Water limited for an amount of £13.1 million (€15.8 million). It was issued on behalf of PWN Technologies B.V. to guarantee its performance obligations under a contract signed to design and construct works at Roborough, Plymouth (expires on November4, 2032).

- Saur issued a PCG in favour of Ashghal for SAR 115 million (€28.5 million). The PCG is issued to guarantee the execution of the work order concluded in the context of a framework agreement. The amount of the PCG corresponds to 99% (i.e. Saur's share in the consortium) of the amount of the work order CZF 31 (expires on January 31, 2030).

- NSI North America, Inc. issued a PCG in favor of Aurora Properties to guarantee performance of all obligations by its subsidiary, Aqua-Chem, Inc., under an office lease agreement signed on June 1, 2024 for a term of 86 months after occupancy (on or November 1, 2024). The total estimated liability is $4.2 million (€4 million).

In thousands of euros	12/2024	< 1 year	1 to 5 years	> 5 years	12/2023
Parent company guarantees granted	**174 954**		94 646	80 308	**132 824**

Bank guarantees

In the course of its operational activities, the Group is required to grant bank guarantees. These are guarantees given under contracts, in particular bid bonds, advance payment bonds, completion and performance bonds in connection with the conclusion of contracts or concessions.

Commitments given in this respect amount to €259 million at December 31, 2024 compared with €276 million at December 31, 2023.

Other guarantees

As part of its current operations, the Group grants ten-year and performance guarantees without any quantified value and which are not specifically mentioned, unless they are likely to result in a payment of any type by the Group. In this case, they are recognised as provisions for risks and charges.

26.4 – Other commitments

NSI Industrial O&M Solutions has committed to purchase 10% of the shares in Scarborough Environmental Infrastructure Ltd (SPV) in 2025.

Note 27 – Construction contracts

		31/12/2024	31/12/2023
Construction contracts in progress - assets	(A)	55 827	50 132
Construction contracts in progress - liabilities	(B)	68 074	73 798
Construction contracts in progress - net	**(A) - (B)**	**(12 247)**	**(23 666)**
Costs incurred plus recognised profits and less recognised losses to date	(C)	296 755	255 128
Invoices issued	(D)	309 002	278 794
Construction contracts in progress - net	**(C) - (D)**	**(12 247)**	**(23 666)**
Advance payments received from clients		**22 273**	**19 741**

The costs incurred plus recognised profits less recognised losses (in particular provisions for loss at completion) and interim billings are determined on a contract-by-contract basis.

The Group's construction contracts are primarily carried out by the company Stéreau and its subsidiaries, to which should be added, since 2020, the contracts of the Industry activity, in particular those of Unidro in Italy.

Note 28 – Statutory auditors' fees

In thousands of euros	Deloitte	KPMG	Others	TOTAL
Auditing				
Statutory auditing	990	745	183	**1 918**
Other services	188	178	38	**404**
TOTAL AT 31/12/2024	**1 178**	**923**	**221**	**2 322**

Note 29 – Workforce

Staff of consolidated companies	12/2024	12/2023
France	8 370	8 358
Europe	3 680	3 183
America	393	233
Other countries	71	68
TOTAL	**12 514**	**11 842**

Note 30 - Related parties

In accordance with the provisions of paragraph 9 of amended IAS 24 "Related Party Disclosures", the Group does not identify related parties other than the Group's senior management.

In this respect, direct and indirect fees of all kinds received by the members of the Group's general management committee from French and foreign companies amount to €8,098 thousand at December 31, 2024.

Note 31 – Main exchange rates

Currency	Closing rate at 31/12/2024	Average rate for 2024	Closing rate at 31/12/2023	Average rate for 2023
US Dollar	0,962557	0,924111	0,904977	0,924672
Pound sterling	1,206011	1,181153	1,150682	1,149740
Polish zloty	0,233918	0,232280	0,230441	0,220176
Saudi Arabian riyal	0,256542	0,246329	0,240912	0,246469
Singapore Dollar	0,706015	0,691704	0,685354	0,688580

Note 32 – Dividends

As of the date of the accounts' closing, no dividend distribution is planned for the year ended December 31, 2024.

Note 33 – List of consolidated companies

Name and address	Siren no.	Consolidation method	% of direct and indirect ownership 31/12/2024	31/12/2023
HIME 92 - Issy-Les-Moulineaux	495 137 077	FC	parent	parent
ACCM EAU 13 - Salon-de-Provence	815 356 977	FC	100,0%	100,0%
ACCM ASSAINISSEMENT 13 - Salon-de-Provence	815 357 033	FC	100,0%	100,0%
ALLIANCE ENVIRONNEMENT 30 - Les Salles du Gardon	538 019 670	FC	100,0%	100,0%
ALLIANCE ENVIRONNEMENT EXPLOITATION 34 LUNEL	489 533 059	FC	100,0%	100,0%
AGGLOPOLE PROVENCE ASSAINISSEMENT 13 - Salon-de-Provence	788 938 784	FC	100,0%	100,0%
AQUEO 77 - Serris	834 353 153	FC	65,0%	65,0%
ASUR ANALYSES ET MESURES 78 - Maurepas	428 565 741	FC	100,0%	100,0%
BIOVALOR 26 - Pont de l'Isère	452 041 122	FC	100,0%	100,0%
CALITI - SEMOP 78 - Saint Germain en Laye	878 892 710	EM	51,0%	51,0%
CANONGE ET BIALLEZ 30 - Saint Martin De Valgalgues	423 602 713	FC	100,0%	100,0%
CER (Cie des Eaux de Royan) 17 - Vaux sur mer	715 550 091	FC	83,6%	83,6%
CERA (Compagnie d'Environnement Royan Atlantique) 17 - Vaux sur Mer	850 690 470	FC	83,6%	83,6%
CITEC ASSAINISSEMENT 34 - Saint André De Sangonis	430 417 436	FC	100,0%	100,0%
CDE (Cie Dinardaise des Eaux) 35 - Dinard	380 193 292	FC	100,0%	100,0%
SAUR GUADELOUPE 97 - Basse Terre	330 713 959	FC	100,0%	100,0%
CISE REUNION 97 - Saint-Denis de la Réunion	342 305 554	FC	100,0%	100,0%
CISE TP 92 - Issy-Les-Moulineaux	428 561 740	FC	100,0%	100,0%
EAUX DE DINAN - ASSAINISSEMENT SEMOP 22 - Taden	843 195 066	EM	60,0%	60,0%
EAU DE GARONNE 47000 - Agen	844 291 542	FC	100,0%	100,0%
ECOSTATION 69 - Limonest	789 877 776	FC	100,0%	100,0%
EVJ-SCET 26 - Chatuzange le Goubet	379 818 487	FC	100,0%	100,0%
FINPEX 92 - Issy-Les-Moulineaux	347 882 953	FC	100,0%	100,0%
GESTION POUR L'ENVIRONNEMENT DE MONTAUBAN 82 - Montauban	539 047 951	FC	100,0%	100,0%
GESTION DE L'ASSAINISSEMENT DU VALENCIENNOIS 59 - Valenciennes	815 333 190	FC	100,0%	100,0%
GRIM EAU 13 - Salon de Provence	838 299 469	FC	100,0%	100,0%

Name and address	Siren no.	Consolidation method	% of direct and indirect ownership 31/12/2024	% of direct and indirect ownership 31/12/2023
GRIM HOLD 92 - Issy-Les-Moulineaux	838 404 416	FC	100,0%	100,0%
IMAGEAU 30 - Nîmes	504 316 597	FC	100,0%	100,0%
HYDROSERVICES DE L'OUEST 56 - Theix	351 663 794	FC	100,0%	100,0%
ALLIANCE NOUVELLE AQUITAINE 19 - Malemort sur Corrèze	437 630 304	FC	100,0%	100,0%
MARNEO 77 - Saint Thibault Les Vignes	882 411 168	FC	100,0%	100,0%
ODANA 22 - Pluduno	879 462 158	FC	100,0%	100,0%
O PERIGORD NONTRONNAIS 24 - Le Bourdeix	891 806 135	FC	60,0%	60,0%
SATEG 64 - Serres-Castet	672 780 426	FC	100,0%	100,0%
SAUR SAS 92 - Issy-Les-Moulineaux	339 379 984	FC	100,0%	100,0%
SAUR DERICHEBOURG AQUA 19 - Brive la Gaillarde	749 867 669	FC	51,0%	51,0%
SAUR DERICHEBOURG AQUA OCEAN INDIEN 97 - Saint Leu	809 629 223	FC	51,0%	51,0%
NIJHUIS SAUR INDUSTRIES France 92 - Issy-Les-Moulineaux	889 918 124	FC	97,9%	97,9%
NSI MOBILE WATER SOLUTIONS France 92 - Issy-Les-Moulineaux	932 657 299	FC	97,9%	
SAUR INTERNATIONAL 92 - Issy-Les-Moulineaux	383 056 033	FC	100,0%	100,0%
SAUR RELAIS 92 - Issy-Les-Moulineaux	384 814 810	FC	100,0%	100,0%
SAUR SMART WATER 92 - Issy-Les-Moulineaux	878 969 997	FC	100,0%	100,0%
SAUR SUD LOIRE 44 - La Baule	949 867 675	FC	100,0%	100,0%
SAUR BUILDING WATER SOLUTIONS 92 - Issy-Les-Moulineaux	931 149 272	FC	85,0%	
SAINT AFF'O SEMOP 12 - Saint Affrique	834 048 936	FC	55,0%	55,0%
SEBRIE 77 - Magny le Hongre	353 502 917	FC	65,0%	65,0%
SE3R 87 - Isle	824 190 516	FC	100,0%	100,0%
SEP ECOSSIERNES 44 - Saint-Nazaire	520 600 479	EM	35,0%	35,0%
SEP GEDEC 92 - Issy-Les-Moulineaux	602 011 918	PC	50,0%	50,0%
SEP GEPUR 92 - Issy-Les-Moulineaux	811 826 874	PC	49,9%	49,9%
SEP GRESILLONS II 78510 Triel sur seine	508 573 730	EM	47,5%	47,5%
SEP LIVERY 56 - Vannes	484 531 934	Liquidated	0,0%	45,0%
STESUD 92 - Issy-Les-Moulineaux	897 501 748	FC	100,0%	100,0%
SEP RUE D'AUGE 76 - Le Petit Quevilly	421 340 043	PC	50,0%	
SEP FEEDER SUD LOIRE 44 - Saint-Herblain	344 313 861	PC	33,3%	
SEPIG 44 - La Baule	542 080 486	FC	89,8%	89,8%
SEPIG ATLANTIQUE EAU SAS 44 - La Baule	507 922 763	FC	89,8%	89,8%

Name and address	Siren no.	Consolidation method	% of direct and indirect ownership 31/12/2024	31/12/2023
SEPIG ASSAINISSEMENT 44 - La Baule	981 477 904	FC	100,0%	100,0%
SEPIG EAU 44 - La Baule-Escoublac	981 517 378	FC	100,0%	100,0%
SEPRA - SOCIETE DE L'EAU POTABLE ROYAN ATLANTIQUE 17 - Vaux sur mer	902 890 045	FC	83,6%	83,6%
SAUR MARTINIQUE 97 - Martinique	322 078 775	FC	100,0%	100,0%
STESAUR 42 - Montbrison	602 011 918	FC	100,0%	100,0%
STEREAU 92 - Issy-Les-Moulineaux	602 011 918	FC	100,0%	100,0%
SUDEAU 97 - Saint Denis de la Réunion	802 080 267	FC	100,0%	100,0%
TECHNI VISION 26 - Chatuzange le Goubet	432 762 375	FC	100,0%	100,0%
TERRE DES TROIS FRERES 97 - Saint Denis de la Réunion	535 244 255	FC	100,0%	100,0%
VILIVIA ASSAINISSEMENT 13 - Salon-de-Provence	938 267 408	FC	100,0%	
Companies operating in Spain				
EMALSA Las Palmas - CANARIES		FC	66,0%	66,0%
GESTAGUA Madrid - Espagne		FC	100,0%	100,0%
NUINSA INVERSIONES Las Palmas - CANARIES		FC	100,0%	100,0%
EMALSA OPERACIONES (ex SERCANARIAS) Las Palmas - CANARIES		FC	66,0%	66,0%
GESTIÓN Y TÉNICAS DEL AGUA DE LA TOJA Pontevedra - Espagne		FC	100,0%	100,0%
NSI MOBILE WATER SOLUTIONS SPAIN SL Madrid - Espagne		FC	97,9%	97,9%
Companies operating in Poland				
NIJHUIS INDUSTRIES CENTRAL EUROPE		FC	97,9%	97,9%
NIJHUIS INDUSTRIES CENTRE EUROPE ESS		Merged		97,9%
SAUR KONSTANCJA		FC	100,0%	100,0%
SAUR HORYZONT		FC	100,0%	100,0%
SAUR POLSKA		FC	100,0%	100,0%
SEPARATOR SERVICE		FC	100,0%	100,0%
NSI MOBILE WATER SOLUTIONS POLAND		FC	97,9%	97,9%
EKOS		FC	100,0%	
Companies operating in Great Britain				
ECOVERT GROUP		FC	100,0%	100,0%
NSI COMMERCIAL BUILDINGS SOLUTIONS Ltd		FC	97,9%	97,9%
NSI WATER AND WASTEWATER SOLUTIONS Ltd		FC	97,9%	97,9%
SAUR SERVICES GLASGOW		FC	100,0%	100,0%
SAUR UK		FC	100,0%	100,0%
STEREAU UK		FC	100,0%	100,0%
RIVENTA UK		FC	100,0%	100,0%
NORTECH SOLUTIONS GROUP Ltd		Liquidated		97,9%
NSI ENGINEERING SOLUTIONS Ltd (ex NORTECH SOLUTIONS Ltd)		FC	97,9%	97,9%
NSI ENGINEERING SOLUTIONS STAFFING Ltd (ex NORTECH STAFFING SOLUTIONS L		FC	97,9%	97,9%
NIJHUIS SAUR INDUSTRIES UK & IRELAND Ltd		FC	97,9%	97,9%
NSI INDUSTRIAL O&M SOLUTIONS Ltd		FC	97,9%	97,9%
NSI MANUFACTURING UK Ltd (Solys)		FC	97,9%	97,9%
NSI MOBILE WATER SOLUTIONS UK Ltd		FC	97,9%	97,9%

Name and address	Consolidation method	% of direct and	
		31/12/2024	31/12/2023
Companies operating in Argentina			
AGUAS DE MENDOZA	FC	100,0%	100,0%
INVERSORA DEL ACONCAGUA	EM	24,2%	24,2%
INVERSORAS DE MENDOZA	EM	33,3%	33,3%
OBRAS SANITARIAS MENDOZA	EM	32,1%	32,1%
Companies operating in Germany			
NSI MOBILE WATER SOLUTIONS GERMANY GmbH	FC	97,9%	97,9%
Companies operating in Saudi Arabia			
INTERNATIONAL WATER PARTNERS COMPANY	EM	40,0%	40,0%
INTERNATIONAL WATER PARTNERS 2 COMPANY	EM	35,0%	35,0%
TAWZEA AQUAPOR	EM	30,0%	30,0%
SAUR INTERNATIONAL CONCERTED COMPANY	FC	70,0%	70,0%
SAUR SAUDI ARABIA	FC	100,0%	100,0%
OBEIKAN DIGITAL JV	EM	50,0%	
Companies operating in Egypt			
NIJHUIS SAUR EGYPT	FC	97,9%	97,9%
Companies operating in Africa			
STEREAU SENEGAL	FC	100,0%	100,0%
VISAQUA (Mozambique)	EM		49,0%
Companies operating in the United Arab Emirates			
NIJHUIS MIDDLE EAST AFRICA WATER TREATMENT & TRADING LLc	FC	97,9%	97,9%
SAUR INTERNATIONAL WATER SERVICES LLc	FC	100,0%	100,0%
Companies operating in Cyprus			
STERIAC	FC	70,0%	80,0%
SAUR IACOVOU JV	FC	80,0%	65,0%
STEREAU IACOVOU JV	Liquidated		50,0%
Companies operating in Switzerland			
STEREAU SUISSE	FC	100,0%	100,0%
Companies operating in the Netherlands			
CirTec	FC	78,3%	78,3%
ECONVERT WATER & ENERGY HOLDING BV	FC	97,9%	73,4%
ECOR	FC	97,9%	73,4%
ECONVERT W&E Projects	FC	97,9%	73,4%
ECONVERT W&E Services	FC	97,9%	73,4%
ECONVERT W&E BV	FC	97,9%	73,4%
NIJHUIS SAUR INDUSTRIES BV	FC	97,9%	97,9%
NIJHUIS INDUSTRIES HOLDING BV	FC	97,9%	97,9%
NIJHUIS OZONE SOLUTIONS BV	FC	97,9%	97,9%
NIJHUIS WATER TECHNOLOGY BV	FC	97,9%	97,9%
NSI BYOSIS BV	FC	97,9%	97,9%
NSI MOBILE WATER SOLUTIONS HOLDING BV	FC	97,9%	97,9%
NSI MOBILE WATER SOLUTIONS NETHERLANDS BV	FC	97,9%	97,9%
PWNT HOLDING BV	FC	97,9%	97,9%
Companies operating in Singapore			
NIJHUIS INDUSTRIES ASIA PACIFIC	FC	97,9%	97,9%

Name and address	Consolidation method	% of direct and	
		31/12/2024	31/12/2023
Companies operating in Finland			
FLOOTECH OY	FC	97,9%	97,9%
Companies operating in Sweden			
NSI MOBILE WATER SOLUTIONS SWEDEN AB	FC	97,9%	97,9%
FLOOTECH AB	FC	97,9%	97,9%
Companies operating in Russia			
NIJHUIS WATER TECHNOLOGY Russia LLC	FC	97,9%	97,9%
Companies operating in the United States			
NSI North America	FC	97,9%	97,9%
AQUA-CHEM Inc	FC	97,9%	97,9%
NATURAL SYSTEMS UTILITIES LLC	FC	97,9%	
NATURAL SYSTEMS UTILITIES CA INC	FC	97,9%	
APPLIED WATER MANAGEMENT INC	FC	97,9%	
BENETT ENVIRONMENTAL ASSOCIATES LLC	FC	97,9%	
NSU IM MN LLC	FC	97,9%	
Companies operating in Canada			
NSU CANADA INC	FC	97,9%	
Companies operating in Italy			
UNIDRO SRL	FC	97,9%	97,9%
NSI MOBILE WATER SOLUTIONS ITALY Srl	FC	97,9%	97,9%
SODAÏ SPA	FC	97,9%	97,9%
Companies operating in Korea			
RIVENTA KOREA	FC	100,0%	100,0%
Companies operating in Portugal			
CRIAR VANTAGENS	FC	100,0%	100,0%
AQUAPOR - SERVIÇOS, S.A.	FC	100,0%	100,0%
TRATAVE	FC	60,0%	60,0%
ÁGUAS DA AZAMBUJA	FC	75,0%	75,0%
ÁGUAS DE GONDOMAR	EM	42,5%	42,5%
ÁGUAS DO SADO	FC	60,0%	60,0%
ÁGUAS DA FIGUEIRA	EM	50,0%	50,0%
ÁGUAS DE CASCAIS	EM	50,0%	50,0%
ÁGUAS DE ALENQUER	EM	40,0%	40,0%
CASCAIS SEDE NOVA	EM	50,0%	50,0%
ÁGUAS DO LENA	FC	100,0%	100,0%
ÁGUAS DA TEJA	FC	100,0%	100,0%
ÁGUAS DO VOUGA	FC	100,0%	100,0%
ÁGUAS DO PLANALTO	FC	100,0%	100,0%
LUSÁGUA LISBOA	FC	100,0%	100,0%
ÁGUAS DE VILA REAL DE SANTO ANTÓNIO	FC	100,0%	100,0%
LUSÁGUA SERVICOS	FC	100,0%	100,0%
SPHERAA	EM	35,0%	35,0%
CTGA	FC	100,0%	
ENVIMAN	FC	100,0%	

Name and address	Consolidation method	% of direct and	
		31/12/2024	31/12/2023
Companies operating in Turkey			
NSI Su Aritma Teknolojileri	IG	97,9%	
Companies operating in Serbia			
SAUR d.o.o.	IG	100,0%	
SAUR VPD d.o.o.	IG	51,0%	
Companies operating in India			
NIJHUIS SAUR INDUSTRIES INDIA PRIVATE Ltd	IG	97,9%	