ANNUAL REPORT

2018/19

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

In accordance with Clause 212-13 of the AMF General Regulations, this Annual Report was filed with the French financial markets authority (AMF) on 07/10/19 under number D.19-0669. It may be used to support a financial transaction if accompanied by a prospectus approved by the AMF. This report was prepared by the issuer and is binding upon its signatories. It contains the financial statements and reports of Wavestone for the period ended 3/31/19.

Pursuant to Article 28 of European Commission Regulation (EC) no. 809/2004 and Clause 212-11 of the AMF General Regulations, the following information is included for reference purposes in this Annual Report:

• The Group consolidated financial statements and the Statutory Auditors' Report on consolidated financial statements for the fiscal year ended 3/31/18, as presented on pages 174 to 205 of the Annual Report filed with the AMF on 7/13/18 under number D.18-0681.
• The corporate financial statements for Wavestone and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 3/31/18, as presented on pages 206 to 229 of the Annual Report filed with the AMF on 7/13/18 under number D.18-0681.
• The review of the company's financial situation and its results for the fiscal year ended 3/31/18, as presented on pages 71 to 78 of the Annual Report filed with the AMF on 7/13/18 under number D.18-0681.
• The Group consolidated financial statements and the Statutory Auditors' Report on consolidated financial statements for the fiscal year ended 3/31/17, as presented on pages 136 to 167 of the Annual Report filed with the AMF on 7/12/17 under number D.17-0750.
• The corporate financial statements for Wavestone and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 3/31/17, as presented on pages 168 to 185 of the Annual Report filed with the AMF on 7/12/17 under number D.17-0750.
• The review of the company's financial situation and its results for the fiscal year ended 3/31/17, as presented on pages 55 to 61 of the Annual Report filed with the AMF on 7/12/17 under number D.17-0750.

This Annual Report is available at www.wavestone.com and from the company head office.

WAVESTONE

BEHIND THE SCENES

24H OF POSITIVE WAY

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PROFILE

"The positive way" lies at the heart of our identity, inspiring our consultancy practices and adopted by our consultants in every aspect of their lives. It encompasses the shared values which we want to pass on. Our desire is for it to be embodied in all our consultancy and all our decisions, every day and in respect of each of our stakeholders. It is an identity promoted by our employees, who are our best ambassadors.

24H in the life of a Wavestone consultant are packed with...
enthusiasm,
places to discover,
missions,
personal interactions.

24H of experience and expertise devoted to serving our clients.

24H of positive transformation.

INTERVIEW WITH

MICHEL DANCOISNE

Chairman of the Supervisory Board

/ YOU HAVE RECENTLY ESTABLISHED AUDIT AND COMPENSATION COMMITTEES. WHAT IS THEIR ROLE?

Michel Dancoisne: They are technical bodies whose practical work feeds into the reflections and decisions of the Supervisory Board. In just a few years, Wavestone has completely changed in size and succeeded in confirming its position and increasing in its service quality while supporting its clients' structural transformations.
But major challenges still lie ahead, particularly the internationalization and structuring of a permanently growing company.
The committees' work is essential to succeeding in these challenges. The Audit Committee, in liaison with internal control, has worked on the development of the corporate book, for example, to ensure the proper dissemination of procedures, and on the risks matrix, to improve our identification of risks and action plans.
It was also instrumental in the expansion of the internal audit function, which is vital in any organization in order to identify problems and deal with them quickly. The committees also interact directly with the company's entities, ensuring efficient progress in areas where the Board's main point of contact is the Management Board.

/ IN A YEAR OF MIXED RESULTS LIKE THE LAST ONE, WHAT ROLE IS PLAYED BY THE BOARD AND ITS COMMITTEES?

M.D.: We maintain a constructive and ongoing dialog both with the Management Board and with Wavestone's various entities. This collaboration ensures we have a single perspective on the state of the market and the challenges to be overcome. The Management Board draws on the work of the Board to successfully achieve its roadmap. The complicated picture for the year makes us particularly vigilant when it comes to the company's structural and internal control issues—two aspects that enable us to secure and strengthen our organization in the face of an increasingly complex market. That is the advantage of having a dual governance structure. The operational excellence targeted by the Management Board is accompanied by an analysis of potential or actual problems and the methods adopted to resolve them, which are the specific focus of the work of the Supervisory Board. Our role involves control, but also facilitation. We all work to ensure the company's success.

/ HOW DOES THE BOARD CONTRIBUTE TO PROACTIVELY IMPLEMENT WAVESTONE'S CSR POLICY?

M.D.: This is an extremely important dimension for the company, which has made it a competitive argument and one of the strengths of its brand. Since our activities do not have a significant environmental impact, societal and social aspects are of particular interest to the Board. We take into account and evaluate these strategic objectives in the same way as our financial objectives.
We conduct an annual review of the company's policy and make sure that the central focus on people is a reality for everyone. The Compensation Committee, set up in April 2018, has also defined quantitative and qualitative criteria for the variable portions of compensation, which depend particularly on achieving strictly defined societal objectives.

INTERVIEW WITH

PASCAL IMBERT

Chief Executive Officer

/ FROM YOUR FIGURES, THE 2018/19 FISCAL YEAR APPEARS TO HAVE BEEN ANOTHER EXCELLENT VINTAGE FOR WAVESTONE.

Pascal Imbert: Despite a gradual decline in operational performance in the second half of the year, our results were actually good. Revenue growth stood at 9% and our current operating margin was in line with the record level of 14.1% achieved the previous year.
At the forefront of the year's achievements was the increase in our sales prices, which are 2.8% higher than the previous year. This illustrates the increase in our service quality, which is also evident from the type of projects won, which are increasingly structural. Another area that went well is our progress in managing our human resources. The year did not start very well, with an annual staff turnover rate of 21% in the first half of the year. But we managed to bring the figure back under control and reduce it to 18% over the full 12-month period. Meanwhile, our performance in terms of recruitment was exceptional. Nearly 800 new employees joined us over the course of the year, compared with an initial target of 600. Finally, we resumed our external growth policy, with the first two acquisitions made since Wavestone was launched in 2016: Xceed in the field of information systems for the financial sector in the United Kingdom and, in France, Metis Consulting, a recognized expert in supply chain consulting.

/ YOU MENTIONED A DECLINE IN THE SECOND HALF OF THE YEAR. HOW DO YOU EXPLAIN THAT?

P.I.: While our focus on building value has led to a significant increase in sales prices, it has also been accompanied by an insufficient level of new orders, leading to a major erosion in our utilization rate in the second half.

The economic environment certainly played a role. It has definitely become more uncertain and has begun to limit consultancy demand, especially in the financial services sector, which is an important one for Wavestone. Consultancy demand is linked to companies' investments and therefore to their confidence. Brexit and the trade war between the United States and China are weakening that confidence and making our clients more selective and even leading them to put investments on hold.

/ IN THIS CONTEXT, WHAT ARE YOUR PRIORITIES FOR THE 2019/20 FISCAL YEAR?

P.I.: We believe that the market will be less buoyant in 2019 than in previous years and we are expecting our clients to become increasingly selective. However, we remain confident in our ability to weather this more difficult period and we are on course to meet the goals set out in our Wavestone 2021 strategic plan. We are therefore choosing the path of growth and will continue to steadily grow our teams. We also remain active in relation to external growth, with a target of one to two acquisitions over the year and priority being given to international targets. At the same time, in order to support this offensive approach, we will drastically step up our commercial activity to ensure we position ourself in high-growth sectors, particularly energy, transport and the public sector.

3,094

employees
worldwide

8

countries

391.5

revenue
in millions of euros

2021 STRATEGIC PLAN

OUR OBJECTIVES

1 Scale

€500M

OF REVENUE AND
AN EBIT MARGIN OF **15%**

2 Reputation

N° 1

FOR TRANSFORMATION
CONSULTING IN FRANCE

3 Commitment

TOP 3

IN OUR CATEGORY*
ON CSR

4 International

€100M

OF REVENUE
OUTSIDE FRANCE

*Gaïa Index ranking

KEY DATA FOR FISCAL YEAR 2018/19

SIMPLIFIED CONSOLIDATED INCOME STATEMENT

Audited consolidated figures at 03/31/2019 (in €m)	**2018/19**	**2017/18**	**Variance**
Revenue	391.5	359.9	+9%
Operating income on ordinary activities	55.2	50.6	+9%
EBIT margin	*14.1%*	*14.1%*	
Operating income	52.4	46.8	+12%
Net income, group share	30.8	26.6	+16%
Net margin	*7.9%*	*7.4%*	

CONSOLIDATED BALANCE SHEET

Audited consolidated figures at 03/31/2019 (in €m)	**03/31/19**
Non-current assets	177.4
Current assets excluding cash and cash equivalents	156.1
Cash and cash equivalents	50.7
Total	384.2

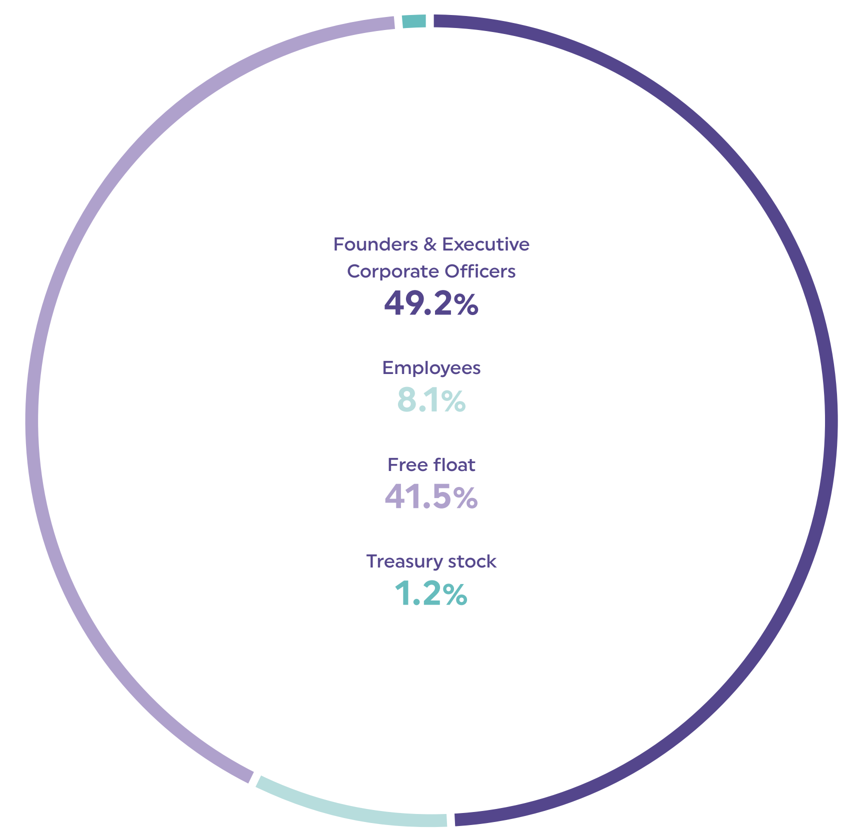
Net debt at 03/31/2019: €38.7m

compared with €36.4m at 03/31/2018

Audited consolidated figures at 03/31/2019 (in €m)	**03/31/19**
Shareholders' equity	150.8
Non-current liabilities	144.0
Current liabilities	89.4
Total	384.2

BREAKDOWN OF SHARE CAPITAL AT MARCH 31, 2019

Dividend proposed to the AGM of July 25, 2019: **€0.23 per share (+33%)***



FINANCIAL CALENDAR

- **07/24/2019**
  Q1 2019/20 revenue
- **07/25/2019**
  Annual General Meeting
- **11/05/2019**
  H1 2019/20 revenue
- **12/03/2019**
  HY 2019/20 results
- **01/30/2020**
  Q3 2019/20 revenue
- **03/31/2020**
  End of the fiscal year 2019/20
- **04/28/2020**
  FY 2019/20 revenue
- **06/02/2020**
  FY 2019/20 results

STOCK MARKET DATA

Share price at 06/03/19
€25.75
Number of shares
20,196,492
Market capitalization
€520.1m
Company value
(Market capitalization at 06/03/19 + net debt at 03/31/19)
€558.8m

Share data
Market: Euronext Paris
ISIN Code: FR0013357621
ICB: 9533 IT services
Reuters: WAVE.PA
Bloomberg: WAVE:FP
Wavestone is listed on the Euronext European Rising Tech index (ex Tech 40), and is eligible for the PEA-PME share savings plan.

* As a reminder, the dividend for 2017/18 was €0.20 per share after the division by 4 of the par value of the shares.

A COLLABORATIVE COMMERCIAL APPROACH

WITH LAURA GORDON
Senior Marketing Manager

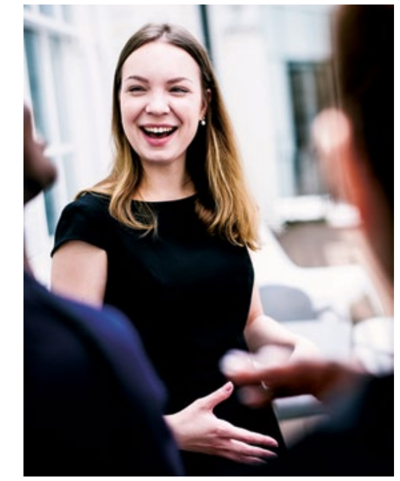
LONDON

9 A.M.

Laura joined Xceed in March 2016 before the firm merged with Wavestone's London office. Although there are now over 100 employees, there is still a very family-like atmosphere. Xceed already worked with big names in London's financial sector, but by joining Wavestone, the business's development has taken on a new dimension. Now united in a single team, the office is moving forward as one, with a sense of real collaboration and sharing that has naturally expanded the portfolio of services and expertise.

Laura joins four other busy colleagues to organize their ideas on a large white board. The morning's objective is to refine the firm's new commercial offer based on emerging issues relating to cybersecurity, applied to major financial players. Laura previously worked on IT transformation services with Xceed. Today, the aim is to demonstrate the firm's ability to support its clients with their most structural transformations—including cybersecurity. This is an area requiring constant innovation to deal with issues that are just beginning to emerge. On the other side of the corridor, another team is working on cyber-resilience and recovery issues, reviewing client case studies to enhance the relevance of their approach.

.../...



"The idea is to be able to build a global approach to support clients with these transformations wherever their activities are located."

LAURA GORDON

WAVESTONE ON THE GLOBAL STAGE

The firm operates in 8 countries

.../...

The London office's positioning is highly strategic for Wavestone's international growth, as it is based in the UK, one of the group's priority markets, and well established in financial services, one of the major development focuses for conquering international market share.

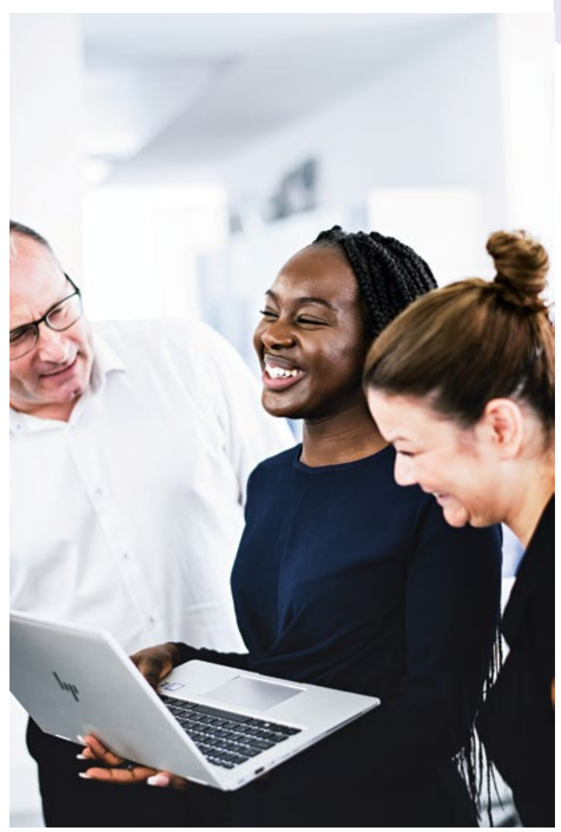
For Laura and her colleagues, already used to working in a multicultural environment, the appeal of belonging to a firm that aims to abolish borders while working on large-scale projects is obvious.

105

employees
at the London office

HIGHLIGHT
XCEED GROUP SUCCESSFULLY INTEGRATED

In line with Wavestone's 2021 strategic plan, in April 2018 Wavestone acquired 100% of the share capital of Xceed Group, a London-based technology consultancy specializing in the IT transformation of major financial industry stakeholders. In September, the transition of the Xceed brand to Wavestone has marked the next phase in the integration plan, and formalizes the synergies developed throughout both companies to operate unitedly as one brand.



WAVESTONE, A LEADING PLAYER IN AN EVOLVING MARKET

In a market intimately linked to the good health of private-sector companies and public-sector bodies, where digital and innovation have become permanent features, Wavestone can rely on the strength of its business model and the relevance of its value proposition.

MULTIPLE DRIVERS OF GROWTH

In France, where Wavestone generates 88% of its revenue, the consulting market grew by 6.9% in 2018 (Source: Global Research). This sustained pace of growth, higher than that of 2017, is explained primarily by various growth factors: Internet of Things, cybersecurity or smart cars. The economic sectors utilizing consultancy services the most over the course of the year were financial services, manufacturing, energy, or the public sector.

THE COMPETITIVE ENVIRONMENT

Wavestone has four major types of competitor:

Independent management consultancies	Consulting divisions of the "Big Four" international auditing firms	The consulting divisions of major IT consultants	Niche players *(sector, function or country-specific)*
BearingPoint, Eurogroup Consulting, Sia Partners, PA Consulting, etc.	EY, Deloitte, PwC, KPMG	Accenture, Capgemini Consulting, etc.	Argon Consulting, Altedia, Stanwell Consulting, Exton Consulting, Capco, Chappuis Halder & Co, Aecus Limited, Efficio, The Network Collective, etc.

Strategy consulting firms may occasionally be considered as competitors in certain fringe activities: Bain & Company, BCG, McKinsey, Roland Berger, Oliver Wyman, etc.

In this highly competitive landscape, Wavestone holds a privileged position, thanks to a combination of three factors:

- a broad spread of complementary functional, sector-specific and technological expertise that meets the expectations of clients;
- a depth of expertise that makes it possible to provide targeted high-value consulting services;
- a streamlined operating model that enhances the ability to be innovative and enables relevant responses and processes to emerge.

CLIENT SATISFACTION: OUR WATCHWORD FOR SUSTAINABLE GROWTH

Wavestone is committed to delivering the highest level of client satisfaction in the consulting market. To support and achieve this goal, the firm has implemented a quality policy that is systematically applied to all its assignments.

The Wavestone client satisfaction policy is underpinned by the following components:

- an organization structured around a Steering Committee responsible for policy, and a network of local Quality Champions;
- a client satisfaction risk identification and control process that covers all the firm's management mechanisms;
- an annual satisfaction survey conducted among existing and previous Wavestone clients.

PURSUING A FRUITFUL IMPROVEMENT PLAN

The third annual satisfaction survey was conducted in April 2019, with clients among all countries in which Wavestone is present.

The level of participation was 26.6%, higher than last year, illustrating our clients' interest in this approach.

The results of the survey show a slight improvement in the level of client satisfaction in comparison with 2018, however it remains below the level of 2017. Among the clients that indicated a dissatisfaction, 39% consider that Wavestone's response did not meet their expectations, compared to 47% in the previous year. The proportion of clients that are satisfied or very satisfied is at 88%, remaining unchanged from 2018.

In addition, over two years, our NPS (Net Promoter Score) has increased at a moderate but regular pace: 28.5 in 2017, 29.1 in 2018 and 29.7 this year.

This improvement illustrates that Wavestone's efforts throughout 2018/19 have been fruitful: a team dedicated to quality and client satisfaction, the implementation of mandatory "client satisfaction" training for all new employees, improvement in managing the risk of client dissatisfaction. New initiatives will be launched in 2019/20 to further increase employee awareness of this subject.

IMMERSION IN THE CLIENT'S FIRM

WITH ÉMILIEN LESIOUR

Senior Consultant
Energy, Utilities & Transport

SAINT-DENIS

11 A.M.

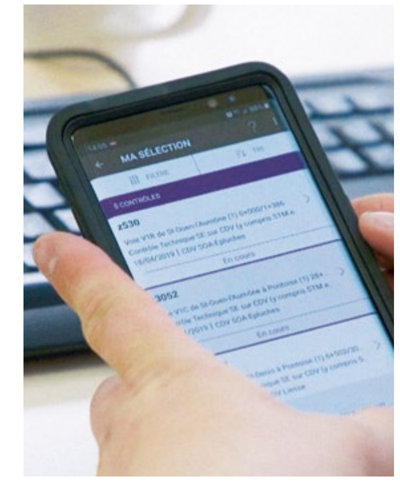
Hunched over a single screen, Bertrand and Émilien review, on a case-by-case basis, the new version of a mobile app to facilitate track gauge readings.

"We're nearly there," says Bertrand, adjusting his headset. "Apart from these decimal points, the rest works pretty well. In any case, it is much better since we set up automatic checking of readings as it helps the operator with his assessment."

With one foot on the rail, Émilien carefully follows Bertrand's every movement. The next version should be the right one and what the maintenance manager does not say is as important as the responses he gives out loud. Spontaneous gestures reveal whether the user journey matches the one imagined months previously.

For the project manager, these tests under real-life conditions are vital, since observations of real use are what inspire the applications designed by the SPOT* project. Launched by SNCF Réseau in 2009, this huge transformation plan has catapulted the company, and the 50,000km of railway for which it is responsible, into the digital age. By digitizing daily maintenance processes for its 15,000 operators in just a few years, the national operator has moved from a fragmented and time-consuming method to an integrated management and supervision system for all operations.

.../...



"Spontaneous gestures reveal whether the user journey matches what we imagined."

ÉMILIEN LESIOUR

When Émilien joined the adventure in 2016, Wavestone had just created the team that would be responsible for accelerating rollout of this solution to make it the market-leading tool. Each app project begins with an in-depth analysis of existing processes. To do this, nothing can match the experience of users, who bring these processes to life and experience their limitations on a daily basis. Bertrand was invaluable in understanding all the components involved in switch maintenance. Of course, Émilien and his team of consultants had access to the comprehensive reference tools developed by the SNCF experts and they were also able to benefit from the highly informed knowledge that the business experts contributed during workshops. But nothing beats getting out onto the tracks to really get to grips with how these readings are taken and what the future app will be like in terms of fluidity and efficiency.

15,000

future users

With over 60 business processes to digitalize, the Wavestone team quickly got to the heart of the matter and the consultants coordinated by Émilien were soon able to create a real rapport with their counterparts working on the rails, thanks to their sincere and unlimited interest in the work. For Émilien, who started on the project as a consultant, developing and encouraging others to develop is perhaps the most important aspect of his project management role.

* SPOT : *Suivi et Pilotage des Opérations Techniques* (Monitoring and Control of Technical Operations)

HIGHLIGHT
ACQUISITION OF METIS CONSULTING, A CONSULTING FIRM SPECIALIZING IN SUPPLY CHAIN

In November 2018, Wavestone acquired 100% of the share capital of Metis Consulting, a French management consulting firm specializing in supply chain. Capitalizing on this merger, Metis Consulting and Wavestone's ambition is to become one of the leaders in supply chain in Europe. In the short term, they intend to mark out a distinctive market positioning for supply chain digitalization.

HIGHLIGHT
Q_PERIOR, A NEW GERMAN PARTNER

Wavestone announced in April 2019 the signing of a new non-capital-holding partnership with Q_PERIOR, a German consulting firm. Q_PERIOR offers business & IT advisory services, and is a leader in the German market. This partnership will allow both firms to better accompany their clients in France and Germany, to share and strengthen their own capabilities, and to develop cross-border business opportunities in sectors such as Industry.

GENERATING POSITIVE CHANGE

At the confluence of management consulting and digital and innovation consulting, Wavestone supports leading companies and organizations to deliver their most critical transformations.

In a world where the pace of disruptive change is accelerating, transformations are becoming inevitable for all companies.

At Wavestone, we are committed to generating the enthusiasm that drives the positive transformation of our clients, which in turn ensures a smooth journey, makes projects sustainable, and creates an environment of trust that gives everyone the desire to act. This mindset which feeds off the pleasure of the challenge, of imagining new ways forward, and of succeeding together, is what drives our 3,000 consultants on a daily basis.

Wavestone offers its clients a broad palette of expertise spanning 18 areas of excellence of three distinct types:

/ sector-specific excellence solutions designed to address core business challenges in many different business sectors;
/ functional excellence used by the firm to address major corporate functions;
/ technological excellence that enables the firm to provide an unparalleled range of digital, technology and cybersecurity solutions.

In each of these areas of excellence, Wavestone contributes an unrivaled depth of expertise. The essence of our value proposition is our ability to combine these skills seamlessly in multidisciplinary teams that cut through the silo-management approach.

THREE SECTOR-SPECIFIC FUNCTIONAL AND TECHNOLOGICAL EXPERTISE

FUNCTIONS

Strategy
-
Innovation management & funding
-
Marketing, sales & customer experience
-
People & change
-
Finance, risks & procurement
-
Operations & supply chain

SECTORS

Financial services
-
Telecoms, media & entertainment
-
Consumer goods & retail
-
Manufacturing
-
Energy & utilities
-
Transportation & travel
-
Real estate
-
Public-sector & international institutions

TECHNOLOGIES

Digital & IT strategy
-
Digital & emerging technologies
-
IT & data architecture
-
Cybersecurity & digital trust

In order to offer appropriate, bold and bespoke solutions for transformational change, Wavestone relies on five key levers:

RESEARCH & KNOWLEDGE CENTER

A dedicated team of market researchers to analyze market data and establish benchmarks

CREADESK

A dedicated workspace, methodologies and a team focused exclusively on stimulating creativity, generating innovative ideas and contributing to new working methods

THE FAKTORY

A technical platform led and coordinated by senior designers and developers who use prototyping techniques for rapid concept testing and validation

MACHINE LEARNING & DATA LAB

A team of data scientists, experts in data mining and application

SHAKE'UP

An accelerator that identifies and selects startups on the basis of their ability to innovatively contribute to various sectors

AT THE HEART OF THE INNOVATION ECOSYSTEM

WITH LAURE SCHREPFER

Senior Manager Innovation, Management & Funding

PARIS

2 P.M.

Since early 2019, Laure has been helping Bpifrance to set up challenges in the field of artificial intelligence. Initiated by the French government, these challenges were entrusted to the public agency and the Directorate General for Enterprise to generate a buzz around four themes: health, transport-mobility, environment and defense-security. Wavestone was chosen to coordinate the environmental approach, which affects the largest number of areas and requires the use of very diverse players.

Laure has been working on themes to do with innovation for 20 years. This means she certainly knows how to mobilize the startup ecosystem and provide support to calls for projects and she has seen professionalism increase in the sector. Today, startups have as much to contribute as key accounts and startuppers are spoiled for choice when choosing their future partners. She has also seen a change of scale in investments in this area as well as large groups adopting a much more collaborative approach.

Although the format of these challenges is not new, it is clearly the best way to uncover a wide range of good ideas. The first phase involved launching a call for sponsors, i.e. private companies who would like to propose their subject for experimentation. This first wave of calls for applications was whittled down through numerous meetings with the partners as well as the firms responsible for providing support in other areas. The challenge now is to give it the best possible exposure in order to attract sponsors.

This is where Wavestone's internal dynamics come into play. Artificial Intelligence & Environment is a broad enough topic to invite contributions from teams in the various different practices in order to promote the call for sponsors. Their in-depth knowledge of the issues facing their clients across all sectors, provides the project with an efficient sounding board.

Once the sponsors have been chosen, construction will begin on the future challenge that will be proposed to startups as part of an open innovation approach. This should be launched by the end of summer 2019.

SHAKE UP by WAVESTONE

HIGHLIGHT
SHAKE'UP WINNERS 2018

Shake'Up, Wavestone's accelerator for B2B startups, announced the winners of its 2018 call for projects. Almost 50 startups applied to this second call for projects, for which the theme was DeepTech. Three promising, innovative and socially responsible startups have been selected: Transaction Connect has joined the program, while Isahit and Ermeo received respectively the Judges' Special Award and the Business Synergy Award. After the success of the two last calls for projects, Wavestone has now launched a third one on the topic of international development.

HIGHLIGHT
NEW YORK CYBERSECURITY RADAR

The New York Wavestone team will be releasing the NYC Cybersecurity Startup Radar in the coming months. The goal of the radar is to provide the cybersecurity community with a structured and intuitive view of the current NYC startup ecosystem. The radar will serve as an invaluable tool in identifying trends and opportunities for cybersecurity startups and buyers of these technologies. Similar initiatives by Wavestone have been successful in both France and the UK.

A SALES FORCE DEDICATED TO THE SUCCESS OF OUR CLIENTS

To successfully rise to the challenges faced by our clients and to drive positive transformation in all business sectors, Wavestone has developed a business development model founded on the principle of client management.

Wavestone boasts a portfolio of clients spanning a very broad spectrum, from global and local companies with leading positions to new entrants, both in the private and public sector. The firm is committed to cultivating an open-minded approach and to continuously develop its expertise, while maintaining its presence in all main sectors. This multisectoral presence provides resilience in times of economic fluctuation and allows the firm to capture growth in the most dynamic sectors.

In each practice and office, client management is provided by a hybrid team of consultants and sales executives tasked with developing the full range of the Wavestone value proposition to all the clients it manages. This collaboration provides the stimulation required to guarantee that the solutions proposed combine strategic expertise with proven implementation.

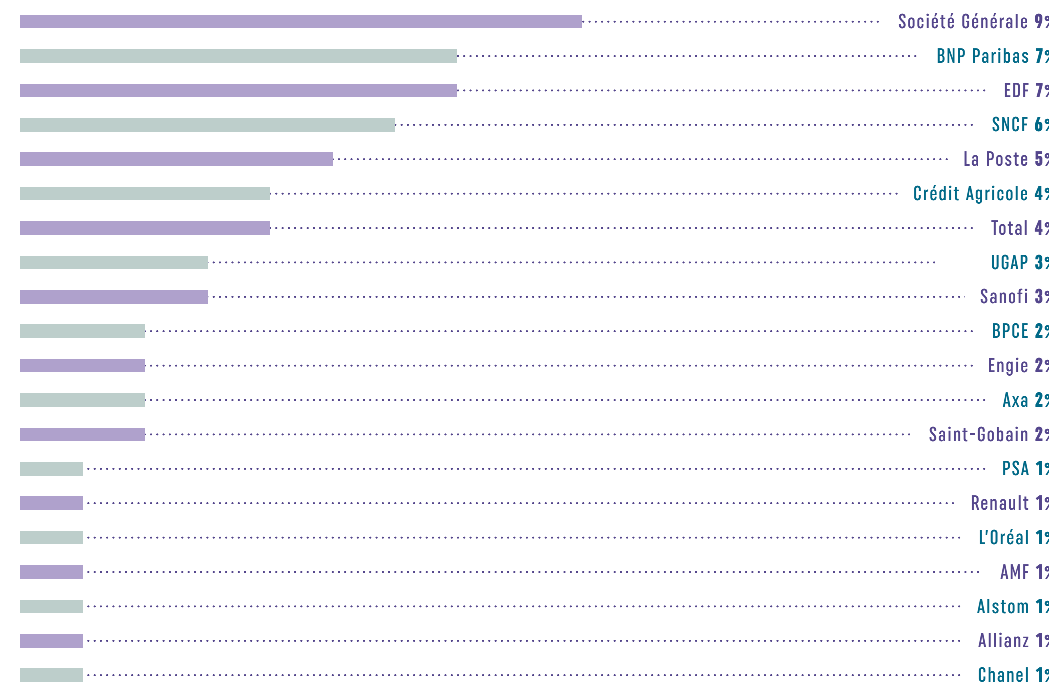
Wavestone's client management has two key missions:

- to support the growth of Wavestone's business activities and revenue;
- to maintain close long-term relationships with top-level decision-makers.

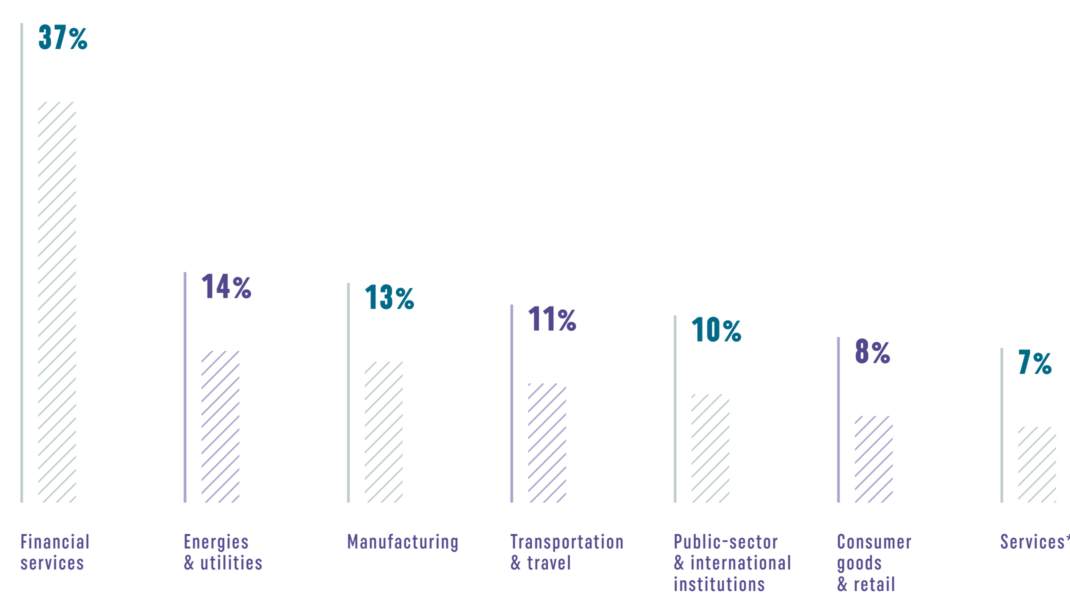
12%

OF REVENUE OUTSIDE OF FRANCE

OUR TOP 20 CLIENTS OF 2018/19



SECTORAL BREAKDOWN OF REVENUES FOR 2018/19



* formerly telecoms & media, and inclusion of real estate

BUILDING THE FUTURE TOGETHER

WITH MATHIEU SABARLY
Senior Manager IT & Data Architecture

PARIS
3 P.M.

It has now been six months since the teams at Wavestone and a car manufacturer established the roadmap which should provide the manufacturer with an assessment and concrete action plan to take the connected vehicle project to the next level. This is no easy feat, since behind the technological development lies a cultural revolution requiring a profound transformation of both the architecture and the cooperation between business lines which have previously been used to working in parallel.

Because connected vehicles herald a new era for automobiles, involving a mobile services platform, a profound transformation is required in approaches that have previously involved designing a vehicle first and then enhancing it with digital services. For connected vehicles, to be followed in the very near future by driverless vehicles, hardware and software must be treated as one and the same.

Two very different cycles will need to mutually enrich one another. Firstly engineering, which is highly calibrated and standardized for productivity reasons, and secondly digital, in which evolution and calibration need to be perpetually in motion—two cultures that need to become one.

It also involves a paradigm shift. To move from a vehicle-centric approach to a user-centric approach, a whole series of concepts and philosophies need to evolve.

.../...

> “Connected vehicles herald a new era for automobiles, involving a mobile services platform.”

MATHIEU SABARLY

.../...

Down to how success itself is assessed. Whereas previously it could be judged from the good overall operation of the vehicle, in the future it will be necessary to analyze the relevance of users' journeys and calibration of the services offered to them.

The project required all the technical knowledge contributed by Mathieu and his team, as well as their coordination techniques and tight control, along with an in-depth analysis of the contributions from around 100 client employees, in order to identify irritants, those technical and technological pitfalls that needed to be quickly addressed.

But the most important aspect may have been successfully convincing people of the need to change a traditional culture in order to continue to look to the future with confidence and enthusiasm.

"To move from a vehicle-centric approach to a user-centric approach, a whole series of concepts and philosophies need to evolve."

MATHIEU SABARLY

ENHANCING OUR COLLECTIVE KNOWLEDGE

Each one of our employees has a unique body of knowledge that can be shared and passed on to others. And that is precisely the challenge of our knowledge management strategy: making the knowledge and experience of every individual a dynamic resource accessible to everyone for the benefit of our clients' plans and projects.

With more than 3,000 employees, the way in which knowledge and feedback sharing is structured is a key challenge. In order to structure and simplify this permanent process of exchange, Wavestone has implemented a multilevel knowledge management process.

Every employee is able to access a database of internal personal profiles to quickly identify those of their colleagues whose experience or advanced expertise could make it possible to gain a sale or facilitate progress on a particular client's project.

One person in each project team is responsible for the 'project memory' and to ensure that all the documents are correctly filed and archived. Built around a secure architecture, this document management system is the key working resource for Wavestone teams.

Lastly, every employee has the opportunity to create or join special-interest communities to share their experiences and convictions in the context of the issues faced by their clients.

At the same time, a search engine progressively indexes all the documents generated by every group entity so that each employee can have instant access to the entire body of collective knowledge without breaching our client confidentiality obligations.

This process is much more than using simple business tools, because it enables Wavestone to put in place a philosophy that makes knowledge sharing an unconscious reflex. The bottom line is that everyone is empowered and has access to the resources needed to add value to their own experience for the benefit of everyone, whether employee, client or partner.

AT THE HEART OF RECRUITMENT

WITH MAXIME FRIGOLA-ESCOLASTICA
Senior Consultant and HR Coordinator
People & Change

LA DÉFENSE
4 P.M.

"OK, let's start," says Maxime. "Welcome to our half-year recruitment update and thank you all for finding the time to be here." The 30 colleagues gathered before him are not there by chance. They have at least one thing in common—they are involved in the recruitment process for the People & Change practice, for which Maxime manages the HR dimension, along with a team of five consultants.

Maxime is not responsible for recruitment. He does not come from an HR background at all, although his emotional sensitivity and devotion to developing his practice through recruitment make him particularly suited to these challenges. Maxime is a senior consultant who joined Wavestone after studying at an aeronautical engineering school. The high standards, diverse range of responsibilities, ability to learn and evolve very quickly, have contact with experts in their fields and high-level clients, as well as a natural inclination towards transformation challenges meant he did not for a second regret turning his back on planes.

But while Maxime uses his talents to assist his clients, he also gains satisfaction from helping his practice to grow. Although management of the recruitment process itself is a matter for the firm's recruitment teams, attracting candidates and helping to select the best profiles is everyone's responsibility.

Of the practice's 140 consultants, more than 30 are involved at various stages of the recruitment process. Maxime coordinates this roll call of ambassadors and acts as spokesman for the practice in relation to HR teams to ensure that needs are met.

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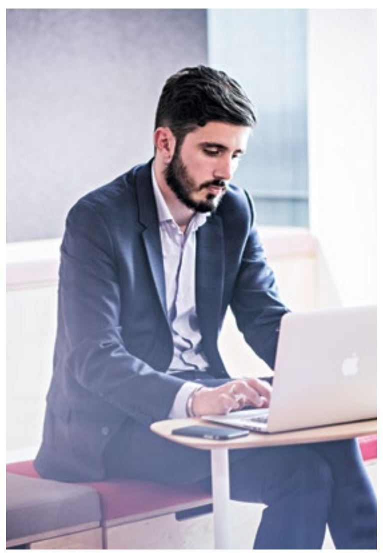
"Attracting candidates and helping to select the best profiles is everyone's responsibility."

MAXIME FRIGOLA-ESCOLASTICA

.../...



Recruitment is a meeting of two sides. Wavestone has managed to stand out for its particularly human and constructive approach to recruitment. Each candidate is carefully considered and receives customized feedback at each stage. There is no copying and pasting or cloning of profiles. Personality is essential, as is development potential and the ability to expand your curiosity in contact with clients and projects. Wavestone certainly has high standards. We do not recruit nearly 800 new employees each year without ensuring that they meet practices' needs. That is the role of Maxime and his team in the People & Change practice.

Recruitment has to be learned and requires real dedication. Volunteers are trained in interviewing and assessment techniques and are supported in their role by recruitment officers. This is an opportunity for everyone to participate actively in Wavestone's growth, in addition to its consulting missions. Maxime, who devotes part of his time to these commitments, believes that it is a way of bringing the company's culture to life, of spreading enthusiasm at each contact and increasing colleagues' skills.

800

new employees recruited in 2018/19

FOCUS ON INTERNAL MOBILITY

ALEXANDRE MERCIER
Cybersecurity & Digital Trust Consultant

Alexandre, Kévin and Khadija have just arrived in front of their client's building for a kick-off meeting which could hardly be more international. Although all three are consultants at Wavestone, Alexandre works in London, Kévin in Paris and Khadija in Geneva. It is this collaboration that won over their client: a single team to support its development in three strategic markets. Most importantly, the three colleagues are used to working together since until recently all three worked together in London.

Alexandre arrived in, or more accurately returned to Paris in January 2018 after two years at Wavestone in London. This young consultant's career has spanned both sides of the Channel. After high school in the British capital, he completed engineering school in France, before being coopted into Wavestone in Paris for a position in London, developing cybersecurity expertise.

His transfer to Paris went smoothly, a process whose fluidity still surprises Alexandre himself, as he had returned to France even before completion of his administrative formalities and soon found himself back in front of his first French clients. Not only was his mobility accepted, it was even encouraged and facilitated at every stage, from his original office to the host office. He joined the Paris teams to work on assignments similar to those he worked on in the UK and regularly acts as intermediary between the two offices, having retained strong links with his former colleagues. His experience working in the UK gives him a valuable insight into the situations of his international clients, who mix nationalities and cultures within multidisciplinary teams.

This natural mobility and the ability to develop within a single company clearly made a big difference in the consultant's early career. And although the few cultural differences make good anecdotes to tell on both sides of the Channel, it was the continuity of corporate vision and shared universal values which ultimately made this change of environment so smooth for him.

FOCUS

SETTING THE BENCHMARK AS AN EMPLOYER

Wavestone is committed to being, and remaining, an employer of choice in the consulting market. This strategy is based on a proven model: recruiting the finest talent, providing personal career path management, and offering employees rich career development prospects. It's a strategy founded on respect for Wavestone values: team spirit, audacity, passion and exemplary conduct.

A DISTINCTIVE VISION OF CONSULTANCY

In order to attract the most talented people in an extremely competitive market, Wavestone has adopted a distinctive position with a vision of a committed consultancy. The firm makes it a point of honor to implement a robust recruitment process that respects every applicant as an individual, by beginning each phase of recruitment as a special opportunity for interaction. During the process it pays special attention to the quality of the experience for each candidate, regardless of the outcome of the recruitment process. Everyone involved in recruitment at Wavestone is committed to applying strict guidelines on transparency, equal opportunities and professional recruitment methods.

Wavestone recruits candidates from diverse backgrounds with varying degrees of experience, and looks for people with commitment, who already have a reputation for strong entrepreneurial drive and a sense of team spirit. The annual recruitment plan includes a high percentage of new graduates from the most prestigious French graduate schools and universities (engineering and management). To reach its ambitious objectives in terms of recruitment, Wavestone provides the necessary resources: a dedicated recruitment team of around thirty employees supported by a community of 1,000 consultants that conduct recruitment interviews and get involved with developing educational partnerships and all the initiatives that go with that. The firm relies on different channels of sourcing: recruitment agency partners, an annual candidate referral campaign, recruitment events, a preemployment trainee scheme and other initiatives

HR LABELS AND CERTIFICATIONS

Happy Trainees

GREAT PLACE TO WORK®

Happy index Starters

ENSURING EMPLOYEE LOYALTY: A KEY CHALLENGE

Wavestone has made the choice to adopt a strategy that develops the management skill of employees. Every year, many are asked to provide leadership for projects or teams, and a new training program also aims to support them in this new responsibility. In a broader sense, Wavestone aims to share a common culture and practices, regardless of the job profile, area of expertise or geographic location. A mobility program also helps to broaden horizons by offering Wavestone employees the opportunity to make a career switch or gain expertise in other fields and regions. At the annual talent reviews, the management teams and HR teams get together to assess the development to date of every employee in the firm, reviewing their development outlook over the next 12 to 24 months, the associated development initiatives, their targets for the year, the possibility of promotion and the employee's compensation package. Lastly, the Wavestone salary policy is designed to promote fair competition between employees on a level playing field.

Another important component of loyalty is the occupational well-being of employees. Wavestone wants the culture of enthusiasm to be a way of life in the workplace and a benefit for everyone. It is encouraged with proximity management with more than 300 Career Development Managers, supported by HR representatives (approximately 1 for every 150 employees). The firm also offers flexibility in the way work is structured with a teleworking system designed as an organizational facility, and a paid leave policy based on individual autonomy and empowerment. Wavestone also puts measures in place that make life simpler for employees with children, such as the company childcare facility (three paid "Child Sick Days", flexible working hours and teleworking during pregnancy, gradual return to work after maternity leave, etc).

Finally, the offices offer open-plan workspaces flooded with natural light, a wide choice of spaces designed around different working scenarios, and innovative equipment for greater flexibility, convenience, creativity and discussion about working methods.

A CORPORATE PLAN BUILT WITH EMPLOYEES

Wavestone's employees are closely involved in the corporate plan. They contribute to applying every aspect of Wavestone strategy (HR, recruitment, finance, communications, internal audit, etc.) by delivering part-time or full-time internal assignments in our central services departments. In the firm, initiative is also encouraged by the management as a way of facilitating the emergence of ideas that will add value to the firm going forward.

Wavestone assets such as the Creadesk and the Faktory have become a reality as a direct result of employee initiatives. Wavestone's HR teams pay extremely close attention to this ongoing competitive initiative, which empowers every employee to put forward an idea, project or discussion topic with the potential to change the company.

SKILLS SPONSORSHIP

Like every Monday, Valentine is not at her usual post in Wavestone's offices. Her Mondays are entirely dedicated to her charity work with “Par Le Monde”, an association participating in the program developed by Vendredi, an organization that offers shared jobs between companies and associations.

Valentine discovered Vendredi during a previous internship and made it an important criterion when joining Wavestone at the end of her gap year. She has enjoyed the experience of charity work since she wrote her thesis on the changing scale of social innovation. This student, studying for a Master's in Innovation Management at Paris-Dauphine University, believes that innovation must be able to be combined with human factors. Moving rapidly from theory to practice, Valentine chose to put her skills to work for an association where her knowledge of technological issues could be combined with the kind of charity work that appealed to her.

The idea behind “Par Le Monde” is a novel one. The association establishes digital exchange programs between students by removing geographical and cultural boundaries. Its “Voyage de Pelico” program takes students and teachers to meet their counterparts in foreign countries. Every year, mediators are sent to five countries to report back on children in their school, their learning methods, their hobbies and their dreams. These innovative video documents are then published on the association's platform, which organizes virtual discussions between classes.

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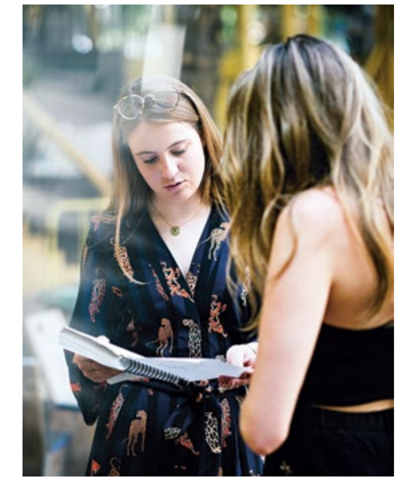


“Innovation must be able to be combined with human factors.”

VALENTINE PENSALFINI

WITH VALENTINE PENSALFINI

Consultant
Digital & Emerging Technologies

PARIS

6 P.M.

.../...

The project and the timing appealed to Valentine, who was able to work on the association's change of scale by harnessing its skills to design an editing app for teachers. This will make it easy for teachers and their classes to produce their own reports and so develop the content made available on the platform. Every Monday, she helps the members of "Par Le Monde" to move the project forward by challenging their ideas and disseminating the good practices she experiences the rest of the week while working for the firm, particularly at the Creadesk.

At "Par Le Monde", she works alongside other professionals involved in skills sponsorship. Everyone brings their own skills and enables the project to take on another dimension. Her colleagues have confidence in her, both at Wavestone and "Par Le Monde", and her status as an intern doesn't restrict the scope of her work.

From September, Valentine will return to university for her final year and will no longer be able to spend her Mondays at "Par Le Monde", but this experience has given her a taste for charitable commitment. She plans not only to continue to help the association on a voluntary basis, but after the end of her internship will also attend the Wavestone Powerday in August at a hackathon inviting participants to investigate issues affecting the "Voyage de Pelico" program. As for the more distant future, she already knows that skills sponsorship will be among her criteria when choosing an employer... even if she suggests developing it herself.

WITH **MARYLÈNE HOCHART**
Co-founder of Par Le Monde

LIVING AND DISSEMINATING OUR OWN VALUES

Having introduced its CSR approach in 2011, Wavestone has included CSR as one of the four central challenges of the Wavestone 2021 strategic plan.

N°1

OF ITS CATEGORY
IN THE GAÏA INDEX

The CSR policy is one of the four challenges of the Wavestone 2021 strategic plan with the aim of putting our company in the Top 3 consulting firms by CSR rating every year. Over the last three years it has been a success, Wavestone topped the Gaia Rating for companies in its category.

WAVESTONE'S CSR APPROACH

For more information on Wavestone's CSR approach, see the Statement of Non-Financial Performance in Chapter 1.

MANIFESTO

At Wavestone, we believe that a shared sense of enthusiasm is at the core of successful change. **That's what we call "The positive way".** As we join our clients on their journey, we embrace complex challenges, enjoy creating new trails and thrive on succeeding as a team.

"The positive way" is what we do. Generating enthusiasm is second nature to us. It's how we drive change in our clients, creating trust that gives everyone the desire to act, ensuring a smooth journey and making projects truly sustainable.

"The positive way" is who we are. At Wavestone, we are united by a spirit of mutual trust, free from the constraints of silos and egos. Stimulated by solving challenges and engaged in achieving results, our energy is infinite as we support our clients to accomplish their grandest ideas.

And also, "The positive way" **is our commitment to creating a positive impact. For all our stakeholders.**

Wavestone, The Positive Way.

THE ABILITY OF AN INTEGRATED ORGANIZATIONAL STRUCTURE TO DELIVER EFFECTIVE, AGILE AND RELEVANT RESPONSES

Wavestone has adopted an integrated organizational model that closely combines the skills required to make collaborative working and mutual trust a daily reality for everyone.

THIS OPERATING MODEL HAS BEEN DESIGNED ON THE BASIS OF **THREE KEY PRINCIPLES**

OPERATING MODEL

The key entity in the Wavestone operating model is the practice or office. A practice brings together those teams responsible for concentrating the expertise of Wavestone in one of its areas of excellence. Where critical mass has not been achieved in a given region, teams are brought together into an office, which then covers all the expertise associated with several areas of excellence. In June 2019, Wavestone had 21 practices and offices.

In addition to its mission to develop expertise in one or more areas of excellence, each practice or office is also responsible for new business development across all Wavestone services within a portfolio of clients. This business development task is carried out by client managers.

To maximize synergy development and facilitate effective operational management and control, the 21 practices and offices are grouped into four domains. Since Wavestone has designed its operations at a global scale, the practices and offices on each domain are usually spread across several countries.

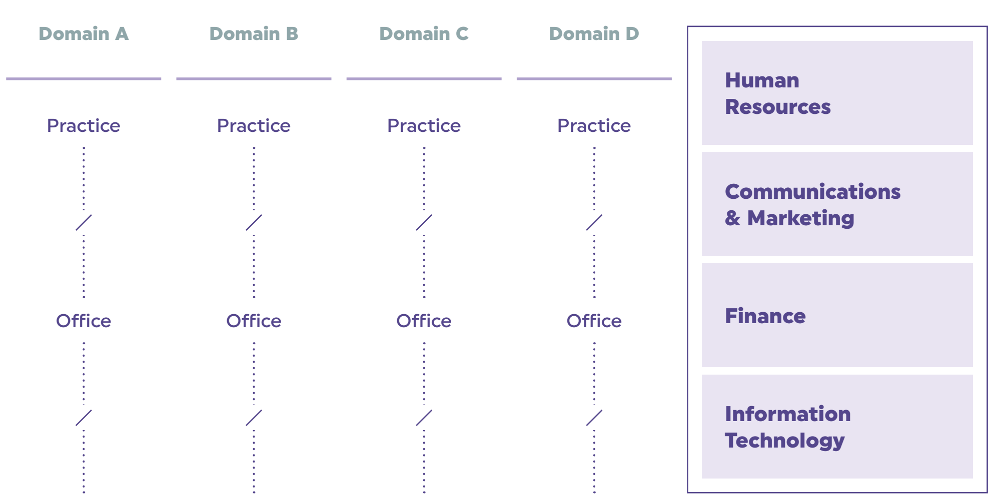
Because some skills draw on multiple areas of expertise, they are structured cross-functionally as communities of experts based in multiple practices and/or offices; examples include the Marketing Sales & Customer Experience community.

Lastly, Wavestone has chosen to invest long term in exclusive assets that will enhance its value proposition (see page 22). The teams responsible for these assets are based either in selected practices or centrally.

CENTRAL SERVICES DEPARTMENTS

Wavestone's central services teams are responsible for managing major investments made to ensure the future growth of Wavestone and provide risk control. These teams work centrally, and in some cases contain designated representatives working within specific Wavestone domains, practices and offices.

EXECUTIVE COMMITTEE



WAVESTONE OPERATIONAL GOVERNANCE

Consistent with this principle, the governance of Wavestone is based on collegial bodies at every level of its organizational structure. Practices are guided by practice steering teams led by practice leaders, and domains are guided by domain steering teams led by domain leaders.

The firm is managed by an Executive Committee (ExCom) coordinated and led by the General Management team of Wavestone (composed of the Management Board members).

To ensure that all teams are fully aligned with the shared goals set out in the corporate plan, the ExCom is broadly based, and includes representatives from each team. However, for maximum efficiency, the ExCom meets in smaller sessions to address topics such as operating performance checks and business development management.

THE MEMBERS OF THIS EXECUTIVE COMMITTEE ARE:

General Management (the Wavestone Management Board)
Patrick Hirigoyen
Pascal Imbert

Operation steering and domain leaders
Benoît Darde
Guillaume Durand
Joël Nadjar
Bruno Valet

Development
Reza Maghsoudnia

Business development
Marc de Montgolfier
Anne Régnier

Key transformation projects / global projects
Laurent Bellefin

Finance
Tiphanie Bordier
Frédéric Goujon

Operations
Éric Baudin
Claude Bodeau
Loïc Carpentier
Guillaume Chassard
Philippe Dajean
Stéphane Denolle
Frank Devillaire
Frédéric Goux
Jim Hennigan
Éric Labruyère
Frédéric Lelièvre
Philippe Mirmand
Mike Newlove
Philippe Pestanes
Catherine Pilidjian
Olivier Schmitt
Jean-Marc Soulier
Laurent Stoupy
Harold Syfrig

Human Resources
Fanny Rouhet

Communications and marketing
Sarah Lamigeon

THE MANAGEMENT AND SUPERVISORY BOARDS

The members of the Management Board are:

PASCAL IMBERT
Chief Executive Officer

PATRICK HIRIGOYEN
Management Board Member

At 04/01/2019, the Supervisory Board had 6 members:

MICHEL DANCOISNE
Chairman of the Supervisory Board

MARIE-ANGE VERDICKT*
Vice-Chairman of the Supervisory Board

JEAN-FRANÇOIS PERRET*
Supervisory Board Member

RAFAËL VIVIER*
Supervisory Board Member

SARAH LAMIGEON
Supervisory Board Member

BENJAMIN CLÉMENT
Supervisory Board Member

* Independent members

WAVESTONE

FINANCIAL REPORT

2018/19

Elements in the above table which are related to the Annual Financial Report are identified by a pictogramm

AFR

01 MANAGEMENT REPORT

02 CORPORATE GOVERNANCE REPORT

03 FINANCIAL INFORMATION

04 LEGAL INFORMATION

05 2019 COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

06 ADDITIONAL INFORMATION

MANAGEMENT REPORT

01

Management Board Report presented to the combined ordinary and extraordinary shareholders' Meeting of 07/25/19

To the Shareholders,

We have convened this combined ordinary and extraordinary shareholders' Meeting as required by law and our Company's Articles of Association.

The notice of Meeting and all documentation specified by the applicable regulations have been duly sent or made available to you within the legal deadlines.

The purpose of this report is to present the situation of the Wavestone group, which comprises the Wavestone company[1] and its subsidiaries.

The report includes the "General Management Board Report" together with the:

- "Management Board Report – *Risk factors and Management*";
- "Management Board Report – *Statement of non-financial performance*"; and
- "Management Board Report – *Additional notes*".

This report also constitutes the Management Report referred to in Article 222-3 of the General Regulations of the French Financial Markets Authority (AMF), which is an integral part of the annual financial report as specified in Article L.451-1-2 of the French Financial and Monetary Code.

(1) Wavestone, the parent company of the Wavestone group, is sometimes referred to as "Wavestone SA" in this document.

Management Board Report - General Report

1. Key events and outlook

During its Meeting on 05/27/19, the Group's Supervisory Board approved the consolidated annual financial statements at 03/31/19, a summary of which is presented below. The audit procedures for the financial statements have been finalized and the audit report is currently being issued by the Statutory Auditors.

Revenue up 9% (5% on an organic basis) to €391.5m

We delivered solid growth in 2018/19 with revenue up 9% to €391.5m. Highlights of the year included the acquisitions of Xceed and Metis Consulting, consolidated as of 04/01/18 and 11/01/18, respectively.

Like-for-like and at constant exchange rates, organic growth came out at 5% for the year.

Annual hiring plan above target and employer turnover slower in the second half

We pursued an energetic recruitment policy throughout the year and hired 800 new people (gross), well above our initial target of 600.

After renewed pressure on resources at the start of the year, the rate of staff turnover eased in the second half to 18% on a 12-month basis, from 21% at the mid-point of the year. We confirm our target of reducing average staff turnover to below 15%.

As of 03/31/19, Wavestone's headcount had increased to 3,094 employees from 2,793 the previous year.

Consultant utilization rate flagged in 2018/19, but daily rates rose

The consultant utilization rate was 75% this year, down from 77% in 2017/18. Following the decline in mid-2018, the rate stayed under pressure through to the year-end, despite intensifying our sales drive from the third quarter.

The rates charged for our services rose 2.8% on an annual basis, outstripping our target increase of 1 to 2% for full-year 2018/19. The average daily rate averaged €872 for the year as a whole, up from €848 one year earlier.

Our order book stood at 3.6 months at end-March 2019, as opposed to 3.7 months at end-March 2018.

Group share of net income grew 16%

At €55.2m in 2018/19, operating income on ordinary activities rose 9% on the previous year. Our EBIT margin remained identical to 2017/18 year at 14.1%. Note that net amortization expenses include €3.7m in amortization for the firm's current investments.

Operating income increased 12% to €52.4m reflecting the lower amortization on customer relations and the reduction in other operating income and expenses.

Group share of net income at end-March 2019 rose 16% year-on-year to €30.8m from €26.6m, giving a net margin of 7.9%, up from 7.4% in 2017/18.

Cash flow tops cost of acquisitions

Wavestone generated a gross cash flow margin of €43.1m in fiscal 2018/19, an increase of 31% year-on-year. Cash flow from operations was €32.6m, reflecting a €10.5m increase in working capital requirements during the year.

Investments totaled €23.3m, primarily for the acquisitions of Xceed (UK) and Metis Consulting (France) in deals worth €21.6m. Financial expenditure came out at €11.1m, in the main used for share buybacks (€8.1m) and dividend payments (€4.1m).

Our consolidated net equity stood at €150.8m at end-March 2019 for net debt of €38.7m, compared with €34.6m one year earlier.

At the next annual General Meeting on 07/25/19, Wavestone will a dividend of €0.23 per share for the 2018/19 fiscal year, an increase of 14%.

Sales drive in 2019/20 to be stepped up following a disappointing end to the year

The year closed on a disappointing note as the slower rate of new order intake compressed the consultant utilization rate, despite the higher rates for our services.

In addition, growing economic uncertainty has started to weigh on demand for consultancy. Clients are increasingly cautious and selective, especially in the banking sector.

The firm's policy to address this environment is to rev up our sales drive, expand our business development team, intensify prospecting and keep a tighter rein on managing our sales activity. At the same time, we will focus on the sectors with the highest growth potential, such as the utilities segment in energy, transport and the public sector.

Continued focus on growth and strategic ambitions confirmed

We are confident of our ability to address this slower growth environment.

We will continue to beef up our staff numbers, even if this means a short-term dent in the consultant utilization rate. The firm has a target of 600 gross new hires in the current fiscal year.

We are maintaining our acquisition policy with the aim of tying up one or two deals this year, preferably in the international market.

In the longer term, we confirm our goals under the Wavestone 2021 strategic plan. These 2021 revenue growth and international market share targets will present tougher challenges, especially in light of flagging growth in recent months and persistently high valuations for acquisitions.

2019/20 targets: 5% revenue growth, at least 13% increase in EBIT margin

Our objectives for fiscal 2019/20 are prudent, in the wake of a disappointing second half and in an uncertain market environment.

We are targeting revenue growth of 5% or higher, including 12-month revenue generated by Metis Consulting, and an EBIT margin in excess of 13%.

These targets are understood to be on a constant forex basis and excluding new acquisitions.

2. Group activity

2.1. How we define our operating indicators

Annual Turnover is the number of employees that leave during the year divided by the number of employees at the end of the year.

The **consultant utilization rate** is the ratio of the number of days actually billed to clients to the number of billable hours worked, excluding vacations.

The **average daily rate** is the average price for a consulting service at a client, calculated as follows:

Revenue from services provided / Number of days billed to clients.

The **order book** is the sum of services ordered and not yet delivered on the measurement date. It is expressed in months as the ratio of the number of net production days to be performed in future months to the number of future production days, based on the projected workforce, utilization rates and planned vacation rates for the coming months.

Note that the change in operating income on ordinary activities corresponds to the combined change in the operating indicators presented above (1. Key events and outlook), which almost entirely explains the change in this metric as a percentage of revenue.

2.2. Consolidated financial statements

The consolidated financial statements at 03/31/19 comprised the financial statements of Wavestone SA, Wavestone Advisors UK, Wavestone Advisors Switzerland, Wavestone Advisors Morocco, Wavestone Advisors and its subsidiaries (Wavestone US, Wavestone Luxembourg, Wavestone Belgium, Wavestone Consulting Switzerland and Wavestone HK), Xceed Group (Holdings) and its subsidiaries (Xceed Group, Wavestone Consulting UK (ex Xceed Consultancy services), Xceed (2007)), M3G and its subsidiaries (Metis Consulting, Metis (Shanghai) Management Consulting and Metis Consulting HK).

At end-March 2018, the Group's consolidated financial statements comprised the financial statements of Wavestone SA, Wavestone Advisors UK, Wavestone Advisors Switzerland, Wavestone Advisors Morocco, Wavestone Advisors and its subsidiaries (Wavestone US, Wavestone Luxembourg, Wavestone Belgium, Wavestone Consulting Switzerland and Wavestone HK).

(in thousands of euros)	2018/19	2017/18	Variation
Revenue	391,530	359,919	9%
EBIT	55,243	50,584	9%
Operating profit	52,430	46,756	12%
Net income, Group share	30,770	26,628	16%

At end 2018/19, consolidated revenue amounted to €391,530k, representing a 9% increase on the 2016/17 figure of €359,919k.

Operating income on ordinary activities stood at €55,243k (after employee profit-sharing), up 9% on the previous year's figure of €50,584k.

Customer-relationship intangible asset depreciation amounted to €2,289k.

Other non-recurring operating charges break down as follows:
- (€607k) in acquisition costs;
- (€39k) booked to cover the relocation of Wavestone Consulting UK to London;
- reversals of provisions for vacating Wavestone Belgium's premises in the amount of €63k;
- transfer of the Metis Consulting lease for €30k.

Taking into account these elements, operating income amounted to €52,430k, representing an increase of 12% compared with the 2017/18 figure of €46,756k.

The cost of net financial debt of €1,678k over the period comprised financial income of €10k and financial expenses of €1,688k. The cost of net financial debt for the previous year amounted to €1,864k. This decrease is the result of a drop in the margin applicable to the interest on the banking facility contract to finance the acquisition of Kurt Salmon's European operations on 01/07/16.

Pre-tax income over the period rose 15% compared with the previous fiscal year, from €43,914k to €50,631k.

Income tax expense in 2018/19 amounted to €19,861k, versus €17,286k the previous year.

Net income for the period rose 16% year-on-year to €30,770k, from €26,628k.

Given the absence of non-controlling interests, the Group share of net income also rose 16% in 2018/19 to €30,770k from €26,628k.

(in thousands of euros)	03/31/19	03/31/18	Variation
Non-current assets	177,409	157,077	13%
o/w goodwill	*140,621*	*118,909*	*18%*
Current assets (excluding cash)	156,112	152,179	3%
Cash and cash equivalents	50,709	52,056	-3%
shareholders' equity	150,810	130,249	16%
Non-current liabilities	81,803	83,913	-3%
o/w financial liabilities	*65,703*	*69,994*	*-6%*
Current liabilities	151,618	147,150	3%
o/w financial liabilities	*23,720*	*16,708*	*42%*
Total balance sheet	**384,230**	**361,312**	**6%**

The consolidated Group boasted net cash of €150,810k at end-March 2019, up 16% from €130,249k at end-March 2018.

Restated for bank borrowings (overdrafts and accrued interest), net cash was down from €51,995k at end-March 2018 to €50,593k at end-March 2019.

Financial liabilities totaled €89,423k at end-March 2019, versus €86,702k the previous year.

Excluding bank overdrafts, financial liabilities came to €89,306k, of which €88,043k in bank debt and miscellaneous financial debt, and €1,263k in borrowings connected with the restatement of leasing contracts. For the record, financial liabilities before bank overdrafts totaled €86,641k at end-March 2018.

Wavestone posted net debt[1] of (€38,714k) at end-March 2019, versus net debt of (€34,646k) in 2017/18.

The elements underpinning growth in net cash are outlined in the table below.

(in thousands of euros)	**03/31/19**	**03/31/18 (Restated) (2)**	**03/31/18 (Reported)**
Gross cash flow margin (1)	*43,071*	*33,915*	*32,899*
Change in working capital requirements	*(10,448)*	*(2,762)*	*(2,762)*
Net cash flow from operating activities	32,622	31,153	30,137
Net cash flow from investments	(23,314)	(4,090)	(3,033)
Net cash flow from financing operations	(11,114)	(13,254)	(13,295)
Change in cash and cash equivalents	**(1,806)**	**13,809**	**13,809**

(1) After cost of net financial debt and current tax expenses.
(2) The Company opted to revise the presentation of the statement of cash flows to improve how it shows the impact of share buybacks, which is now fully factored into net cash flow from financing operations. This change affects the following lines in the table above: "Gross cash flow margin", "Net cash flow from operating activities", "Net cash flow from investments", and "Net cash flow from financing operations".

These mainly include:

- a gross cash flow margin of €43,071k, plus a €10,448k increase in working capital requirements giving a net cash flow from operations of €32,622k over the period;
- cash outlays related to changes in the scope of consolidation in the amount of €21,619k;
- investments amounting to €1,449k;
- treasury shares purchases for €8,070k;
- a dividend payout of €4,054k.

Note that the Company does not have any recourse to factoring or discounting.

2.3. Company financial statements

At the parent company level, Wavestone reported revenue of €308,967k, representing a 13% increase on the 2016/17 figure of €274,228k.

Operating income, before employee profit-sharing, was down 3% year-on-year from €51,091k to €49,472k, resulting in an operating margin of 16%, versus 19% at end-March 2018.

Operating income, before employee profit-sharing, and net reversals of provisions for free-share allotments declined 5% year-on-year from €51,200k to €48,508k. The operating margin comes out at 16%, versus 19% at end-March 2018.

The Company recorded €113k in financial income in fiscal 2018/19, compared with a financial loss of (€843k) at end-March 2018, which can be broken down as follows: €1,267k in income from equity holdings, €203k from the write-back of provisions booked for unrealized forex losses, (€42k) in net forex losses, €328k in interest received on cash investments and capital gains and (€1,644k) in bond-related interest and coupon payments.

Exceptional losses totaled (€2,017k) over the period, of which (€1,893k) corresponded to the value of treasury shares allocated definitively under the Company's free-share plans, (€1,893k) in net capital losses generated on the liquidity contract and (€225) corresponded to the net asset value of (tangible and intangible) fixed assets. The Company recorded an exceptional loss of (€685k) in the previous fiscal year.

Income tax came to €11,868k in 2018/19, compared with €12,328k the previous year.

Employee profit-sharing amounted to €4,162k in 2018/19, compared with €6,678k in 2017/18.

(1) Gross cash less financial liabilities.

Taking all the above into consideration, net income came to €31,538k at the fiscal year-end, compared with €30,558k at end-March 2018.

Shareholders' equity totaled €164,487k at end-March 2019, an increase on the previous year's figure of €137,003k.

Factoring in the bank loan of €88,687k and bond-related debt of €31,081k, net debt at end-March 2019 was (€50,105k), compared with (€44,599k) at end-March 2018.

2.4. Trade payables and receivables

In accordance with the regulations in force since 01/01/09, the year-end balances of trade payables and receivables are presented in the table below.

These amounts are expressed in euros and exclusively concern Wavestone SA.

	Article D.441 I.-1: invoices received unpaid on year-end date with an expired deadline						Article D.441 I.-2: invoices issued unpaid on year-end date with an expired deadline					
(in thousands of euros)	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total 1 day and more**	**0 day**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total 1 day and more**
(A) Late payment installments												
Number of invoices concerned	728					37	2,370					364
Total amount of invoices concerned, incl. tax	16,151	1,637	126	145	275	2,183	67,393	1,497	1,998	1,222	4,109	8,827
Percentage of total amount of purchases in the fiscal year, incl. tax	13.1%	1.3%	0.1%	0.1%	0.2%	2.7%						
Percentage of sales for the fiscal year, incl. tax							17.5%	0.4%	0.5%	0.3%	1.1%	2.3%
(B) Invoices excluded from (A) related to debt and contested or unrecognized receivables												
Number of invoices	Unavailable						Unavailable					
Total amount of invoices concerned, incl. tax	€65k						€89k					
(C) Benchmark payment terms used (contractual or legal terms - article L.441.6 or article L.443-1 of the French Commercial Code)												
Payment terms used to calculate payment delays	Contractual terms			30 or 60 days depending on clients			Contractual terms			30 or 60 days depending on clients		
	Legal terms			60 days			Legal terms			60 days		

At end-March 2019, accrued trade payables comprised payments due to external suppliers in the amount of €12,423k and to internal suppliers in the amount of €8,802k.

Unbilled receivables at the end of the period comprised payments owed by external suppliers in the amount of €28,630k and by internal suppliers in the amount of €6,736k.

2.5. Legal developments in 2018/19

2.5.1. Acquisition of Xceed Group

Established in London in 2003, Xceed Group is a consultancy that specializes in implementing IT transformation programs for major financial services players. Its main services include the planning and delivery of complex IT change programs.

Xceed Group has five main areas of expertise:

- modernizing banking platforms;
- enhancing IT infrastructures;
- customizing payment methods;
- managing digital transformation; and
- IT sourcing.

The company focuses on the financial services industry (accounting for 80% of its revenue), serving banks, insurance companies and financial data processors.

Xceed Group has a headcount of 60 employees based in London and New York, with the vast majority located in London.

For its last fiscal year (ended 11/30/17), the group recorded consolidated revenue of £13.3m (approximately €15.3m), up 8%, and an adjusted EBITDA margin of over 20%. These figures do not include the FIMS (Flexible Infrastructure Managed Services) activity of Xceed Group, which is not part of the acquisition.

This acquisition accelerates the international development of Wavestone in line with the strategic plan, Wavestone 2021.

Xceed Group will play a key role in enriching Wavestone's value proposition in the UK and the US and will help to develop these markets.

For Xceed Group's teams, this acquisition is a fantastic opportunity to become part of a new growth dynamic and benefit from a stronger strike force, with a greater international dimension.

Wavestone acquired 100% of the share capital of Xceed Group (Holdings), and Xceed Group is wholly owned by the firm as of April 2018. The operation involved the carve-out of the FIMS activity, which was excluded from the scope of the acquisition and retained by the shareholders of Xceed Group.

2.5.2. Capital increases

Please see section 3.1.4 for information on capital increases in fiscal 2018/19.

2.5.3. 4-for-1 share split and ISIN code change, starting the 09/04/18

In accordance with the 17th resolution adopted by the combined ordinary and extraordinary shareholders' Meeting on 07/26/18, Wavestone announced a 4-for-1 split of its share price, effective as of the trading session on 09/04/18. The Wavestone share ISIN code was changed to FR0013357621 on the same date. The mnemonic code WAVE remains unchanged.

The former 5,049,123 shares for a par value of €0.10 per share were replaced by 20,196,492 new shares at €0.025 each. The share capital was unchanged at €504,912.30.

As a result, when markets opened on September 4, Wavestone shareholders held four shares for every one they previously owned at 1/4 of the previous trading day's closing share price. No fees were incurred and no actions were required on the part of Wavestone shareholders for the split.

The purpose of the move was to make the share more affordable for investors and improve liquidity, confirming management's close attention to stock market strategy and shareholder relations.

2.5.4. Metis Consulting acquisition

Founded in 2007 and based in Paris, Metis Consulting helps clients transform their supply chain operations, from strategy definition to the implementation of the organizational structures, processes, equipment and the technologies that underpin them.

Metis Consulting's core markets are retail, e-commerce, and luxury goods; its key clients are Carrefour, Fnac Darty, Kering, L'Oréal, LVMH, Maisons du Monde and Saint-Gobain.

Employing some 40 consultants, the firm reported €8.7m in revenue in its last fiscal year ended 03/31/18. It has kept revenue growth on a steady upward trajectory for the past three fiscal years, with an EBITDA margin well above 15% each year.

Both Metis Consulting and Wavestone see the merger as a means of propelling them to the leadership position in the European supply chain. In the short-term, they intend to mark out a differentiating position in supply chain digitization.

Metis Consulting will be positioned to leverage Wavestone's presence and reach across a range of industries to position itself with a larger number of big players.

This deal resulted in Wavestone acquiring 100% of the capital of M3G, which holds 100% of the capital of Metis Consulting, Metis Consulting HK and Metis (Shanghai) Management Consulting.

The acquisition price was €7.6m in enterprise value, with the possibility of a further €2.9m, depending on the Company's performance over the next 18 months.

This acquisition was financed entirely in cash, through the use of credit lines already available to Wavestone from its banking partners.

Metis Consulting's partners are fully on board with the merger, and Jean-Marc Soulier, its CEO, joins Wavestone's Executive Committee.

Metis Consulting is consolidated in Wavestone's financial statements as of 11/01/18.

2.5.5. Intra-group reclassification of Wavestone shares with no impact on control - Conclusion of collective lock-up undertakings on Wavestone shares

Pascal Imbert, Chairman of the Executive Board, informed Wavestone of a transaction to reclassify part of his shareholding, with no impact on control of the Company.

On 03/29/19, Pascal Imbert transferred 4,847,158 Wavestone shares, equivalent to 24% of the share capital, to FIH, a family holding company which he controls. The transfer involved selling 302,158 shares (1) and contributing 4,545,000 shares to FIH, with Pascal Imbert retaining 941,978 shares directly.

At the same time, on 03/29/19, Pascal Imbert also donated FIH shares to his children and his wife, part in bare ownership and part in full ownership, with the specification that he retains the majority of the shares and sole control of FIH. The transaction was performed for the purpose of organizing and managing the succession of Pascal Imbert's shareholding in Wavestone.

At its Meeting of 03/19/19, the French Financial Markets Authority, the *Autorité des marchés financiers*, granted FIH and Michel Dancoisne, Chairman of Wavestone's Supervisory Board, an exemption (2) from the obligation to file a proposed public offering for Wavestone shares (see paragraph 3.1.3 below).

Following these transactions, the concert, now composed of Pascal Imbert, FIH and Michel Dancoisne, holds 48.58% of Wavestone's share capital (unchanged) and 55.16% of the voting rights (compared to 62.03% before the transaction, due to the loss of double voting rights on the shares transferred to FIH).

Finally, on 03/29/19, FIH, Pascal Imbert, Patrick Hirigoyen, Chief Executive Officer and member of Wavestone's Executive Board, and Michel Dancoisne signed two collective lock-up agreements, in accordance with the provisions of Article 787 B of the French General Tax Code, for a period of 2 years (3). One of these agreements can be tacitly extended for an indefinite period, until terminated by one of the parties. Under the terms of these agreements, the signatories collectively undertook to retain 5,453,073 shares, representing 27% of the share capital and 22.62% of the voting rights (based on Wavestone's current share capital and voting rights).

For details on the lock-up agreements, see 3.1.5 below.

2.5.6. Eligibility of Wavestone shares for the PEA-PME plan

For the record, Wavestone set up a PEA-PME (a share-based savings plan designed to finance SMEs and mid-tier companies) in early March 2014, alongside the share-based savings plan (PEA) already in place.

Companies with a staff of less than 5,000 employees, revenues of under €1.5bn and a balance sheet total not exceeding €2bn are eligible for the PEA-PME plan. These eligibility criteria must take into account the fact that the Company may be part of a Group.

In a press release published on 04/23/19, Wavestone confirmed that it complied with all of the PEA-PME eligibility criteria set out in French application decree no. 2014-283, dated 03/04/14.

Consequently, Wavestone shares remain eligible for incorporation into PEA-PME accounts, which benefit from the same tax benefits offered by traditional share-based savings plans (PEAs).

2.5.7. Free share allocation

For details on the free share allocation, see paragraph 3.2 below.

(1) At €27.45 per share, the closing price on 03/28/19.

(2) AMF document no. 219C0493, 03/20/19.

(3) As of the date of registration with the clearing house in the 16th district of Paris.

2.6. Post-closure events

To further its international expansion, Wavestone announced a new, non-capital-holding partnership with Q_PERIOR, a German consulting firm with more than 1,100 professional staff.

Founded in 2011 (from the merger of agens Consulting GmbH, paricon AG and ESPRIT Consulting AG), Q_PERIOR is a digital and management consulting firm. A leader in its home market, Q_PERIOR has a substantial international footprint that extends to Austria, Switzerland, the UK, Bosnia-Herzegovina, the United States and Canada. It reported 10% growth in revenue in 2018 to €195m.

The partnership will allow the firms to capture joint commercial opportunities by leveraging their respective geographies and will boost Wavestone's strengths in the industry market segment.

2.7. Subsidiaries and equity holdings

Information on subsidiaries and equity holdings

12-month fiscal year ended 03/31/19 unless otherwise indicated.

(in thousands of euros) Companies	Country	Revenues	Real growth rate	Real growth rate fixed rates	Operating income*	Operating margin (%)*
Wavestone Advisors UK Ltd	United Kingdom	6,714	48%	48%	1,158	17%
Wavestone Advisors Switzerland Sàrl	Switzerland	7,033	30%	31%	933	13%
Wavestone Advisors SAS	France	108,933	11%	11%	5,830	5%
Wavestone US Inc	United States	6,717	37%	34%	-1,257	-19%
Wavestone Luxembourg SA	Luxembourg	11,349	-23%	-23%	865	8%
Wavestone Belgium SA/NV	Belgium	1,535	-22%	-22%	39	3%
Wavestone Advisors Morocco SARL	Morocco	2,568	13%	11%	398	16%
Wavestone Consulting Switzerland Sàrl	Switzerland	4,094	-45%	-45%	-2,019	-49%
Wavestone HK Ltd	Hong Kong	1,492	24%	19%	280	19%
Xceed Group (Holdings) Ltd (1)	United Kingdom	0	n/a	n/a	13	n/a
Xceed Group Ltd (1)	United Kingdom	0	n/a	n/a	14	n/a
Wavestone Consulting UK Ltd (1)	United Kingdom	10,277	n/a	n/a	713	7%
Xceed (2007) Inc (1)	United States	295	n/a	n/a	-38	-13%
M3G SAS (2)	France	0	n/a	n/a	-26	n/a
Metis Consulting SAS (2)	France	4,519	n/a	n/a	1,174	26%
Metis Consulting HK Ltd (2)	Hong Kong	0	n/a	n/a	-3	n/a
Metis (Shanghai) Management Consulting Co. Ltd (2)	China	0	n/a	n/a	-28	n/a

* Excluding the impact of any free-share plans.
(1) Including the consolidation of Xceed on 04/01/18, change from the prior year not applicable.
(2) Five-month period ended on 03/31/19, taking into account entry into the scope of consolidation on 11/01/18, change relative to the prior year not applicable.

Branches (art. L.232-1-II of the French Commercial Code)

You are hereby informed that the Company has no branches.

Equity acquisitions and takeovers

For more details, please refer to paragraphs 2.5.1 and 2.5.4 above.

Cross or reciprocal shareholdings

None.

Disposal of equity holdings

None.

2.8. Research & Development activity

The Company carries out R&D activities on a regular basis. These R&D activities are capitalized only on an exceptional basis.

Some of these activities are eligible for French research tax credits.

As such, during the 2018/19 fiscal year, Wavestone benefited from a research tax credit in respect of 2018 in the amount of €897k.

2.9. Debt and dividend policy

Wavestone is a growth company and we reinvest the bulk of our earnings to fund further development. Our policy is to pay out 15% of Group share of net income in dividends, while reserving the right to change this percentage in line with our funding needs, cash generation and industry norms.

Dividends paid in the past three fiscal years:

Fiscal year	Number of shares receiving dividends[1]	Dividend paid per share [2]	Portion of dividend eligible for 40% deduction [3]
03/31/18	5,004,501	€0.81	100%
03/31/17	4,929,431	€0.61	100%
03/31/16	4,912,936	€0.41	100%

(1) The Company's treasury shares are not eligible for the dividend. This is the number of shares before the 4-for-1 split of the nominal value of the share.
(2) Before deduction of taxes and social charges.
(3) The Company did not distribute any income eligible for deduction.

On 01/07/16, Wavestone replaced its existing credit lines with a new €120m loan, comprising a credit facility of €95m to finance the acquisition of Kurt Salmon's European activities, and a €25m credit facility to fund the Company's working capital requirement and future external growth transactions (€15m had been drawn down for acquisitions at 03/31/19).

Wavestone contracted a new €50m credit line on 10/30/18, earmarked for future external growth transactions under identical terms and conditions to the 01/07/16 loan. The Company drew down €4.6m of this new credit line at 03/31/19.

3. Share capital and shareholding structure

3.1. Information concerning the share capital

3.1.1. Breakdown of the share capital

Breakdown of the share capital and voting rights

The table below gives a snapshot of Wavestone shareholders at 03/31/19:

shareholders	Number of shares	% capital	Theoretical voting rights	% of theoretical voting rights (1)	Exercisable voting rights	% of exercisable voting rights(2)
Executives and corporate officers	**9,942,433**	**49.23%**	**15,018,232**	**56.06%**	**15,018,232**	**56.59%**
Pascal Imbert	*941,978*	*4.66%*	*1,883,956*	*7.03%*	*1,883,956*	*7.10%*
FIH (family holding company of Pascal Imbert) (3)	*4,847,158*	*24.00%*	*4,847,158*	*18.09%*	*4,847,158*	*18.26%*
Subtotal Pascal Imbert	*5,789,136*	*28.66%*	*6,731,114*	*25.13%*	*6,731,114*	*25.36%*
Michel Dancoisne	*4,022,688*	*19.92%*	*8,045,376*	*30.03%*	*8,045,376*	*30.32%*
Patrick Hirigoyen	*90,953*	*0.45%*	*167,842*	*0.63%*	*167,842*	*0.63%*
Other directors and corporate officers	*39,656*	*0.20%*	*73,900*	*0.28%*	*73,900*	*0.28%*
shareholders with more than 5% of Company shares	**1,228,400**	**6.08%**	**1,746,800**	**6.52%**	**1,746,800**	**6.58%**
Delphine Chavelas	*1,228,400*	*6.08%*	*1,746,800*	*6.52%*	*1,746,800*	*6.58%*
Employees	**1,631,835**	**8.08%**	**2,199,412**	**8.21%**	**2,199,412**	**8.29%**
Treasury stock	**249,083**	**1.23%**	**249,083**	**0.93%**	**0**	**0.00%**
Free float	**7,144,741**	**35.38%**	**7,574,071**	**28.27%**	**7,574,071**	**28.54%**
Total	**20,196,492**	**100.00%**	**26,787,598**	**100.00%**	**26,538,515**	**100.00%**

(1) In accordance with Article 11 of the Company's Articles of Association, holders of fully paid-up shares registered in their own name for more than two years are granted double voting rights. In addition, under Article 223-11 of the General Regulation of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares, including those with no voting rights.

(2) In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights that can be exercised at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights, but does not include shares with no voting rights.

(3) Pascal Imbert retains the majority of shares and exclusive control of FIH.

Total voting rights attached to registered shares: 18,517,250 (1) for 11,926,144 shares.

Total shares with voting rights: 20,196,492.

Total bearer shares with single voting rights: 20,196,492 - 11,926,144 = 8,270,348 (2).

Total theoretical voting rights: (1) + (2) = 26,787,598.

Total shares in treasury: 249,083 (3).

Total exercisable voting rights: (1) + (2) – (3) = 26,538,515.

According to a review of identifiable registered and bearer shares on 03/31/19, approximately 60% of the shares were held by institutional funds and 40% by private shareholders on that date.

28.66% of Wavestone's shares are held directly by Pascal Imbert, the Chairman of the Management Board, and 19.92% by Michel Dancoisne, the Chairman of the Supervisory Board. Acting in concert, these two shareholders jointly own 48.58% of the Company's capital and 55.68% of the exercisable voting rights at 03/31/19.

The analysis of identifiable bearer shares on 03/31/19 also shows that Mrs. Delphine Chavelas owns 6.08% of the share capital. To the best of the Company's knowledge, no other shareholder owns 5% or more of Wavestone's share capital and/or voting rights.

Patrick Hirigoyen is a member of the Management Board and Managing Director of Wavestone.

Other executive directors and corporate officers include Marie-Ange Verdickt (Vice-Chairman), Jean-François Perret, Sarah Lamigeon, Rafaël Vivier and Benjamin Clément (members of the Supervisory Board). Note that Marie-Ange Verdickt is also the Chairman of the Audit Committee and that Rafaël Vivier is Chairman of the Compensation Committee.

Wavestone is controlled by its two founding shareholders. We are committed to strict corporate governance principles and have adopted a two-tier corporate structure with a Management Board and a Supervisory Board. The presence of independent directors on the Supervisory Board ensures that it carries out its supervisory function and represents Company shareholders. Every year, the work of the Supervisory Board includes reviewing strategy, annual action plans and budgets, as well as internal control procedures. The Supervisory Board also conducts a self-assessment survey to evaluate its work, and reviews the independent director status of the members.

The table below details the Company's shareholders for the past three years:

	03/31/19 (3)				04/05/18 (3)			03/31/17 (3)		
shareholders	**Number of shares (1)**	**% capital**	**% of theoretical voting rights**	**% of exercisable voting rights**	**Number of shares**	**% of theoretical voting rights**	**% of exercisable voting rights**	**Number of shares**	**% of theoretical voting rights**	**% of exercisable voting rights**
Executive directors and corporate officers (1) (2)	**9,942,433**	**49.23%**	**56.06%**	**56.59%**	**2,489,339**	**63.71%**	**64.02%**	**2,488,561**	**63.63%**	**64.15%**
Pascal Imbert	*941,978*	*4.66%*	*7.03%*	*7.10%*	*1,447,284*	*37.06%*	*37.24%*	*1,447,284*	*37.08%*	*37.38%*
FIH (family holding company of Pascal Imbert	*4,847,158*	*24.00%*	*18.09%*	*18.26%*	*0*	*0.00%*	*0.00%*	*0*	*0.00%*	*0.00%*
Subtotal P. Imbert	*5,789,136*	*28.66%*	*25.13%*	*25.36%*	*1,447,284*	*37.06%*	*37.24%*	*1,447,284*	*37.08%*	*37.38%*
Michel Dancoisne	*4,022,688*	*19.92%*	*30.03%*	*30.32%*	*1,005,672*	*25.75%*	*25.88%*	*1,005,672*	*25.76%*	*25.97%*
Patrick Hirigoyen	*90,953*	*0.45%*	*0.63%*	*0.63%*	*24,338*	*0.62%*	*0.62%*	*24,256*	*0.62%*	*0.62%*
Other executive directors and corporate officers	*39,656*	*0.20%*	*0.28%*	*0.28%*	*12,045*	*0.27%*	*0.27%*	*11,349*	*0.17%*	*0.17%*
shareholders owning more than 5% of the capital	**1,228,400**	**6.08%**	**6.52%**	**6.58%**	**307,100**	**5.59%**	**5.62%**	**349,600**	**6.14%**	**6.19%**
Delphine Chavelas	*1,228,400*	*6.08%*	*6.52%*	*6.58%*	*307,100*	*5.59%*	*5.62%*	*349,600*	*6.14%*	*6.19%*
Employees (4)	**1,631,835**	**8.08%**	**8.21%**	**8.29%**	**296,471**	**5.30%**	**5.32%**	**255,988**	**4.57%**	**4.61%**
Treasury stock	**249,083**	**1.23%**	**0.93%**	**0.00%**	**37,551**	**0.48%**	**0.00%**	**62,947**	**0.81%**	**0.00%**
Free float	**7,144,741**	**35.38%**	**28.27%**	**28.54%**	**1,836,421**	**24.92%**	**25.04%**	**1,809,786**	**24.85%**	**25.06%**
Total	**20,196,492**	**100.00%**	**100.00%**	**100.00%**	**4,966,882**	**100.00%**	**100.00%**	**4,966,882**	**100.00%**	**100.00%**

(1) For the record, a 4-for-1 stock split took place on 09/04/18 (see 2.5.3).

(2) Messrs Dancoisne and Imbert act in concert.

(3) Under Article 223-11 of the General Regulation of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares, including those with no voting rights. In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights that can be exercised at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights, but does not include shares with no voting rights.

(4) In accordance with Article 17 of the General Regulation of the AMF, as amended on 12/17/13, an employee subtotal was added as of 03/31/14. This employee subtotal was maintained during the fiscal year ended 03/31/19, in accordance with AMF position-recommendation no. 2014-14.

There were no significant disposals of shares by corporate officers as at 03/31/19.

To recap, Pascal Imbert completed an intra-group reclassification that had no impact on control of the Company (see 2.5.5).

3.1.2. Threshold crossings

Threshold crossing (before dividing the par value by 4):

By letter received on 07/23/18, Mr. Michel Dancoisne declared, for the purposes of regularization, that on 07/06/18 he had individually crossed below the threshold of 20% of the share capital of Wavestone and held, on that date, 1,005,672 Wavestone shares representing 2,011,344 voting rights, i.e. 19.96% of the share capital and 25.53% of the voting rights of the Company.

This threshold breach altered the number of shares comprising the Company's capital.

On this occasion, the concert formed by Pascal Imbert and Michel Dancoisne did not cross any threshold and holds, on this date, 2,452,956 Wavestone shares representing 4,905,912 voting rights, i.e. 48.69% of the share capital and 62.26% of the voting rights of the Company, distributed as follows:

	Number of shares	% capital	Voting rights	% voting rights
Pascal Imbert	1,447,284	28.73	2,894,568	36.74
Michel Dancoisne	1,005,672	19.96	2,011,344	25.53
Total concert	**2,452,956**	**48.69**	**4,905,912**	**62.26**

3.1.3. Derogations

Derogation from the obligation to file a proposed public offering for Wavestone shares (Articles 234-8, 234-9(6), 234-9(7) and 234-10 of the General Regulation of the AMF)

After the intra-group reclassification detailed in 2.5.5 above, (i) FIH crossed above the thresholds of 30% of Wavestone's share capital and voting rights and, (ii) Michel Dancoisne individually crossed above the threshold of 30% of Wavestone's voting rights. These threshold crossings placed each of the parties under an obligation to file a proposed public offering for all of Wavestone's equity securities giving access to the Company's capital, in accordance with Article 234-2 of the General Regulation of the AMF.

Accordingly, Michel Dancoisne and FIH applied to the *Autorité des marchés financiers* for an exemption from the obligation to file this proposed public offering for Wavestone shares, on the basis of Article 234-9(6) of the General Regulation for Michel Dancoisne and on the basis of Article 234-9(7) for FIH.

At its meeting of 03/19/19, the *Autorité des marchés financiers* reviewed the request to be exempted from the obligation to file a proposed public offering for Wavestone shares, which would alter the shareholder structure.

Considering first that crossing the thresholds of 30% of the share capital and voting rights of Wavestone by FIH, controlled by Pascal Imbert, arose from a transfer of Wavestone shares by Pascal Imbert to FIH, which he controls, which falls into the category of a reclassification between persons of the same group with no impact on control of Wavestone, and secondly that crossing the threshold of 30% of the voting rights of Wavestone by Michel Dancoisne arose in the context of the concert agreement, which, prior to the proposed transactions, held a majority of the voting rights, the *Autorité des marchés financiers* granted the requested exemptions, on the basis of Article 234-9(7) and (6) of the General Regulation, respectively.

3.1.4. Change in share capital

During fiscal 2018/19, the Company transacted two capital increases to issue new shares under the terms of employee shareholding plans that came to maturity (see 3.2 below).

The Management Board took the decision on the first capital increase during its meeting on 06/26/18 and increased the share capital by €7,120.80, equating to 71,208 shares (284,832 shares after the 4-for-1 share split. See 2.5.3 above).

The second capital increase was decided by the Management Board during its meeting on 07/20/18 and increased the share capital by €1,103.30, equating to 11,033 shares (44,132 shares after the 4-for-1 share split. See 2.5.3 above).

The previous capital transaction was the creation on 05/26/09 of 16,220 new shares through the exercise of stock options granted during the fiscal year ended 03/31/09.

3.1.5. Collective lock-up undertakings

During the past fiscal year ended 03/31/19, Wavestone was informed of two collective lock-up undertakings relating to the Company's securities.

On 03/29/19, FIH, Pascal Imbert, Patrick Hirigoyen, Chief Executive Officer and member of Wavestone's Executive Board, and Michel Dancoisne signed two collective lock-up agreements, in accordance with the provisions of Article 787B of the French General Tax Code, for a period of 2 years. One of these agreements can be tacitly extended for an indefinite period, until terminated by one of the parties. Under the terms of these agreements, the signatories collectively undertook to retain 5,453,073 shares representing 27% of the share capital and 22.62% of the voting rights (based on Wavestone's share capital and voting rights at 03/29/19).

It is recalled that over the past few fiscal years, a number of collective lock-up undertakings relating to Wavestone's securities were entered into as follows:

Collective lock-up undertaking IV. On 01/11/17, certain shareholders concluded a collective lock-up undertaking in accordance with Article 885 I Bis of the French General Tax Code for a period of two years as of 01/12/17, the date of registration with the clearing house in the 16th district of Paris. Thereafter, it will be automatically renewed for an undetermined period, unless notice of termination is given. The signatories of this lock-up undertaking commit to holding the 4,172,400 shares of the Company.

Collective lock-up undertaking V. On 01/11/17, certain shareholders concluded a collective lock-up undertaking in accordance with Article 885 I Bis of the French General Tax Code for a period of two years as of 01/12/17, the date of registration with the clearing house in the 16th district of Paris. Thereafter, it will be automatically renewed for an undetermined period, unless notice of termination is given. The signatories of this lock-up undertaking commit to holding 4,305,200 shares of the Company.

Collective lock-up undertaking VI. On 01/11/17, certain shareholders concluded a collective lock-up undertaking in accordance with Article 787B of the French General Tax Code for a period of two years as of 01/12/17, the date of registration with the clearing house in the 16th district of Paris. Thereafter, it will be automatically renewed for an undetermined period, unless notice of termination is given. The signatories of this lock-up undertaking commit to holding 4,512,840 shares of the Company.

All of these collective lock-up undertakings were signed by Mrs. Delphine Chavelas, who holds more than 5% of Wavestone's share capital and by the following members of the Company's Supervisory and Management Boards:

- Mr. Michel Dancoisne, Chairman of the Supervisory Board;
- Mr. Pascal Imbert, Chairman of the Management Board.

For the record, the collective lock-up undertakings (pursuant to Article 787 B and Article 885 I Bis of the French General Tax Code) concluded on 12/18/10 become null and void on 03/29/17 and were replaced by two collective lock-up undertakings concluded on 12/21/16, signed by the same signatories, i.e. Mrs. Delphine Chavelas and Messrs. Michel Dancoisne and Pascal Imbert.

One of the undertakings was terminated on 05/13/17 and the other, which concerns some 4,931,128 shares, remains in effect.

3.1.6. Trends in the Wavestone share-price performance

The Wavestone share price was €34.30 on 04/03/18 at the beginning of the fiscal year and €27.85 on 03/29/19, a decline of 19%.

All share prices mentioned in this document are the prices at closing on the trading days in question.

3.1.7. Treasury stock: share buyback program

In compliance with the authorizations mentioned in paragraph 4.1.7 "Share buyback program" of this report, Wavestone bought back its own shares on the open market under the conditions laid down by law and within the context of the share buyback program implemented by the Company. This program is described in full in the Registration Document filed on 07/13/18 with the AMF under number D.18-0681 pursuant to Article 241-2 of the General Regulations of the AMF.

As required under Article L.225-211 of the French Commercial Code, all related elements and information at end-March 2019 are disclosed in the notes to the Company's financial statements and summarized in paragraph 4.1.7: "Share buyback program".

Wavestone's treasury stock is limited to the shares bought back within the context of its buyback program.

More details are provided in paragraph 4.1.7 of the "Management Board Report – *General Report*".

3.2. Employee shareholding

Status of employee shareholding

In accordance with Article L.225-102 of the French Commercial Code, we hereby inform you that, on 03/31/19, the current and former employees of the Wavestone company and/or related companies under the meaning of Article L.225-180 of the French Commercial Code, owned 511,241 Wavestone shares (equivalent to 2.53% of the share capital at that date) in a company mutual fund invested in Wavestone shares.

Employee profit-sharing

No employee profit-sharing agreement has been set up within the Group.

Free share plan

At end-March 2019, the Wavestone group had several free share plans.

To allow comparison with the current position, the number of shares given below takes account of the 4-for-1 share split (see 2.5.3).

During the 2018/19 fiscal year, Wavestone granted the following free shares:

Definitive granting of shares under the 07/01/15 plan: "Executive Director Plan no. 10"

For the record, on 07/01/15, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 09/25/13 and implemented a plan to allot existing or future free shares. This plan is referred to as "Executive Director Plan no. 10".

The vesting period for this plan was thirty-six (36) months, which expired on 07/01/18.

The initial number of shares granted was limited to a maximum of 52,640 shares. In accordance with the conditions of the plan, 52,640 shares were granted to five senior executive employees of Wavestone SA at the end of the vesting period.

The shares granted under the "Executive Director Plan no. 10" were previously acquired by the Company during a share buyback program.

Definitive granting of shares under the 07/20/16 plan: "Employee Plan no. 11"

For the record, on 07/20/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/20/16 and implemented a plan to allot existing or future free shares reserved for Wavestone employees, in accordance with the option chosen by them under the Group's employee savings plan. This plan is referred to as "Employee Plan no. 11".

This plan had a vesting period of twenty-four (24) months and expired on 07/20/18.

The initial number of shares granted was limited to a maximum of 55,488 shares. In accordance with the conditions of the plan, 44,132 shares were granted to 660 employees at the end of the vesting period.

The shares delivered under "Employees Plan no. 11" are shares newly created by the Company.

Definitive granting of shares under the 01/28/16 plan: "OneFirm - Switzerland Plan"

For the record, on 01/28/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/22/15 and implemented a plan to allot existing or future free shares. This plan is referred to as the "OneFirm - Switzerland Plan".

The vesting period for the second tranches of the "OneFirm - Switzerland Plan" (concerning beneficiaries belonging to Swiss entities) ended on 06/28/18.

The initial allocation (under tranches 1 and 2) was for a maximum of 8,832 shares for three beneficiaries. In accordance with the conditions of the plan, 5,880 shares (in respect of tranche 2) were granted to 3 senior executive employees of Wavestone Advisors Switzerland at the end of the vesting period.

The shares granted under the "OneFirm - Switzerland Plan" were previously acquired by the Company during a share buyback program.

Definitive granting of shares under the 01/28/16 plan: "OneFirm - France Plan"

For the record, on 01/28/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/22/15 and implemented a plan to allot existing or future free shares. This plan is referred to as the "OneFirm - France Plan".

The vesting period for this plan expired on 06/28/18.

The initial number of shares granted was limited to a maximum of 359,168 shares for 122 beneficiaries. In accordance with the conditions of the plan, 284,832 shares were granted to 101 senior executive employees of Wavestone SA and Advisors at the end of the vesting period.

The shares delivered under the "OneFirm - France Plan" are shares newly created by the Company.

Definitive granting of shares under the 01/28/16 plan: "OneFirm - US Plan"

For the record, on 01/28/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/22/15 and implemented a plan to allot existing or future free shares. This plan is referred to as the "OneFirm - US Plan".

The vesting period for this plan expired on 06/28/18.

The initial number of shares granted was limited to a maximum of 20,608 shares for 7 beneficiaries. In accordance with the conditions of the plan, 9,592 shares were granted to 6 senior executive employees of Wavestone US at the end of the vesting period.

The shares granted under the "OneFirm - US Plan" were previously acquired by the Company during a share buyback program.

Definitive granting of shares under the 01/28/16 plan: "OneFirm - UK Plan"

For the record, on 01/28/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/22/15 and implemented a plan to allot existing or future free shares. This plan is referred to as the "OneFirm - UK Plan".

The vesting period for this plan expired on 06/28/18.

The initial number of shares granted was limited to a maximum of 11,776 shares for 4 beneficiaries. In accordance with the conditions of the plan, 6,872 shares were granted to 3 senior executive employees of Wavestone UK at the end of the vesting period.

The shares granted under the "OneFirm - UK Plan" were previously acquired by the Company during a share buyback program.

Definitive granting of shares under the 01/28/16 plan: "OneFirm - Belgium Plan"

For the record, on 01/28/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/22/15 and implemented a plan to allot existing or future free shares. This plan is referred to as the "OneFirm - Belgium Plan".

The vesting period for this plan expired on 06/28/18.

The initial number of shares granted was limited to a maximum of 2,944 shares for 1 beneficiary. No shares vested the end of the vesting period under the plan conditions.

Definitive granting of shares under the 01/28/16 plan: "OneFirm - Luxembourg Plan"

For the record, on 01/28/16, the Management Board exercised the authorization granted by the combined ordinary and extraordinary shareholders' Meeting of 07/22/15 and implemented a plan to allot stock options on existing or future shares. This plan is referred to as the "OneFirm - Luxembourg Plan".

The vesting period for this plan expired on 06/28/18.

The initial number of options granted was limited to a maximum of 41,216 stock options for 14 beneficiaries. In accordance with the conditions of the plan, 39,256 stock options were granted to 14 senior executive employees of Wavestone Luxembourg at the end of the vesting period.

The options granted under the "OneFirm - Luxembourg" plan became exercisable of 06/29/18.

Initial granting of shares under the 07/02/18 plan: "Employee Plan no. 13"

On 07/02/18, the Management Board partially used the authorization granted to it under the 9th resolution of the combined ordinary and extraordinary shareholders' Meeting of 07/20/16, and implemented a free share plan – "Employee Plan no. 13"–, within the context of the Group's employee savings plan. "Employee Plan no. 13" is reserved for Wavestone employees in accordance with the option they had chosen within the context of the Group's employee savings plan.

Note that, at the initial grant date, there were 1,464 employee beneficiaries and the number of shares to be awarded was 83,000, subject to their definitive granting at the end of the 24-month vesting period on 07/02/20.

Initial granting of shares under the 07/02/18 plan: "Key People Plan no. 13"

On 07/02/18, the Management Board partially used the authorization granted to it under the 9th and 10th resolutions of the combined ordinary and extraordinary shareholders' Meeting of 07/20/16, and implemented a free share plan – "Key People Plan no. 13". The plan concerns the firm's key people, designated as such by the Management Board on the recommendation of the Compensation Committee. Mr. Patrick Hirigoyen, member of the Management Board, is also a beneficiary of this plan.

Note that, at the initial grant date, Wavestone allocated 71,036 shares to 21 employee beneficiaries, subject to their definitive granting at the end of the 36-month vesting period as of 07/02/21.

Principle of non-interference by management in employee shareholder voting

Your Management Board values employee shareholders and set up an employee savings plan a number of years ago to encourage staff to take a share in the Company's capital.

Wavestone also strives to ensure that, within the context of the employee savings plan, employee votes remain truly independent of Management. As such, Wavestone undertakes to ensure that representatives of management do not interfere with employee shareholder voting.

4. Proposals submitted by the Management Board to the 07/25/19 combined ordinary and extraordinary shareholders' Meeting

4.1. Ordinary annual General Meeting resolutions

4.1.1. Approval of the individual and consolidated financial statements - Appropriation of earnings

Individual financial statements (Resolutions 1 and 3)

Your Management Board asks you to approve Wavestone's annual financial statements, comprising the balance sheet, income statement and notes for the fiscal year ended 03/31/19, as presented to you, showing a net profit for the year of €31,537,512.

You are asked to vote to approve a dividend of €0.23 per share.

Based on the shareholder register on 03/31/19, 19,947,409 shares are eligible for a dividend.

This brings the total dividend to €4,587,904, which equates to payout ratio of 15% of the Group's share of net profit.

Profit for the year ended 03/31/19 is allocated as follows:

Legal reserve	€822
Profit	€31,537,512
Appropriation to retained earnings account	€26,948,786
Total earnings distributable and to be distributed	**€4,587,904**

The dividend will be paid in cash as of 08/02/19.

For French tax residents, this dividend is subject to a single flat-rate tax according to Article 200 A of the French General Tax Code at a rate of 12.8%. The tax is applicable, unless the taxpayer has expressly opted for the progressive tax scale. If this option is selected, the dividend is eligible for the 40% reduction referred to in Article 158-3.2 of the French General Tax Code for individuals who are tax residents in France.

If, on the dividend payout date, the number of Company treasury shares that are not eligible to receive dividends has changed, the subsequent difference corresponding to the amount of dividends not paid or to be paid because of this difference shall be credited or charged to the "Retained earnings account", as relevant.

Details of dividends distributed by the Company in the past three fiscal years are given above in 2.9 "Debt and dividend policy".

Pursuant to Article 223.4 of the French General Tax Code, non-deductible expenses as defined in Article 39-4 of this Code amounted to €19,371, making for a tax charge of €6,670.

A table presenting the Company's financial income over the last five fiscal years is attached to this report.

Consolidated financial statements (Resolution 2)

Your Management Board asks you to vote to approve Wavestone's consolidated financial statements for the fiscal year ended 03/31/19, as presented to you, showing consolidated net income for the year of €30,769,799.

4.1.2. Related-party agreements and commitments (4th resolution)

Pursuant to Articles L.225-86, L.225-79-1 and L.225-90-1 of the French Commercial Code, you are asked to:

1/ acknowledge that no new agreements and commitments were authorized, concluded or entered into during the fiscal year ended 03/31/19;

2/ acknowledge the information relating to the previously approved agreement and which continued in effect during the fiscal year ended 03/31/19;

3/ acknowledge the absence of any prior related-party commitments entered into by the Company.

Note that, in accordance with Article L.225-88-1 of the French Commercial Code, the Supervisory Board is required to scrutinize all regulated agreements and decide whether or not it should continue to authorize them.

Pursuant to Article R.225-57 of the French Commercial Code, your Statutory Auditors were duly advised of the related-party agreements cited in paragraph 2/ above and which they describe in their special report.

4.1.3. Appointments and re-appointments to the Supervisory Board (5th, 6th and 7th resolutions)

In the 5th resolution, the Management Board seeks your approval to renew Mr. Rafaël Vivier's appointment as a member of the Supervisory Board for the statutory term of four years, until the close of the ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/23.

In the 6th resolution, the Management Board seeks your approval to renew Mrs. Sarah Lamigeon's appointment as a member of the Supervisory Board for the statutory term of four years, until the close of the ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/23.

The 7th resolution asks you to point Mr. Christophe Aulnette's to the Supervisory Board for the statutory term of four years, until the close of the ordinary General Meeting called to approve the financial statements for the fiscal year ending 03/31/23.

In accordance with Articles L.225-115-3 and R.225-83-5 of the French Commercial Code, you will find information about Mr. Christophe Aulnette in section 1.2.2 of the Corporate governance report.

The grounds for proposing the appointment of Mr. Christophe Aulnette as a member of the Supervisory Board are:

- his strong track record in the development of international technology companies;
- his experience in company transformation in a globalized environment.

Mr. Christophe Aulnette has indicated his acceptance of the appointment in advance and confirmed that there are no obstacles or measures that could preclude from performing the duties of this office.

4.1.4. Statutory Auditors' engagements (8th and 9th resolutions)

In the 8th resolution, your Management Board proposes that you acknowledge that the term of office of Deloitte & Associés as Statutory Auditors has expired and asks you to appoint Auditeurs et Conseils Associés as Statutory Auditors for a term of six fiscal years, i.e. until the ordinary General Meeting called to approve the financial statements for the financial year ending 03/31/25.

In the 9th resolution, your Management Board proposes that you acknowledge that the term of office of BEAS as substitute Statutory Auditors has expired and asks you to appoint Pimpaneau &Auditeurs et Conseils Associés as substitute Statutory Auditors for a term of six fiscal years, i.e. until the ordinary General Meeting called to approve the financial statements for the financial year ending 03/31/25.

4.1.5. Approval of implementation of compensation policy in respect of the 2018/19 fiscal year (10th, 11th and 12th resolutions)

Under the terms of the 11th, 12th and 13th resolutions, the General Meeting of shareholders on 07/26/18 approved the compensation policy for the members of the Management Board and the Supervisory Board (in an ex-ante vote).

In accordance with Article L.225-100 of the French Commercial Code, you are asked to vote on the fixed, variable and exceptional components of total compensation and benefits-in-kind paid or allocated to the Chairman of the Supervisory Board and to the members of the Management Board in respect of 2018/19 (in an ex-post vote).

Your Supervisory Board is proposing three resolutions to fulfill this requirement, for the Chairman of the Management Board (10th resolution), for the second member of the Management Board and the CEO (11th resolution) and for the Chairman of the Supervisory Board (12th resolution), respectively.

Pursuant to the provisions of Article L.225-82-2 of the French Commercial Code, payment of variable, and where relevant, exceptional compensation in respect of the fiscal year just ended to the members of the Management Board and to the Chairman of the Supervisory Board requires the approval of same by the annual General Meeting.

The 10th and 11th resolutions ask you to approve the components of compensation and benefits-in-kind paid or allocated to Mr. Pascal Imbert, Chairman of the Management Board, and to Mr. Patrick Hirigoyen, member of the Management Board and CEO, in respect of the fiscal year ended 03/31/19.

The 12th resolution asks you to approve the components of compensation and benefits-in-kind due or allocated to Mr. Michel Dancoisne, Chairman of the Supervisory Board, in respect of the fiscal year ended 03/31/19.

Details of the compensation and benefits-in-kind paid or granted to members of the Management Board and the Chairman of the Supervisory Board for the 2018/19 fiscal year are set out in the Supervisory Board's report on corporate governance in section 2.3.1 of the Corporate governance report.

4.1.6. Approval of the principles and criteria for determining compensation of corporate officers in respect of the 2019/20 fiscal year (13th, 14th and 15th resolutions)

In accordance with Article L.225-82-2 of the French Commercial Code, the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind allocated to the members of the Supervisory Board and of the Management Board are submitted in a resolution for a vote of the annual General Meeting at least once a year (in an ex-ante vote). These principles and criteria constitute the compensation policy approved by the Supervisory Board, on the recommendation of the Compensation Committee.

In light of this, and in keeping with the previous year, the Supervisory Board submits three resolutions concerning the Chairman of the Management Board (13th resolution), the second member of the Management Board and COO (14th resolution), and the Chairman and members of the Supervisory Board (15th resolution).

If these resolutions are not approved by the General Meeting, compensation will be based on the previous year's.

Note that the payment in 2020 of the variable, and where relevant, the exceptional component of 2019/20 compensation is subject to approval by the General Meeting to be held in 2020, in accordance with the conditions specified under Article L.225-100 of the French Commercial Code.

The 13th and 14th resolutions ask you to approve the principles and criteria applicable to compensation for Mr. Pascal Imbert, Chairman of the Management Board, and Mr. Patrick Hirigoyen, member of the Management Board and CEO.

Under the 15th resolution, you are asked to approve:
- the principles and criteria applicable to compensation for Mr. Michel Dancoisne in his role as Chairman of the Supervisory Board;
- as well as the principles and criteria applicable to the compensation (formerly attendance fees) to be awarded for the 2019/20 fiscal year to members of the Supervisory Board. The Supervisory Board members may receive compensation, broken down into a fixed and variable amount, as presented in the Supervisory Board's report on corporate governance.

A more detailed breakdown of compensation of the Company's Supervisory Board members and the Chairman is given in this report in section 2.3.2 of the Corporate governance report.

4.1.7. Share buyback program (16th resolution)

Current share buyback program

The combined ordinary and extraordinary shareholders' Meeting on 07/26/18 authorized the Management Board, under the 15th resolution, to carry out a new share buyback program, in accordance with the law and regulations. This program followed on from the previous share buyback plan authorized by your combined ordinary and extraordinary shareholders' Meeting on 07/27/17.

As required by law, we inform you that, at 03/31/19, the key features pertaining to the two programs launched one after the other during the 2018/19 fiscal year were as follows:
- 469,659 shares (after the 4-for-1 share split) were purchased during the period at a total acquisition cost of €17,328,298.11, giving an average purchase price of €36.90 per share;

- 264,888 treasury shares (after the 4-for-1 share split) were sold during the period at a total sale price of €9,258,753.04, giving an average selling price of €34.95 per share;
- trading fees incurred by the Company totaled €24,927.73 in fiscal 2018/19;
- 108,312 free shares (after the 4-for-1 share split) were granted to employees during the period, worth €1,792,711.94 measured at acquisition cost, giving an average selling price of €16.55 per share;
- 249,083 treasury shares were on the balance sheet at 03/31/19 for a total market value of €6,936,961.55, calculated at the closing price of €27.85 on 03/31/19; their nominal value was €0.025 per share.

Treasury shares represented 1.23% of the Company's total share capital.

The table below summarizes the objectives of the share buyback program:

	Total (market)	External growth	Shares granted to employees	Exercise of rights attached to securities
Situation at 03/31/18	**7,345**	**0**	**30,811**	**0**
Situation at 03/31/18 after the 4-for-1 stock split	**29,380**	**0**	**123,244**	**0**
Purchases	254,875	0	214,784	0
Sales	(264,888)	0	(108,312)	0
Reallocations	0	0	0	0
Redemptions	0	0	0	0
Situation at 03/31/19	**19,367**	**0**	**229,716**	**0**
Gross carrying value (1) (€)	539,371	0	8,603,429	0
% of share capital at 03/31/19	0.10%	0.00%	1.14%	0

(1) The gross book value of shares is calculated based on acquisition cost for grants to employees and at the closing price for market liquidity transactions.

New share buyback program proposal

Your Management Board asks you to grant a new authorization in principle, based on the main conditions described below. The key features of the new program are as follows:

Objectives

- to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider, in accordance with an ethics charter recognized by the AMF;
- to honor obligations related to the issue of shares and other securities giving access to the Company's share capital;
- to allot or sell shares to employees and/or corporate officers of the Company or of companies within the group, in accordance with the terms and conditions set by law, especially in respect of profit-sharing, share ownership plans, Company and inter-company savings plans, and for the purposes of for the purposes of implementing and satisfying stock option and free share plans;
- to cancel all or some of the shares purchased to reduce the share capital, within the context of, and subject to a valid authorization granted by the extraordinary General Meeting;
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share buyback programs and, more generally, to carry out all operations that comply with the regulations in force with regard to these programs.

Limit

10% of the share capital minus treasury shares currently held.

Financial terms of purchase

Maximum purchase price per share: €70 (excluding expenses) for transactions to promote the market for the Wavestone share and boost liquidity, and €52 (excluding expenses) in other cases.

Cancellation of shares

The combined ordinary and extraordinary shareholders' Meeting on 07/25/19 will be asked to delegate power to the Management Board to reduce the share capital by canceling shares. See resolution 17.

Period of validity

Valid as of the combined ordinary and extraordinary shareholders' Meeting convened on 07/25/19 until the next annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/20 and for a maximum of 18 months, it being understood that the combined ordinary and extraordinary shareholders' Meeting on 07/25/19 will be asked to cancel and replace the previous authorization and program, without interruption, by the new authorization.

Public offering

For the record, since the adoption of the Florange Law on 03/29/14 that eliminates the duty of neutrality of the Board during public offering periods, Management can now make use of authorizations (notably of a financial nature) granted by annual General Meeting during periods of public offers.

Wavestone has nonetheless confirmed its commitment to adhering to the principal of Management Board neutrality during such periods.

Accordingly, the proposed authorization concerning the share buyback program to be granted by the combined ordinary and extraordinary shareholders' Meeting on 07/25/19 will be suspended during periods of public offerings. Therefore, the new share buyback program will not be used by the Board during such periods.

Details of this share buyback program are given in the 2018/19 Registration Document.

4.2. Extraordinary General Meeting resolutions

The following points are submitted for your approval in the extraordinary Meeting. You are asked to:

a) authorize the Management Board to reduce the share capital by canceling shares;

b) authorize the Management Board to issue ordinary shares or securities giving access to the Company's share capital or conferring the right to the allotment of debt securities and/or securities giving access to equity securities to be issued, maintaining shareholders' preferential subscription rights;

c) authorize the Management Board to issue ordinary shares or securities giving access to the Company's share capital or conferring the right to the allotment of debt securities and/or securities giving access to equity securities to be issued, cancelling shareholders' preferential subscription rights in the event of a public offer;

d) authorize the Management Board to issue ordinary shares or securities giving access to the Company's share capital or conferring the right to the allotment of debt securities and/or securities giving access to equity securities to be issued, cancelling shareholders' preferential subscription rights in the event of a private placement;

e) authorize your Management Board to increase the share capital, with or without preferential subscription rights, if oversubscribed;

f) authorize your Management Board to issue ordinary shares or securities giving access to the Company's share capital or conferring the right to the allotment of debt securities and/or securities giving access to equity securities to be issued, with a view to compensating contributions in kind outside the case of a public offering;

g) authorize the Management Board to issue ordinary shares or securities giving access to the Company's share capital or conferring the right to the allotment of debt securities and/or securities giving access to equity securities to be issued, with a view to remunerating contributions in the event of a share exchange bid;

h) authorize the Management Board to increase the share capital for employees who are members of the Company Savings Plan and corporate officers eligible for the Company Savings Plan;

i) authorize the Management Board to allot existing or future free shares to employees and corporate officers of the Company and its affiliates or some of them;

j) authorize the Management Board to increase the share capital through the incorporation of the reserves or profits, issue premiums contributions;

k) ratify the amendments to the Company's articles of association decided by the Supervisory Board.

4.2.1. Authorization delegating power to the Management Board to reduce the share capital by canceling treasury shares (17th resolution)

One of the objectives of the 16th resolution is the cancellation of treasury shares. As a result, we ask you to grant the Management Board the power, with the power to sub-delegate, under the conditions set by law and the Articles of Association, to reduce the share capital, on one or more occasions, by canceling any and all numbers of treasury shares, within the limits authorized by law.

The Company may cancel the treasury shares it holds as a means to achieve various financial objectives, such as implementing an active capital management strategy, balance sheet optimization, or to offset share dilution resulting from an increase in capital.

The ceiling below applies to the number of Wavestone shares that may be canceled. At the date of cancellation, the maximum number of shares canceled by the Company during the twenty-four month period preceding the said cancellation date and including the number of shares to be canceled on that date is capped at 10% of the Company share capital on that date.

This authorization is requested for a period of eighteen months. No capital reduction transactions have been carried out to date.

4.2.2. Financial authorizations to transact Wavestone's share capital

Overview

The combined ordinary and extraordinary shareholders' Meetings of 07/20/16 and 07/27/17 delegated authority to the Management Board to increase the share capital to build loyalty and retain employees and corporate officers.

These authorizations, which have not been used (with the exception of those concerning free share allotments) are due to expire shortly.

Therefore the Management Board asks you to again entrust it with the financial management of the Company and renew these financial authorizations.

You are reminded of the principle of non-interference by the Company's management in how employee shareholders vote (see 3.2 herein).

The purpose of all the financial authorizations and delegations of authority is as follows:

(1) to give the Company greater flexibility and speed to raise financing as needed in the markets for the Company's development;

(2) to give the Company the ability to maintain the loyalty of its employees and corporate officers using the tools provided the Company Savings Plan and/or the Group Savings Plan and/or free share plans.

The resolutions relating to capital increases can be divided into two main categories:

(i) those that would give rise to issues with preferential subscription rights (non-dilutive issues);

(ii) and those that would give rise to issues without preferential subscription rights (dilutive issues).

Any issue with "preferential subscription rights", which are detachable and negotiable during the subscription period, allows each shareholder to subscribe, under the conditions set by law, for a number of shares proportional to their shareholding.

For some of these resolutions, your Management Board asks you to grant it the right to cancel preferential subscription rights. Existing shareholders would, however, have a priority window of at least five (5) trading days under these resolutions, except for the 20th resolution that relates to private placements for which no priority period will be granted.

Note that voting to approve authorizing your Management Board to issue shares and/or securities (i) to remunerate contributions in kind or (ii) within the framework of free share plans, would, by law, entail the express waiver by shareholders of their preferential subscription rights in favor of the beneficiaries of these issues or allotments.

A time limit would apply to each of these authorizations. Moreover, the Management Board may only exercise its right to increase the share capital within the limits of (i) the limits specific to each resolution and (ii) an overall limit set out in the 27th resolution.

Similarly, issues of debt securities would be subject to (i) specific ceilings for each resolution and (ii) an overall limit set out in the 27th resolution.

As in past years, you are reminded by your Management Board that:

- preference shares and securities giving access to preference shares are excluded from the delegations of authority;
- issues are strictly limited to the Company and do not concern subsidiaries;
- the Management Board and the Company's management undertake not to interfere in the voting of employee shareholders;
- the authorizations granted by the combined ordinary and extraordinary shareholders' Meeting on 07/27/17 shall be terminated.

However, your Management Board proposes that the delegations of authority described below and which you are asked to approve will be suspended during the period of a public offering on the Company's shares by another company.

Summary table of resolutions 18 to 28

Common ceiling for all dilutive and non-dilutive issues: 50% of the share capital (27th resolution)	Ceiling applicable to non-dilutive issues: 50% of the share capital	Capital increase maintaining shareholders' preferential subscription rights (18th resolution)	50% of the share capital	26 months
		% over-allotment of the initial issue (21st resolution)	15%	26 months
	Ceiling applicable to dilutive issues: 20% of the share capital	Capital increase without shareholders' preferential subscription rights, but with priority rights in a public offering (19th resolution)	20% of the share capital	26 months
		Capital increase without shareholders' preferential subscription rights in a private placement (20th resolution)	10% of the share capital	26 months
		% over-allotment of the initial issue (21st resolution)	15%	26 months
		Contributions in kind outside of a share exchange bid (22nd resolution)	10% of the share capital	26 months
		Contributions in kind as part of a share exchange bid initiated by the Company (23rd resolution)	10% of the share capital	26 months
		Capital increase reserved for employees/ corporate officers (company savings plan) (24th resolution)	5% of the share capital	26 months
		Capital increase following award of free shares to employees (25th resolution)	5% of the share capital	38 months
		Capital increase following award of free shares to corporate officers (26th resolution)	0.5% of the share capital	38 months
		Incorporation of reserves, profits, premiums or other amounts (28th resolution)	€400k	26 months

Issue of ordinary shares and securities with shareholders' preferential subscription rights maintained (18th resolution)

In the 18th resolution, you are asked to delegate authority to the Management Board, for a period of 26 months, to issue (i) ordinary shares or (ii) complex securities of the Company, in France or abroad, maintaining preferential subscription rights.

The ceilings for this new authorization would be as follows:

(i) for ordinary shares to be issued by the Company: a par value/nominal value of €252,456 which is 50% of the share capital (identical to that authorized by the combined ordinary and extraordinary shareholders' Meeting of 07/27/17);

(ii) for issues of debt securities: a principal amount of €40,000,000 (identical to that authorized by the combined ordinary and extraordinary shareholders' Meeting of 07/27/17).

Renewing this general authorization gives the Company the means to raise funds at any time from the shareholders through the issue of shares or complex securities giving access to the capital, with detachable, negotiable preferential subscription rights.

Issue of shares and securities as part of a public offering, cancelling preferential subscription rights, but with the obligation to grant a priority right (19th resolution)

In the 19th resolution, you are asked to delegate authority to the Management Board, for a period of 26 months, to issue in a public offering (i) ordinary shares and/or (ii) complex securities of the Company, in France or abroad, cancelling preferential subscription rights.

In the event this delegation of authority is used, a priority right for a period of five trading days must be granted to existing shareholders covering the entire issue.

The ceilings for this new authorization would be renewed as follows:

(i) for ordinary shares to be issued by the Company: a par value/nominal value of €100,982.46, which is 20% of the share capital (identical to that authorized by the combined ordinary and extraordinary shareholders' Meeting of 07/27/17).

As in the previous delegation of authority, this is an overall ceiling that would apply to the following dilutive issues: capital increases by virtue of the 20th, 21st, 22nd and 23rd resolutions.

- this ceiling would apply to the total ceiling of 50% of the capital provided for in the 27th resolution.

(ii) for issues of debt securities: a principal amount of €15,000,000 (identical to that authorized by the Combined General Meeting of 07/27/17).

By virtue of applicable law and regulations, the issue price of ordinary shares and complex securities would be at least equal to the weighted average of the Company's share prices during the last three trading days before setting the price, possibly reduced by a maximum discount of 5%.

The ability to issue shares without preferential subscription rights is essential for the Management Board to carry out transactions at the speed required for them to be successful, and which also have the advantage of soliciting a new public offering through issues on foreign or international financial markets.

However, in this type of transactions, the rights of shareholders will be protected by:

(i) the fact that the Management Board is obliged to grand shareholders a five-day priority subscription window, both irreducible and reducible, which is longer than the minimum three-day period provided for in Article R.225-131 of the French Commercial Code and complies with market recommendations;

(ii) the fact that, in accordance with the provisions of the French Commercial Code, the issue price of the shares must be at least equal to the weighted average of the share price during the last three trading days preceding the day on which the price is set, possibly reduced by a maximum discount of 5%.

This delegation complies with market recommendation.

Issue of shares and securities, without shareholders' preferential subscription rights, in a private placement (20th resolution)

In the 20th resolution, you are asked to delegate authority to the Management Board, for a period of 26 months, to issue in a private placement (i) ordinary shares and/or (ii) complex securities of the Company, in France or abroad, cancelling preferential subscription rights and without priority rights.

This delegation is necessary to allow for a private placement and should comply with:

(i) a ceiling of 10% of the share capital (identical to that authorized by the combined ordinary and extraordinary shareholders' Meeting of 07/27/17); the issues carried out pursuant to this delegation shall be deducted from the ceiling set in the 19th resolution (dilutive issues) and within the limit of the overall ceiling in the 27th resolution;

(ii) for issues of debt securities, a principal amount equal to the maximum amount set in the 19th resolution (dilutive issues), i.e. €15m, and within the limit of the overall ceiling set in the 27th resolution.

By virtue of applicable law and regulations, the issue price of ordinary shares and complex securities would be at least equal to the weighted average of the Company's share prices during the last three trading days before setting the price, possibly reduced by a maximum discount of 5%.

The ability to issue shares without preferential subscription rights is essential for the Management Board to carry out transactions at the speed required for them to be successful, and the private placement offers the opportunity to raise the profile of the Paris bourse by offering companies a faster and simpler way to raise funds than through a public offering.

This delegation complies with market recommendation.

Authorization to increase the number of shares to be issued, as part of a capital increase with or without cancellation of shareholders' preferential subscription rights (21st resolution)

The 21st resolution asks you to delegate authority to the Management Board, for a period of twenty-six months, to increase the number of securities to be issued, for each of the issues that may be resolved pursuant to the 18th, 19th and 20th resolutions, under the conditions in Article L.225-135-1 of the French Commercial Code, namely within the limit of 15% of the initial issue and at the same price as that set for this issue (over-allotment).

This authorization would not result in increasing the ceilings set in the 18th, 19th and 20th resolutions.

Because of the potential volatility of the Wavestone share price, the Management Board considers it necessary to renew this authorization to secure, development financing, inter alia.

Issue of shares and securities, without shareholders' preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third companies outside a share exchange bid (22th resolution)

In the 22nd resolution, you are asked to delegate authority to the Management Board, for a period of twenty-six months, to issue (i) ordinary shares and/or (ii) complex securities giving access to other equity securities of the Company, to remunerate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the capital of third parties.

The issue of ordinary shares or complex securities would be issued without shareholders' preferential subscription rights to the securities issued by virtue of this delegation.

Moreover, this delegation would automatically entail a waiver by the shareholders of their preferential subscription rights.

This delegation of authority should comply with:

(i) the ceiling of 10% of the share capital and the issues carried out pursuant to this delegation shall be deducted from the ceiling set in the 19th resolution (dilutive issues) and within the limit of the overall ceiling in the 27th resolution;

(ii) for issues of debt securities, a principal amount equal to the maximum amount set in the 19th resolution (dilutive issues), i.e. €15m, and within the limit of the overall ceiling set in the 27th resolution.

The Management Board considers this authorization necessary to ensure the Company maintains its ability to acquire medium-sized shareholdings in unlisted companies. These acquisitions could then be financed, in whole or in part, in shares or securities, rather than by debt or any other means.

Issue of shares and securities, without shareholders' preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third companies in a share exchange bid (23rd resolution)

In the 23rd resolution, you are asked to delegate authority to the Management Board, for a period of twenty-six months, to issue (i) ordinary shares and/or (ii) complex securities giving access to other equity securities of the Company, to remunerate contributions in kind granted to the Company in the context of a share exchange bid initiated by the Company and consisting of equity securities or securities giving access to the capital of third parties.

The issue of ordinary shares or complex securities would be issued without shareholders' preferential subscription rights to the securities issued by virtue of this delegation.

Moreover, this delegation would automatically entail a waiver by the shareholders of their preferential subscription rights.

This delegation of authority should comply with:

(i) a ceiling of 10% of the share capital and the issues carried out pursuant to this delegation shall be deducted from the ceiling set in the 19th resolution (dilutive issues) and within the limit of the overall ceiling in the 27th resolution;

(ii) for issues of debt securities, a principal amount equal to the maximum amount set in the 19th resolution (dilutive issues), i.e. €15m, and within the limit of the overall ceiling set in the 27th resolution.

Your Management Board believes this authorization to be necessary to comply with market recommendations.

Issue of shares and securities, without shareholders' preferential subscription rights, for employees who are members of the Company Savings Plan and for corporate officers eligible for the Company Savings Plan (24th resolution)

In the 24th resolution, you are asked to delegate authority to the Management Board, for a period of twenty-six months, to increase the share capital by issuing ordinary shares and/or complex securities giving access to ordinary shares of the Company reserved for members of a Company Savings Plan (referred to by Wavestone as the Group Savings Plan) of the Company or of French or foreign companies affiliated with it, within the meaning of Articles L.225-180 of the French Commercial Code and L.3344-1 of the French Labor Code, in accordance with the provisions of Articles L.225-129-2 to L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 et seq. of the French Labor Code, cancelling shareholders' preferential subscription rights.

This resolution also complies with the obligation provided for in Article L.225-129-6(1) of the French Commercial Code, according to which the General Meeting must vote on a draft resolution to work towards a capital increase reserved for employees who are members of a Company Savings Plan, when it decides or delegates its authority to decide on a capital increase.

The ceiling on the nominal amount of ordinary share issues under this authorization is unchanged from the previous authorization and remains set at a maximum amount of 5% of the share capital.

The ceiling of this authorization is in line with market practices and market recommendations; it being specified that this ceiling is independent of the 19th resolution with respect to the limits on delegations of authority to increase the share capital (dilutive issues), and set within the limit of the overall ceiling of the 27th resolution.

The issue of ordinary shares shall be conducted without shareholders' preferential subscription rights. The Company may offer its employees a preferential share price, up to a maximum discount of 30%, calculated on the basis of the average of the opening prices of the Wavestone share on Euronext Paris during the twenty trading days preceding the date of the decision to open subscriptions, specifying, however, that the Management Board may decide to apply a discount that is less than the maximum 30%.

The Management Board may also decide, pursuant to Article L.3332-21 of the French Labor Code, to grant free shares to subscribers of new shares instead of the discount, or as an employer contribution under the Group Savings Plan.

In accordance with applicable law, the proposed transactions may also take the form of sales of shares to members of a Group Savings Plan.

For several years, your Management Board has been authorized to conduct capital increases reserved for employees who are members of the Group Savings Plan, as well as capital increases reserved for entities incorporated for the benefit of Group employees, in accordance with current regulations.

Authorization to be granted to the Management Board to allot existing or future free shares to employees of the Company and its affiliates or some of them (25th resolution)

You are asked to authorize the Management Board, for a period of thirty-eight months, to proceed, on one or more occasions, in favor of employees of the Company or certain categories of them and employees of related companies under the conditions in Article L.225-197-2 of the French Commercial Code, to allot existing or future free shares of the Company, up to a maximum of 5% of the Company's share capital on the date of the Management Board's decision (ceiling identical to that authorized by the combined ordinary and extraordinary shareholders' Meeting of 07/20/16).

Pursuant to Article L.225-197-1 of the French Commercial Code, the free allotment of shares to their beneficiaries may be definitive, subject to fulfilling the other conditions set by the Management Board at the time of their allotment, for all or part of the shares allotted:

- either at the end of a minimum two-year vesting and in this case without a minimum retention period;
- or at the end of a minimum one-year vesting period; in this case it is specified that the beneficiaries must then retain the shares for a minimum period of one year from the date of their final allotment.

The Management Board proposes a minimum vesting period of one year and a minimum retention period of two years from the date of their final allotment, with the option for the Management Board to reduce or waive this retention period provided that the vesting period is at least equal to two years.

Authorization to be granted to the Management Board to allot existing or future free shares to corporate officers of the Company and its affiliates or some of them (26th resolution)

You are asked to authorize the Management Board, for a period of thirty-eight months, to proceed, on one or more occasions, in favor of corporate officers of the Company or certain categories of them and of related companies under the conditions in Article L.225-197-2 of the French Commercial Code, to allot existing or future free shares of the Company, up to a maximum of 0.5% of the Company's share capital on the date of the Management Board's decision (ceiling identical to that authorized by the combined ordinary and extraordinary shareholders' Meeting of 07/20/16).

The Management Board proposes a minimum vesting period of one year and a minimum retention period of two years from the date of their final allotment, with the option for the Management Board to reduce or waive this retention period provided that the vesting period is at least equal to two years.

Wavestone has a longstanding policy of awarding free shares as part of the firm's commitment to ensure its employees and managers share in our growth and success. The share allotments under the "executive" plans are subject to the meeting performance criteria.

The Management Board exercised the authorizations granted by the combined ordinary and extraordinary shareholders' Meeting of 07/20/16 (9th and 10th resolutions) and authorized the allotment of free shares as indicated in in section 3.2 of the Management Board Report – *General Report*, in accordance with the provisions of Article L.225-197-4 of the French Commercial Code.

Wavestone wishes to continue to be able to involve its employees, directors and corporate officers in its development. The free share allotments that would be made under the 25th and 26th resolutions intended to boost their motivation and commitment and to increase their sense of belonging to Wavestone.

Overall ceiling of delegations and authorizations (27th resolution)

In the 27th resolution, you are asked to set at:

(i) €252,456.15, or 50% of the share capital, as the maximum nominal amount of immediate or future share capital increases that may be carried out pursuant to the authorizations granted by resolutions 18 to 26. Each resolution has a sub-ceiling that is included in this overall ceiling.

The par/nominal value of the shares to be issued may be added to the ceiling to safeguard the rights of holders of securities giving access to the share capital in accordance with the law.

(ii) €40,000,000 as the maximum nominal amount of debt securities that may be issued pursuant to the authorizations granted by resolutions 18 to 23. Each resolution has a sub-ceiling that is included in this overall ceiling.

Capital increase by incorporation of reserves, profits, premiums of other amounts (28th resolution)

In the 28th resolution, you are asked to delegate authority to the Management Board, for a period of twenty-six months, to increase the share capital by incorporation of reserves, profits or premiums or other amounts that may be capitalized, followed by the issue and allotment of free shares and/or measurement of the par value of existing ordinary shares.

As in the previous delegation, the maximum nominal amount of ordinary share issues under this authorization would be set at €400,000.

This ceiling would be independent of the limits provided for in the resolutions presented above.

A separate and independent ceiling of €400,000 is justified by the difference inherent in capital increases by incorporation of reserves and other amounts, in that they are non-dilutive (completed either by allotting free shares to shareholders or by increasing the nominal value of existing shares) and do not alter the volume of Wavestone's equity.

4.2.3. Ratification of amendments to the Articles of Association decided by the Supervisory Board (29th and 30th resolutions)

The combined ordinary and extraordinary shareholders' Meeting on 07/27/17, in its 23rd resolution, delegated the power to amend the Company's Articles of Association to comply with laws and regulations to the Supervisory Board, subject to ratification of such amendments by the next extraordinary General Meeting.

Meeting on 12/03/18, the Supervisory Board deleted the term "Works Council" from the Articles of Association and replaced it with "Social and Economic Committee". Article 18-III and Article 27-2 of the Company's Articles of Association have been amended accordingly.

The French PACTE Act, no. 2019-486 DC of 05/22/19 in business growth and transformation removes the concept of "directors' fees" as compensation for Supervisory Board members. Therefore, at its Meeting on 05/27/19, the Company's Supervisory Board amended the Articles of Association accordingly.

4.2.4. Powers for formalities (31st resolution)

This is the standard resolution granting powers to perform the formalities and publicity required by law.

We ask you to vote to approve these ordinary resolutions, followed immediately by the extraordinary part of the combined ordinary and extraordinary shareholders' Meeting.

5. Social report and comments by the Works Council

5.1. Social report

As required by law, Wavestone drew up a social report, in accordance with the provisions of Article L.2323-74 of the French Labor Code, which was reviewed by the Works Council on 05/27/19.

The social report and the observations of the Economic and Social Committee are included in the materials provided to the shareholders. Certain elements in the social report pertaining to the Statutory Auditors' assignment are reviewed in the Statutory Auditors report.

5.2. Observations of the Economic and Social Committee on the economic and social situation of the Company, in accordance with the provisions of Article L.2323-8 of the French Labor Code

None.

The Management Board

05/27/19

2018/19 Management Board Report - Risk Factors and their management

Wavestone has reviewed its risks and considers that there are no significant risks other than those presented below. The risks in each category are classed by probability of occurrence and estimated extent of their potential negative impact.

1. Operating risks

Risk related to human resources

Wavestone's development inextricably depends on recruiting and retaining high-potential employees. The Company's recruitment strategy focuses on young graduates from the most prestigious schools and universities.

Recruitment is a major challenge for Wavestone, given the intense structural competition for the recruits the firm seeks to attract.

To ensure success on this important front, Wavestone invests heavily in recruitment every year. As such, the Company exceeded its 2018/19 objective of recruiting more than 600 employees.

Personnel turnover is another challenge for the Company given that the profiles of its experienced consultants are highly sought after on the market. Wavestone considers its standard turnover rate to be under 15%.

Managing turnover is the joint responsibility of management and the firm's human resources managers. Wavestone has implemented several measures designed to reduce turnover rates, and has notably defined a long-term career development program for all its employees to help unlock their potential. A turnover monitoring system has also been implemented to identify risks of personnel departures so that appropriate measures may be taken to keep them to a minimum.

Wavestone also incorporates, as far as possible, non-solicitation clauses into contracts signed with its clients, suppliers and partners and does everything it can to ensure that these clauses are properly applied.

Wavestone's staff turnover rate rose from 16% in 2017/18 to 18% in 2018/19.

Employee retention will also be the top priority of the firm's HR department in 2019/20. These actions, together with the standardization of HR processes, should help optimize staff turnover management. Nevertheless, Wavestone remains cautious as to when the impact of these measures will be felt.

To make sure our people have the best possible working conditions and to prevent problems like burnout, excessive stress, bullying and harassment, we have set up a staff support unit and put together other actions to identify and monitor employees who are at risk and train management in how to prevent and tackle psychosocial risk.

Client dependency risk

At 03/31/19, the Company's top five and top ten clients accounted for 34% and 50% of revenue, respectively, which represent a fairly significant concentration of the firm's revenues with its main clients. However, the degree of concentration seems to be somewhat less than in the prior year.

It should be noted that the firm's client portfolio is diversified by sector, which minimizes the risk associated with Wavestone's dependency on its main clients. At 03/31/19, the banking and insurance sector accounted for 37% of Company revenues, the energy and utilities sub-sector within industry for 14% and the manufacturing sub-sector within industry for 13%.

Despite this sector diversity, the loss of one of Wavestone's main clients could entail a significant loss in revenue for the Company.

Information system-related risk

As a result of Wavestone's development, the information system is becoming an increasingly important asset for the Company. This system is used to manage business and operations, produce financial statements and communicate internally and externally, and to strengthen and organize the management of the knowledge databases used by all the firm's employees.

An IT disaster recovery plan has been implemented to ensure that all the essential services of the system can be restored promptly regardless of the cause. This plan is reviewed every year. In 2018, the team added a new scenario to the plan for coping with the risk of losing cloud infrastructures in Europe. It also simulated our ability to recover applications and critical data in a new cloud environment in a different region.

Risks related to acquisitions

Wavestone's external growth strategy involves the regular integration of newly acquired companies. This process may take longer or be more difficult than anticipated, especially in terms of human resources, sales, information systems, and internal procedures.

For each acquisition, Wavestone systematically strives to ensure that the management of the acquired company is included in the joint industrial project. This upstream approach facilitates the integration process and reduces the risk of key people leaving.

In addition, throughout the integration process, Wavestone makes sure that:

- its management tools are rapidly rolled out to the new entity so that the Company can have a clear picture of its operations as quickly as possible;
- revenue synergies are implemented, notably by focusing on applying the acquired company's expertise to Wavestone's existing clients;
- operating processes are standardized to enhance efficiency, and pooling possibilities are identified to reduce costs;
- the teams of the acquired companies are integrated into the Group and adopt Wavestone's values and ambitions in their day-to-day activities;
- directors and key employees of the integrated companies play a leading role within the Group.

Client and supplier contract risk

When signing contracts, Wavestone is exposed to the possibility of differences arising from breach of non-disclosure agreements and/or failure to comply with contractual commitments. The firm has thus created a client and supplier contract review checklist, to ensure that all contractual clauses meet the Group's standards. In addition, the firm regularly carries out campaigns to raise employee awareness about respecting confidentiality. Wavestone is also covered by professional liability insurance (see paragraph 5 of this report) and retains a lawyer in the event of a suspected dispute.

Quality risk

The firm uses a range of methods to provide high-quality services. Project managers also receive specific training to help them develop the most advanced skills in their respective fields. These project managers ensure strict compliance with the specifications approved by the client and are responsible for steering the project, in direct collaboration with line personnel on the client side.

The firm has set up a system to monitor quality risk that allows it to track, on a monthly basis, suspected and actual incidents and their resolution through specific action plans.

Nevertheless, some services could prove more difficult to provide than initially estimated and/or certain factors might not have been clearly defined in the specifications. If they are not identified in time, problems such as these, together with major budget overruns on certain projects and the subsequent damage for which the Company may be held liable, could harm Wavestone's reputation.

Risk related to the economic context

The existence of economic cycles, which may reverse sharply, can create uncertainty for Wavestone's activities. This could prompt clients to tighten their budgets and/or suspend projects and, more generally, lead to a decline in demand accompanied by an increase in competition.

In situations such as these, Wavestone has always been able to take measures to minimize the impact of such difficulties. For example in 2012/13, in light of market conditions, Wavestone focused on strengthening its sales resources to mitigate the decline in client demand, and targeted its sales efforts at the sectors and clients with the strongest potential.

More broadly, Wavestone implemented a system enabling it to continuously adapt its sales strategy to respond to trends in demand among its clients and potential clients. The firm has also implemented a continuous monitoring approach to identify macroeconomic events that could have an impact on the Group and to anticipate the adjustments it needs to make.

To date, these measures have proved effective, as the Group has grown every year since its founding. Year after year it has also generated a broadly positive operating margin that has never been less than 8% of revenues in the last 19 years.

Nevertheless, Wavestone cannot guarantee that, in the future, it will be able to successfully deal with all the impacts of any economic downturns that may arise.

Cybersecurity risk

Protecting data entrusted by clients is Wavestone's top cybersecurity priority. Failure to respect the confidential nature of these data is liable to have a significant impact on the clients concerned as well as on the firm, which is contractually committed to protect the information entrusted to it. In this respect, a major security incident involving client data could represent a substantial financial risk for Wavestone and lead to the loss of the client.

A number of additional objectives are being pursued to safeguard information systems, notably the protection of Wavestone's expertise and the image of the firm, compliance with laws and regulations, and the preservation of financial and strategic information.

Wavestone recognizes that the threats are mounting, and has an internal security organization that benefits on a daily basis from the expertise of its Cybersecurity and Digital Trust practice, which relies in particular on:

- Wavestone's incident response teams' ability to handle cybersecurity alerts;
- regular IS security audit campaigns to ensure compliance with IS regulations (concerning personal data management, for example), and with the contractual commitments to its clients. These teams have obtained PASSI RGS/LPM certification (an IS security auditing services qualification delivered/granted by the National Cybersecurity Agency of France, relating specifically to the French general security database (RGS) and military planning law (LPM)) for the five audit activities, as well as ISO 27001 accreditation for security audits and incident response.

This security organization is responsible for implementing, in conjunction with the various Information System Division (ISD) entities, the organizational and technical protection, detection and control measures to ensure the security of the Wavestone client data hosted on its information system. Wavestone's Chief Information Security Officer, who is a member of the Risk Steering Committee, reports directly to Company management every quarter and to the Audit Committee every six months.

The priorities for the multi-year cybersecurity roadmap are:

- building staff awareness of general and specific issues;
- adding new detection and response scenarios to beef up the firm's response capability;
- optimizing how we use and configure IS security and protection systems.

Compliance with GDPR (the European General Data Protection Regulation) was a key project in 2018 that culminated in rolling out a general firm-wide policy and appointing a DPO (Data Protection Officer).

We also took out a cyber insurance policy to cover the consequences of a security incident, which runs from 04/01/19.

Checks are run by our internal audit department to ensure these policies are effectively applied.

Despite all these measures, and given the wide variety and fast-changing nature of these threats, Wavestone cannot rule out the possibility of falling victim to cybersecurity incidents.

Client credit risk

Given that most of Wavestone's clients are large accounts, the risk of client payment default or bankruptcy is limited.

This risk is greater, however, when dealing with SMEs and companies outside the European Union (which account for less than 10% of revenues). In such cases, it is up to management at the relevant Group entity, in conjunction with the Finance Department, to do everything in its power to obtain reasonable assurance of payment.

Moreover, the Company continuously monitors accounts receivable and has implemented processes to ensure their recovery. This involves producing several accounts receivable monitoring indicators and identifying all at-risk trade receivables presented every month to the Steering Committee. In addition, outstanding past-due receivables are reviewed on a quarterly basis by the Finance Department and Senior Management.

Accordingly, at 03/31/19, impaired trade receivables made up 1.0% of gross trade receivables (see note 14 to the 2018/19 consolidated financial statements).

Fixed-price project invoicing risk

This year, fixed-price services accounted for around 60% of Wavestone SA's revenues.

Wavestone has implemented a rigorous project monitoring system, which is supported by the management tools used within the Group. Projects are tracked on an order-by-order basis then split into separate batches (including the fixed-price batch) with a project manager routinely assigned to each order received.

The project manager is responsible for managing the contracted services for all the batches in an order and for monitoring the players involved.

Once a month, the project manager analyzes the costs incurred by each player involved in a batch and prepares a new forecast for the services still to be delivered. This enables the manager, in the case of a fixed-price batch, to determine the percentage of completion, the amount of revenues recognized over the month and any budgeted cost overrun days.

These analyses are automatically communicated to management at the start of every month. In this way, any excesses can be rapidly identified, and the necessary corrective actions implemented.

In recent years, at no time have average overruns exceeded 1% of the total number of productive team working days, excluding vacations. The average overrun in 2018/19 was in fact negative at -1.1%. This year, however, a consolidation project resulted in a significant overrun. This type of project requires very careful management as it falls outside our core business.

Subcontracting risk

Wavestone rarely acts as a subcontractor. Most large account projects are managed directly by the Group, a strategy which ensures its ability to build client loyalty.

Occasionally, however, Wavestone may call on specialized service providers with complementary skills so that it can fully meet its clients' needs on certain projects. As a rule, when Wavestone assumes responsibility for delivering the services rendered by these other companies to its end client, it enters into a subcontracting agreement.

Seasonality risk

The impact of seasonality is limited to the concentration of vacation time taken in July and August as well as in May. This affects the first half of Wavestone's fiscal year (April to September) but does not represent a major risk as the effect is predictable (similar impact from year to year).

Goodwill impairment risk

At 03/31/19, impairment tests were carried out on Wavestone's goodwill.

These impairment tests confirmed the value of goodwill on the basis of the nominal assumptions used.

Sensitivity tests were also conducted, the results of which are disclosed in Note 10 to the consolidated financial statements.

These tests did not lead to any impairment of goodwill in the financial statements at 03/31/19.

Wavestone cannot, however, rule out the possibility that future business or operational difficulties could lead to the impairment of goodwill on the Company's balance sheet.

Dependency on third-party licensed software and products

Dependency on patents and licenses is limited.

Competition risk

Wavestone operates in a highly competitive market with a host of players at the local and international levels. Some of these other companies are strongly positioned alongside the Group, which makes for particularly fierce competition on service quality and price.

2. Legal risks

Regulatory risk

As a player in the management consulting and digital and technological innovation consulting sector, the firm is subject to a variety of constantly changing laws and regulations, which exposes it to the risk of non-compliance with applicable regulations.

Wavestone has implemented procedures designed to ensure as far as possible that the Company complies with all applicable regulatory provisions and meets all its obligations, particularly with regard to labor law.

Third-party liability risk

The firm is exposed to the risk of civil liability for injury to a third-party in the context of its professional relationships.

The firm uses a range of methods and tools to provide high-quality services. Project managers also receive specific training to help them develop the most advanced skills in their respective fields. These project managers ensure strict compliance with the specifications approved by the client and are responsible for steering the project, in direct collaboration with the client's operational contacts.

Nevertheless, it cannot be ruled out that failures may occur in the provision of Wavestone's services. Furthermore, Wavestone cannot guarantee that all the contractual commitments agreed with its clients, suppliers and partners will systematically be fulfilled. Wavestone could be held liable for damage caused by any such failures or breaches of its contractual commitments.

Accordingly, the Company is covered by a professional liability insurance policy (see section 5 "Insurance and protection against risks").

Labor relations risk

Given the nature of its activity, Wavestone is exposed to the risk of complaints from employees that could lead to proceedings before the labor courts. To protect itself against such risk, the Company makes sure to define internal procedures relating to labor law by enlisting the services of specialist external consultancy firms and to harmonize its human resources practices across all Group companies.

All known disputes are reviewed at the balance sheet date, and any provisions deemed necessary are written to cover the risks estimated by Wavestone and its legal partners.

The total amount of provisions written for disputes is given in Note 16 to the consolidated financial statements.

3. Market risk

Liquidity risk

The Company conducted a specific review of its liquidity risk and believes it will be able to meet its future maturities.

At 03/31/19, the Group had gross cash, net of overdrafts, of €50.6 million. Wavestone's policy is to invest its surplus cash exclusively in risk-free money-market instruments which are booked as cash equivalents in the Company's consolidated financial statements. Wavestone does not use factoring or discounting.

On 01/07/16, Wavestone also took out a bank loan in the amount of €120.0 million, comprising:
- a €95.0 million acquisition and refinancing loan to finance the Kurt Salmon acquisition;
  - 40% of this loan will be repaid on maturity in January 2022;
- a €15.0 million credit line to finance future external growth transactions, which was fully drawn down as at 03/31/19;
- an undrawn €10.0 million credit line to finance working capital requirements, if necessary.

On 10/30/18, the firm signed an additional clause to the 01/07/16 loan agreement for a new €50.0 million credit facility earmarked for financing future acquisitions.

At 03/31/19, financial liabilities comprised €89.3 million in bank loans and other financial debt excluding overdrafts, mainly comprising:
- the bank loan contracted on 01/07/16 in the amount of €88.0 million, net of borrowing costs, booked in the consolidated financial statements as a deduction from the value of the loan;
- €1.3 million for leasing contracts.

At 03/31/19, the Company posted net debt[1] of €38.7 million.

(1) Gross cash less financial liabilities.

Wavestone's gross cash flow margin (€43.1 million at 03/31/19) gives the Company ample means to cover our annual financing needs excluding acquisitions (more specifically, changes in working capital requirements and ongoing capital expenditure), as well as bank loan and bond repayment commitments.

In addition, with readily available cash totaling €106.2 million at 03/31/19, the firm has significant financial flexibility.

Readily available cash at 03/31/19 breaks down as follows:

- €50.7 million in cash (cash and cash equivalents and marketable securities, net of overdrafts);
- €45.0 million in available cash in the form of lines of credit;
- €10.5 million in potential overdraft facilities.

Breakdown of the Company's financial debt

<table>
<tr><th></th><th>Main features of borrowings</th><th>Rate</th><th>Amount due at 03/31/19</th><th>Maturity</th><th>Hedges</th></tr>
<tr><td rowspan="4">Loan agreement</td><td>€95.0m acquisition/refinancing loan in two tranches (A & B) repayable semi-annually over 5 years (Tranche A for €57.0m) and at maturity in January 2022 (Tranche B for €38.0m)</td><td rowspan="4">Variable (3-month EURIBOR-Telerate plus a margin of 1% to 2.15% depending on the tranche and leverage ratio)</td><td>€68.8 million</td><td>Tranche A 01/20/21
Tranche B 01/20/22</td><td rowspan="4">Two forward rate agreements:
- Notional amount equal to €32.5m on maturity at 01/20/21 (notional amount of €15m as of 01/20/20), guaranteeing a 0% rate
- Notional amount equal to €17.5m on maturity at 01/20/22, guaranteeing a rate of 0.4%</td></tr>
<tr><td>€15.0m external growth credit line with a repayment schedule running to 2021</td><td>€15.0 million</td><td>01/20/21</td></tr>
<tr><td>Revolving €10.0m credit line with a repayment schedule running to 2021</td><td>Unused</td><td>n/a</td></tr>
<tr><td>€50.0m acquisition loan in two tranches (A' & B') repayable semi-annually (Tranche A' of €15.0m) and at maturity in January 2022 (Tranche B' of €35.0m)</td><td>€4.6 million</td><td>Tranche A' 01/20/22
Tranche B' 01/20/22</td></tr>
</table>

The loan is subject to compliance with a leverage ratio (net financial debt/consolidated EBITDA) calculated every six months and requiring annual certification by the Group's Auditors for each March 31 year-end. At 03/31/19, the Group was in full compliance with this ratio.

Interest rate risk

Interest rate risk is managed by the Company's Finance Department together with its main banks. Company policy is to hedge against any increase in future repayments through the use of derivatives contracted with top-tier banks.

In January 2019, Wavestone took out two forward rate agreements for the bank loan contracted on 01/07/16.

These agreements (caps) guarantee, respectively:

- an interest rate of 0% on a notional amount outstanding of €32.5 million at the 01/20/21 maturity date (notional amount outstanding of €15 million as of 01/20/20);
- 0.4% rate on a notional amount outstanding of €17.5 million at the 01/20/22 maturity date.

Wavestone has not contracted any hedges for the €10.0 million credit line. If the Company were to draw on these lines of credit, it would then consider whether or not it makes economic sense to set up an interest rate hedge.

€6.0 million of the €15.0 million facility was partially hedged by a cross currency swap.

The following table lists the maturities of the Group's financial assets and liabilities:

At 03/31/19 (in thousands of euros)	Rate	Total	< 1 year	1-5 years	> 5 years
Financial assets [1]	Fixed	1,798	1,061	737	0
	Floating	87,625	22,659	64,966	0
Financial liabilities [2]	Fixed	50,709	50,709	0	0
	Floating	0	0	0	0
Net position before hedging	**Fixed**	**48,911**	**49,648**	**(737)**	**0**
	Floating	**(87,625)**	**(22,659)**	**(64,966)**	**0**
Hedging instruments [3]	Fixed	0	0	0	0
	Floating	0	0	0	0
Net position after hedging	**Fixed**	**48,911**	**49,648**	**(737)**	**0**
	Floating	**(87,625)**	**(22,659)**	**(64,966)**	**0**

(1) Cash and cash equivalents.
(2) Floating rate bank loan.
(3) Hedging instruments (see two caps above) not exercised at 03/31/19.

The Company's sensitivity to a +/-1% swing in short-term interest rates is estimated at +/-€270k.

This figure is calculated based on the net position of debt maturing in less than one year, assuming that all the financial assets and liabilities making up this net position mature in one year.

Wavestone's debt and cash positions are monitored by the Finance Department and are subject to monthly reporting. To that end, the Finance Department uses cash management software that is connected directly to its partner banks' data transmission systems.

Currency risk

For the most part, Wavestone invoices its services to clients located in France or the euro zone.

The revenue contributions from non-euro zone foreign subsidiaries (Wavestone Advisors Morocco, Wavestone Advisors UK, Wavestone Advisors Switzerland, Wavestone Consulting Switzerland, Wavestone US, Wavestone HK, Wavestone Consulting UK and Xceed 2007) accounted for 12% of revenues at 03/31/19, from 11% at 03/31/18. Accordingly, Wavestone has a currency hedging policy to cover the risks involved in foreign-currency sales of services and in intra-Group current account advances denominated in foreign currencies.

The Finance Department is in charge of setting up the appropriate financial instruments as soon as a currency transaction shows signs of being a potential source of risk for the firm. In fiscal 2018/19, Wavestone therefore contracted forward currency sales (Swiss franc, pound sterling, US dollar and UAE Dirham) and set up a currency swap.

Equity risk

The only securities owned by the Company are Wavestone treasury shares held under the share buyback program.

At 03/31/19, the Company owned 249,083 Wavestone shares, representing a market value of €6,937k calculated on the basis of the 03/29/19 closing price of €27.85.

The average cost price of all treasury shares in fiscal 2018/19 was €36.71.

In the firm's IFRS consolidated financial statements, Wavestone treasury shares are carried as a deduction from shareholders' equity. Fluctuations in their value have no impact on consolidated income.

With the exception of the above, the Company's policy is to invest its cash and cash equivalents only in risk-free money-market instruments.

As regards sensitivity, a 10% increase (or decrease) in the Wavestone share price would boost (or reduce) shareholders' equity by €694k.

4. Industrial, environment and climate change risks and how we address them

As Wavestone's activities consist exclusively of intellectual services, its impact on the environment is limited. In particular, the use of the firm's assets has a low impact on the environment.

For more details on Wavestone's environmental responsibility, see the "Statement of non-financial performance".

5. Insurance and protection against risks

General policy on insurance

The Company's general policy on insurance is an extension of its significant efforts to prevent and protect itself against risks to its activities.

Wavestone's activity is purely intellectual and comprises consulting and technical expertise services delivered to large accounts. Accordingly, all Group companies are insured by top-tier insurance companies that provide an appropriate level of coverage for their specific activity:
- business interruption and property damage;
- damage caused to clients or third-parties in the performance of the services;
- damage associated with occupational risks, notably accidents occurring during consultant business trips.

Premiums and coverage

Wavestone has taken out the following types of policies:
- premises and equipment insurance;
- employee transport and repatriation insurance;
- operations and professional third-party liability;
- directors' and officers' liability.

There is no major risk that is not covered by external or internal insurance.

The annual coverage ceilings are as follows:

Type of coverage	Guaranteed amount
Operations third-party liability	
• Personal injury	€30.0m per year
• Consequential property/indirect damage	€30.0m per claim
Professional liability	
• Consequential or non-consequential property/indirect damage	€40.0m per year
• Directors' and officers' liability	€50.0m per year
Comprehensive premises and equipment insurance	
• Contents of the premises	€5.9m per claim
• IT equipment	€2.7m per year

The premiums per risk category paid by the Group in 2018/19 are as follows:

Type of coverage	Premiums (in €k)
Third-party liability	€455k
Officer's liability	€57k
Comprehensive premises and equipment insurance	€109k
Transport insurance	€74k
Repatriation insurance	€14k
Retirement capital insurance	€8k
Death insurance	€3k
Workers' compensation insurance	€16k

6. Internal control and risk management

6.1. General framework

In accordance with the requirements under the French Commercial Code for publicly traded companies, in 2007, the AMF published a reference framework for internal control, applicable to fiscal years starting on or after 01/01/07.

This reference framework specifies that all companies are responsible for their own organization and consequently their own internal controls. As such, the framework is not intended to be binding on companies but rather to serve as a guide to help them monitor and, if necessary, develop their internal control procedures without imposing any directives as to how they should be organized.

In January 2008, the AMF, having decided that this reference framework should take greater account of the specific characteristics of small- and mid-cap companies, drafted an implementation guide specifically for SMEs.

In July 2010, the AMF updated its reference framework on internal control for SMEs, notably to include a section on risk management, following the transposition into French law of European directives imposing new requirements on listed companies, particularly regarding the duties of Audit Committee.

In January 2015, the AMF published recommendation no. 2015-01 on the presentation of the Chairman's report, the description of internal control procedures and objectives, risks and risk factors.

AMF recommendation no. 2015-01 was withdrawn as of 10/26/16 and is taken up in the guide to periodic information for companies listed on a regulated market (DOC-2016-05).

This report was drafted on the basis of this reference framework and implementation guide as applicable to Wavestone, as well as interviews with the Chairman of the Management Board and the Chief Financial Officer, a review of the Company's internal documents, and Meetings with the Auditors. This report was approved by the Supervisory Board at its Meeting on 05/27/19.

6.2. Principles

Risk management and internal control procedures play a complementary role in the management of the Company's activities.

By helping to prevent and control the risk of not achieving the objectives set by the Company, these risk management and internal control procedures are key factors in the conduct and oversight of Wavestone's various operations. Nevertheless, neither risk management nor internal control can offer an absolute guarantee that these objectives will be achieved.

Risk management

Risk management is the responsibility of everyone at the Company. It should be comprehensive and cover all the Company's activities, processes and assets.

Risk management is a dynamic system, defined and implemented under the Company's responsibility.

Risk management consists of a set of measures, behaviors, procedures and actions that are adapted to the specific characteristics of each company enabling management to keep risks at an acceptable level for the Company.

Risk represents the possibility of an event occurring, which could have an adverse impact on the Company's personnel, assets, environment, objectives or reputation.

Risk management is a lever that helps Wavestone to:
- create and preserve the Company's value, assets and reputation;
- secure the Company's decision-making and processes to help it achieve its goals;
- ensure that the Company's actions are consistent with its values;
- mobilize employees around a shared vision of the key risks and raise their awareness of the risks inherent in their activities.

Internal control

Wavestone's comprehensive internal control system, defined and implemented under the responsibility of each company within the Group, consists of a set of measures, procedures and actions which:
- contribute to control over the Company's activities, the efficiency of its operations and efficient use of its resources;
- enable the Company to control the significant risks it faces, at the operating, financial and legal levels.

Wavestone's internal control system is notably designed to ensure:
- compliance with the various applicable regulations;
- the proper implementation of the instructions and guidelines established by the Management Board;
- the proper functioning of Wavestone's internal processes, notably those relating to the protection of its assets;
- the reliability of financial information.

6.3. Scope

The Wavestone group comprises Wavestone SA, the parent company, and the following subsidiaries:
- Directly controlled subsidiaries:
  - Wavestone Advisors UK (governed by English law);
  - Wavestone Advisors Switzerland (governed by Swiss law);
  - Wavestone Advisors (governed by French law);
  - Xceed Group (Holdings) (governed by English law);
  - M3G (governed by French law).

- Indirectly controlled subsidiaries:
  - Wavestone US (governed by US law, wholly owned by Wavestone Advisors);
  - Wavestone Luxembourg (governed by Luxembourg law, wholly owned by Wavestone Advisors);
  - Wavestone Belgium (governed by Belgian law, 99.84% owned by Wavestone Advisors and 0.16% owned by Wavestone SA);
  - Wavestone Advisors Morocco (governed by Moroccan law, 95.5% owned by Wavestone SA and 4.5% owned by Wavestone Advisors);
  - Wavestone Consulting Switzerland (governed by Swiss law, wholly owned by Wavestone Advisors);
  - Wavestone HK (governed by Hong Kong law, wholly owned by Wavestone Advisors);
  - Xceed Group (governed by English law, wholly owned by Xceed Group (Holdings));
  - Xceed (2007) (governed by US law, wholly owned by Xceed Group);
  - Wavestone Consulting UK (governed by English law, 94.2% owned by Xceed Group and 5.8% owned by Wavestone SA);
  - Metis Consulting (governed by French law, wholly owned by M3G);
  - Metis Consulting HK (governed by Hong Kong law, wholly owned by M3G);
  - Metis (Shanghai) Management Consulting (governed by Chinese law, wholly owned by Metis Consulting HK).

From an operational point of view, the entire firm is structured around a set of practices representing the Company's areas of expertise.

The Company has implemented an internal control and risk management system adapted to its circumstances.
- the procedures used to prepare and process accounting and financial information are standardized throughout the Firm, taking into consideration the characteristics and legal constraints specific to each country;
- risk management procedures, especially when it comes to oversight of operating activities, also apply throughout the firm, with oversight monitored in each practice in exactly the same way:
  - in effect, for recently acquired subsidiaries, Wavestone's risk management procedures are rolled out and standardized gradually, since risk management remains the direct responsibility of top management at each company;
  - during the transition period, Wavestone top management ensures effective risk management at these subsidiaries.

6.4. Components of the system

Wavestone's risk management processes include:
- risk identification
  - individual interviews conducted by the internal auditor with the owners of the Company's most significant risks;
  - proposed changes to the risk map submitted to the Operational Committee (OPCOM) by the internal auditor;
  - annual updates to the risk map approved by OPCOM and the Audit Committee.
- risk analysis
  - review of potential impacts of the main risks and assessment of their probability of occurrence.
- risk treatment
  - selection of the most appropriate risk prevention and/or treatment approach for the Company.

The structure implemented within the Group and the regular monitoring of internal control and risk management procedures should allow for continuous improvements to the system. The objective is to identify and analyze the main risks and to learn from the risks that have occurred in the past.

Wavestone's Management Board defines the key principles of the Group's internal control procedures. OPCOM then approves the associated rules of conduct and determines their scope.

Once approved, these procedures are appropriately communicated to the teams responsible for their implementation.

A "Risk Steering Committee" was established in 2017 and meets on a monthly basis. It comprises the Chairman of the Management Board, the CFO, the Chief Internal Control Officer and a member of his/her team, the Internal Auditor, the Chief Information Security Officer and two Associate Directors. The Committee is tasked with supervising the internal control and risk management procedures with a focus on three key areas:
- internal control (remediation plans resulting from internal audits, Company procedures, establishment of permanent controls, incident tracking, etc.);
- internal audit (implementation of audit campaigns, approval of remediation plans, risk reassessment, etc.);
- information systems security (IS-specific remediation plans, IT incident tracking, etc.).

Internal control and risk management procedures are adapted to the characteristics of each company and provide:

- a structure that has clearly defined responsibilities and relies on the appropriate information systems, tools and practices;
- the internal distribution of relevant and reliable information, primarily via an enterprise repository for the formalized procedures designed to detect and prevent the major operating and financial risks;
- an inventory of the main identifiable risks.

Internal audits are conducted at the Company level to verify that its internal control procedures are relevant and are being properly implemented by all the entities.

They also help in the risk identification and treatment process.

The 2015-18 three-year internal audit plan ended at 12/31/18 and a new three-year multiannual plan is in place as of January 2019. It is reviewed every year under the responsibility of the Risk Steering Committee and the Audit Committee.

The scope of the internal audit extends to the Company's entire structure and to all its subsidiaries in France and abroad.

It covers all administrative, accounting, financial, business and operational areas and processes.

A process audit involves:

- identifying the key stages of the process and analyzing how they function;
- identifying the potential risks or malfunctions associated with each stage;
- identifying the controls in place for each stage;
- performing an audit of the controls;
- developing remediation plans that incorporate recommendations and corrective actions to address the internal control failures that have been identified.

The remediation plans are then monitored by the Internal Control Department, which ensures that the recommendations and corrective actions are properly implemented within the deadlines set for the departments concerned. If need be, the Internal Control Department helps the other departments implement the recommendations and corrective actions and draw up procedures to add to the enterprise repository.

6.5. Internal audit and risk management stakeholders

The Supervisory Board

Every year, the Management Board reports to the Supervisory Board on the key characteristics of the Company's internal control procedures and risk management system.

The Supervisory Board's risk monitoring scope is extensive, covering strategic, operational, accounting and financial risks. For the latter, it relies on the work of the Audit Committee.

The Supervisory Board may use its general powers as needed to carry out the checks and verifications it considers appropriate or take any other actions it deems necessary.

The Audit Committee

The Supervisory Board may decide to create an ad hoc Audit Committee from among its members or to have the entire Board serve as the Audit Committee. On 07/20/16, the Supervisory Board chose the first option and set up an ad hoc Audit Committee.

As defined by law, the main purpose of the Audit Committee is to monitor issues relating to the preparation and verification of accounting and financial information.

Thereafter, as defined by law, the Audit Committee is responsible for monitoring:

- the process of preparing financial information;
- the effectiveness of the internal control and risk management procedures;
- the independent auditing of the annual and, where applicable, consolidated financial statements by the Statutory Auditors;
- the independence of the Group's Statutory Auditors.

The Audit Committee must include at least one independent member having specific skills in accounting or finance.

The Audit Committee meets at least twice a year to review the Group's consolidated interim and annual financial statements, and as many times as necessary, notably for events deemed important to the Company.

To fulfill its duties, the Audit Committee may meet with the Statutory Auditors and with the managers and directors responsible for the preparation of the financial statements, for cash management and for internal control, outside the presence of corporate officers.

A report on the work carried out at each Meeting of the Audit Committee is drawn up and appended to the minutes of the Supervisory Board Meetings held to review the Audit Committee report.

The Management Board and the Executive Committee/ Operational Committee

The role of the Management Board is to define, implement and monitor the system that is best suited to Wavestone's circumstances and activity. The Management Board is regularly informed of any inadequacies in the system and, if necessary, refers them to the Supervisory Board.

The Executive Committee (EXCOM) comprises the members of the Company's Management Board, as well as all the directors of Wavestone and its French and foreign subsidiaries. The Executive Committee sets the objectives for the Company's operational activities, monitors their progress and delivers monthly reports on the status of ongoing projects.

For the sake of efficiency, however, EXCOM meets in smaller groups to address certain topics such as operating performance controls and business development oversight. One of these subcommittees, the Operational Committee (OPCOM), meets once a month to analyze and monitor:

- performance;
- key events;
- implementation of the action plan;
- risks in each domain.

The Risk Steering Committee – Internal Audit

The Risk Steering Committee monitors the implementation of the Company's internal audit procedures. Its mission is to:

- supervise the implementation of the internal audit plan;
- approve remediation plans (recommendations and corrective actions);
- approve audit reports;
- start audits on request;
- approve annual risk map updates.

Internal audit functions are carried out by the internal audit team which reports to the Risk Steering Committee.

More specifically, the role of the internal audit team is to:

- propose risk map updates to the Risk Steering Committee based on interviews with the owners of the Company's main risks;
- organize and carry out internal audit activities;
- present the results of audits, as well as recommendations and corrective actions, to the Risk Steering Committee.

The Risk Steering Committee – Internal control

The Risk Steering Committee supervises the Company's internal control procedures. Accordingly, its mission is to:

- monitor the implementation of remediation plans resulting from internal audits and verify their effectiveness;
- oversee the production of and updates to the Company procedures to be added to the enterprise repository;
- monitor the rollout of new procedures;
- monitor the implementation of permanent controls;
- track incidents and their remediation.

The Risk Steering Committee – Information Systems Security

The Risk Steering Committee supervises the Company's information systems security procedures. Accordingly, its mission is to:

- approve the security department's roadmap by ensuring that appropriate organizational and technical security measures are implemented in light of the regulations, the risk map and cybersecurity challenges, particularly with respect to the protection of client data;
- monitor the status of the different IT projects and their impact on the Company's risks;
- monitor the results of the security audits of the information system;
- track cybersecurity incidents and their remediation.

The Finance Department

The Finance Department supervises the production of the accounting and financial data for Wavestone and each of its entities.

It oversees the preparation of the management data and indicators provided to the line managers and to the firm's OPCOM and EXCOM.

Accounting functions are performed by the Group's accounting department, with additional support from an external accounting agency. This agency verifies the consistency of the Company financial statements, which it does not produce itself.

In addition, the Finance Department is responsible for formalizing all internal procedures in force within Wavestone.

This internal control function is overseen by the Chief Internal Control Officer who reports to the Finance Department, which is, among others, in charge of supervising implementation of the internal control process as defined by the Risk Steering Committee.

More specifically, the role of the Chief Internal Control Officer is to:
- implement the remediation plans resulting from internal audits and verify their effectiveness;
- oversee the production of and updates to the Company procedures to be added to the enterprise repository;
- ensure the rollout of new procedures;
- implement permanent controls.

The risk owner

All generic risks identified in the risk map have a designated risk owner at the management level.

The risk owner is responsible for:
- understanding the risk in its entirety, at all levels of the organization;
- supplementing the description of the generic risk with specific risks and metrics;
- approving the implementation of actions to treat the risk;
- designating appropriate agents to treat the risk;
- assessing the net probability of the risk, taking into account the controls in place;
- assessing the net financial, legal, HR and other impacts of the risk;
- defending the risk's position on the risk map to OPCOM.

Internal audit challenges the risk owner and reports on the changes to the risk map to the Risk Steering Committee, to the OPCOM and to the Audit Committee.

The process owner

Every process has an owner who is responsible for:
- ensuring the proper implementation of the process and its effectiveness;
- formalizing the process;
- implementing the corrective actions resulting from the internal audit.

Internal control challenges the process owner and reports on the status of the actions to the Risk Steering Committee.

Company employees

Wavestone's enterprise repository containing all applicable procedures is accessible to all the firm's employees via the Waveplace intranet portal.

This platform also provides the employees concerned with the information they need to put the internal control and risk management procedures into practice at their particular level, based on their assigned objectives.

They are not, however, responsible for monitoring the actual implementation of these procedures.

Within the context of internal audit activities, internal resources may be mobilized on a case-by-case basis to conduct audits.

The Statutory Auditors

The Statutory Auditors' legal duties do not include participation in internal control and risk management procedures. They learn about these procedures, rely on internal audits, if carried out, to gain a better understanding of these procedures, and formulate an opinion as to their appropriateness completely independently.

They certify the financial statements, a process which may reveal material risks and major internal control weaknesses that could have a significant impact on the accounting and financial information. The Statutory Auditors submit their observations on the "Management Board Report – *Risk Factors and management*", as they relate to the internal control procedures for the preparation and processing of accounting and financial information, and certify the preparation of the other information required by law.

6.6. Procedures for the preparation and processing of accounting and financial information

The internal control and risk management procedures related to accounting and financial aspects cover the entire Company.

The formalized processes and procedures are available in the Company repository and excerpts are posted on the Company's intranet portal.

Preparation of provisional budgets

Full-year and monthly budgets are drawn up for each Group scope and at the consolidated level at the beginning of each fiscal year. Budget reviews are conducted in November, upon approval of the interim financial statements. Once completed, the budget is submitted to the Supervisory Board.

Managing our business

In Wavestone's industry, enterprise management is essential for monitoring activity. A new enterprise management software product (Wavekeeper), an open source ERP tool, was rolled out on 04/01/17.

These are the main functions:
- enterprise and order intake management;
- managing purchases for resale;
- monthly tracking of time spent;
- revised monthly project estimates (provisional expenses and schedules determined by the project manager);
- invoicing.

This software program is accessible to all staff members, to varying degrees based on their levels of responsibility, via intranet and extranet. Project follow-up is therefore carried out by the software program, which gives a consolidated real-time view of all information related to a given project, notably concerning:
- sales and contractual data;
- the number of business days devoted to the project, provisional expenses, the provisional schedule and project overruns;
- invoicing and what is still to be invoiced, unbilled receivables and deferred income.

Monthly budget tracking and reporting

Data produced by ActiveSys (purchasing, for Wavestone SA only), Wavekeeper (sales and purchases for resale) and Salesforce (sales data), via a decision-making tool, are used by management control to monitor and update the provisional budget on a monthly basis to take into account the latest known budget-related information and business projections.

Data summarized in a monthly dashboard at the individual practice level, and for Wavestone as a whole, provide the following management indicators that incorporate budget actuals and forecasts for the following items:
- revenues;
- operating income on ordinary activities;
- consultant productivity;
- headcount;
- order intake;
- sales price;
- order book;
- cash and cash equivalents;
- accounts receivable (tracking of overdue invoices and unbilled receivables).

The dashboards are reviewed on a monthly basis by the head of each practice and on a consolidated basis by the Management Board and the Finance Department, so that a decision can be made on the corrective measures to be taken, if any.

In addition, a quarterly report on Wavestone's activity is prepared and submitted by the Management Board to the Supervisory Board.

Financial reporting periods

For internal purposes, unaudited accounts are prepared in the first and third quarters so a reconciliation can be performed between accounting and management data. In addition, interim and annual financial statements are audited by the Statutory Auditors, reviewed by the Audit Committee, approved by the Supervisory Board, and published in accordance with applicable legislation and regulations. Wavestone's Statutory Auditors attend the Audit Committee and Supervisory Board Meetings called to approve the interim and annual Company and consolidated financial statements.

The members of the Audit Committee and Supervisory Board can thus speak directly with the Auditors about:
- the accounting principles applied;
- the Auditors' ability to access all the information needed to fulfill their responsibilities, especially regarding consolidated subsidiaries;
- the state of progress of their work, with the knowledge that by the time the financial statements are reviewed by the Supervisory Board, the Statutory Auditors are in the process of finalizing their audits.

The same accounting principles are applied to the preparation of these financial statements throughout the Group (recognition of revenue, provisioning rules, cost-price calculation, rules on cut-off dates, profit-share calculation and tax calculation).

At Supervisory Board Meetings held to approve the interim and annual financial statements, the Management Board presents and comments on the following points:
- the income statement;
- a table presenting the management analysis of the income statement;
- the operating indicators underlying the income statement;
- the statement of financial position;
- the cash-flow statement.

Methods for provisioning risks and disputes

At the close of every interim and annual period, the management control unit reviews all ongoing projects to identify any overruns compared with the provisional budget that may require provisioning.

These provisions are determined based on the project manager's latest monthly revision of the total estimated project budget.

The Finance Department is also informed of any events likely to require provisioning as soon as they occur, namely:
- risk of client bankruptcy (unlikely given that the Company's clients are mostly large accounts);
- unusual recovery difficulties (monthly tracking of aging schedule);
- third-party disputes, particularly with clients, using a quality incident detection system rolled out to all Group entities.

Risks involving quality, invoicing and recovery are reviewed at the close of every quarter by the accounting manager and sales administration manager, with the help of management control. The findings of this review are submitted to the Chief Financial Officer and Wavestone's Management Board to decide what provisions, if any, should be recorded.

Financial statement consolidation

The structure and procedures in place (as described above) enable the parent company to verify its subsidiaries' financial statements.

This includes:
- the Finance Department, which supervises the production of the accounting and financial data for Wavestone and each of its entities;
- EXCOM, which uses the monthly dashboard produced by management control to monitor the achievement of the objectives set for the Company and each domain;
- a reconciliation between the accounting and management data of each of the Group's domain at the close of every quarter or interim period, under the responsibility of management control.

The financial statement consolidation process is carried out by an external accounting firm, in conjunction with the Finance Department, and covers the following controls and checks related to:
- the reciprocity of inter-company balances to be eliminated;
- the consistency of the accounting practices used for the Company financial statements;
- transmission of the financial statements by each of the companies in the format defined by the Group;
- the review of the provisions for pension obligations estimated by an independent actuary;
- the justification for and analysis of all consolidation adjustments, in accordance with applicable accounting rules.

Cash and cash equivalents

Wavestone's centralized cash management structure was set up with a banking partner to:
- optimize the management of the Group's surplus cash;
- provide a centralized real-time view of the cash positions of every company in the Group.

The Supervisory Board receives quarterly reports from the Management Board on the Company's cash position.

Monitoring of off-balance sheet commitments

At the close of every accounting period, the Finance Department compiles the off-balance sheet commitments of every company in the firm.

Quality control of the financial and accounting information disclosed

All financial disclosures are prepared under the direct control of Wavestone's Management Board.

The Finance Department is also responsible for identifying changes in financial disclosure requirements that could affect Wavestone's disclosure obligations.

The requirements related to periodic accounting and financial disclosures to the market are explained in the enterprise repository.

6.7. Procedures related to operating activities

Wavestone's risk prevention procedures related to operating activities specifically cover the key processes used in the Company's business. These notably include:
- project management and monitoring, and service quality;
- human resources management;
- sales monitoring and accounts receivable management;
- information systems security;
- supplier network management.

The Management Board is responsible for keeping the map of the main risks identified up to date.

This analysis is presented once a year to the Audit Committee at the Meeting convened to review internal control and risk management provisions. Procedures include the following:

Procedures involved in project management and monitoring and in-service quality

The management teams of all the Company's practices and domains meet once a month to ensure the operational monitoring of:

- projects (overruns);
- personnel downtime;
- difficulties related to invoicing and to obtaining the documents needed for invoicing (orders or acceptance forms);
- sales price per project.

This monthly Meeting enable the implementation of corrective actions if any operational problems are identified.

Fixed-price project management procedure

This procedure defines the principles for managing a fixed-price project, and in particular the operating rules for each major stage of the life cycle of the project in question, as well as the responsibilities involved in managing operations.

Quality Charter

Wavestone's Quality Charter defines:

- the quality of services rendered to the client;
- the gauge used to measure client satisfaction;
- the principles and methods of the Group's quality policy.

In addition, a system has been set up to transmit quality issues as well as expressions of client satisfaction to the Quality Manager. A set of indicators, drawn up on the basis of this information and a periodic review of the general quality of Wavestone's client relationships, is presented to Group employees to heighten their awareness.

Human resources management procedures

Integration

This procedure covers all the stages involved in Wavestone's new recruits' integration process.

In particular, it defines the actions or work required to ensure the smooth integration of new employees into the Group and identifies the persons in charge of the integration process.

Annual personnel interviews and appraisals

This procedure defines how each employee is monitored by the Career Development Managers (CDMs), using a standard form and an individual interview matrix.

Recruitment and retention

These procedures describe all the actions taken by the Group to achieve its personnel recruitment and retention objectives.

They also define monthly recruitment and personnel turnover tracking dashboards.

Business activity tracking procedures

Business activity tracking is facilitated by the establishment of leading indicators produced by the Salesforce business information system.

Business proposals

Business proposals are developed using a pre-defined format incorporating standard terms and conditions (confidentiality, invoicing and payment terms, travel expenses, non-solicitation of personnel, insurance/liability, etc.) to guarantee the commitments made therein.

Contracts (applicable solely to France)

Contracts are negotiated and signed based on adherence to internal compliance criteria, which are summarized in a contract review form.

Invoicing

Invoicing is managed by the Sales Administration Department, which works closely with the sales teams and project managers throughout the lifecycle of the project.

Collections

A dedicated collections team oversees the firm's inflows and manages all payment recovery problems. It works closely with the Sales Administration Department, the sales teams and the project managers.

Information systems security procedures

Security Charter

This charter sets out certain principles and rules designed to ensure an effective and uniform level of protection that is adapted to the sensitivity of information across the Group's information system.

Information systems protection

The measures implemented concern, for example, data confidentiality, protection against intrusions and viruses, system redundancy and data backup.

This is supplemented by an IT disaster recovery plan, implemented within the context of a broader business continuity plan.

Supplier management procedures

The ActiveSys purchasing module (for Wavestone purchases, Wavestone SA only) and Wavekeeper (for purchases for resale) digitized our management of the supplier network.

Expenses incurred

Each expense incurred must be accompanied by a purchase order (PO) issued in the standard firm format by the relevant budget manager or any other authorized person.

A list of persons authorized to approve POs is circulated by internal memo.

Invoice approval

Every invoice is matched against the corresponding purchase order and approved by the relevant budget manager or any other authorized person. Invoices are recognized only when they have been matched with their corresponding purchase order and if both these documents have been previously approved.

A list of persons authorized to approve invoices is circulated by internal memo.

Payment

All invoice payments, regardless of the means of payment, must be approved beforehand by the cash management team. In particular, the team verifies the amount and the supplier's banking details and makes sure the invoice has not already been paid.

A list of authorized signatories for payments is circulated internally and to the firm's partner banks.

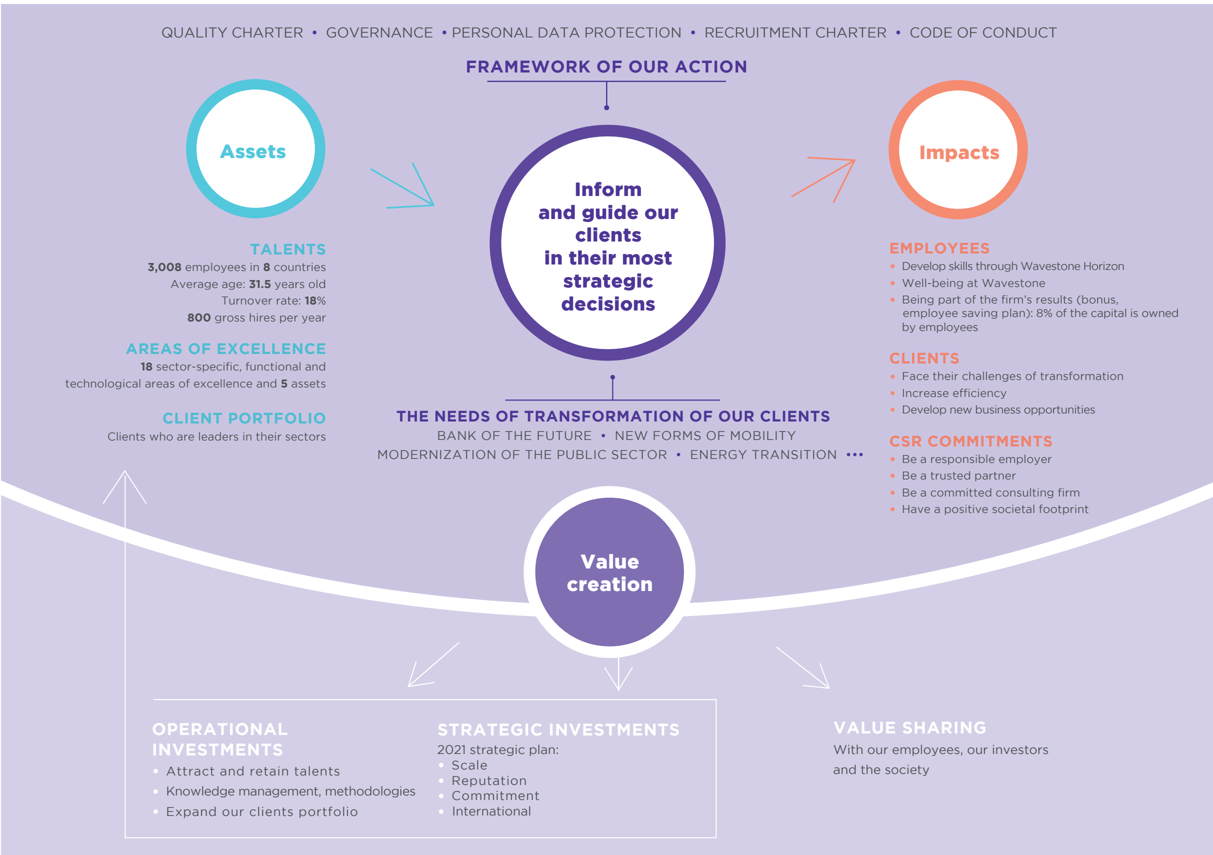
2018/19 Management Board Report - Statement of non-financial performance

This statement of non-financial performance describes Wavestone's Corporate Social Responsibility (CSR) approach, strategy and actions. It forms an integral part of the Management Board Report and is made up of five sections:

1. Presentation of the Company's business model.
2. Presentation of the Company's general CSR strategy and its principal non-financial risks.
3. Information on how Wavestone incorporates the social, societal and environmental consequences of its activities, as well as the effects of these activities on human rights, anti-corruption and anti-tax evasion matters, pursuant to Articles L.225-102-1 and R.225-104 of the French Commercial Code [(1)].
4. The methodology note regarding Wavestone's 2018/19 non-financial reporting.
5. The independent Auditor's certificate of presence and limited assurance report on the Company's social, societal, environmental and economic information.

The 2018/19 fiscal year was Wavestone's third year of non-financial reporting, in accordance with the reporting framework in Articles L.225-102-1 and R.225-104 of the French Commercial Code. Unless indicated otherwise, this report traces the comparability of quantitative data for the past fiscal year. Changes in the scope of consolidation are detailed at the end of the methodology note (paragraph 4). Since 2013/14, Wavestone's published CSR information has been verified by an external independent body.

1. Presentation of the Company's business model



(1) Wavestone has not made specific commitments to reduce food waste and food insecurity, protect animal welfare or to promote responsible, fair and sustainable nutrition. These matters are not significant challenges for the firm's business activities.

2. Wavestone's general CSR approach and strategy

Launched in 2011, Wavestone's CSR approach is based on three main objectives:

- to conduct itself as a responsible business in its environment and sphere of influence;
- to contribute towards enhancing the quality of its relationships with stakeholders;
- to ensure the compliance of the Company with applicable legal and regulatory obligations.

Corporate social responsibility is one of the 4 key challenges defined in the "Wavestone 2021" strategic plan drawn up in December 2016. Our objective is to achieve a top-3 CSR ranking (in our class) in the Gaïa-Index every year over the period.

We engaged a specialist consulting firm to carry out a CSR audit in 2017/18 and draw up a "performance/importance" matrix based on ISO 26000. On the basis of those findings, the firm overhauled CSR strategy by defining 4 key focus areas and 7 commitments to address the most strategically important priorities for Wavestone's core business.

Wavestone is strongly committed to deepening staff engagement and buy-in and, in January 2018, launched an employee consultation to check that the proposed focus areas are aligned with their concerns and to develop the appropriate action plan. This survey involved over 25% of the firms employees worldwide.

In 2018/19, we concentrated on communicating and rolling out this new strategy. We made a presentation to the bulk of our internal (employees, the Executive Committee, etc.) and external stakeholders (shareholders, partner organizations, etc.) to secure maximum buy-in.

Alongside the "Wavestone 2021" strategic plan, the Company has decided to base its action plan on 8 main objectives:

2021 objectives	Performance at 03/31/18	Performance at 03/31/19
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	30% and 36%, respectively	28% and 38%, respectively
Achieve 30% representation of women on the Executive Committee	17%	15%
Triple the number of employees with disabilities (objective 33)	11 at 12/31/17	15 at 12/31/18
Have trained 100% of employees (1) in business ethics	No training	Training being developed
Have trained 100% of employees (1) in data protection	70% of new hires 13% of employees	86% of new hires 71% of employees
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	No policy	Policy being drafted
Draw up a responsible consulting charter and train all employees (1) in how to follow it	No charter	Charter being drafted
Devote 1% of the firm's time to supporting social organizations	Approximately 0.16% (2)	0.24%

(1) Employees who have been with the Company for at least 1 year.
(2) The number has been recalculated: [number of days worked / (218*headcount as of 03/31/N)].

2.1. CSR governance approach

CSR implementation and steering

Wavestone's CSR approach and strategy are defined and implemented by a multidisciplinary Steering Committee which represents the Company's key challenges in terms of CSR. This Committee comprises the Chairman of the Management Board, the CEO of Wavestone SA, the Director of Human Resources, the Director of Communication and Treasurer of the Wavestone Corporate Foundation, as well as the Head of Recruitment, the Head of CSR and the CSR Sponsor (Partner).

This Committee is in charge of defining Wavestone's CSR policy and monitoring the Company's social, societal, environmental and economic performance.

Operational organization

Wavestone's CSR strategy is implemented operationally by a five-strong CSR team headed up by the CSR manager who reports to the HR Department. The manager is in charge of coordinating projects in different areas (social, societal, environmental, economic), as well as employee awareness actions, and the consolidation of non-financial reporting.

We stepped up support for the team in September 2018 by an organization in 4 teams of two (one for each priority area) whose role is to steer successful implementation of the action plan and guide working groups of volunteer employees to achieve their goals. These pairs meet quarterly with the CSR team to discuss progress with projects under way and make sure we stay on course to achieve our targets.

What's more, we have CSR ambassadors at each location to implement action plans locally and help to spread the word.

CSR strategy monitoring

Once a year, the Company's CSR strategy is presented to, and debated by the Supervisory Board.

2.2. CSR awards and labels

In 2018/19, Wavestone received several awards for its actions in terms of CSR.

- **Gaïa-Rating**: this benchmark SRI reference index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies according to their level of commitment to non-financial transparency and their sustainable development performance (CSR policy, HR management, management of environmental impact, etc.). In October 2018, Wavestone topped the Gaïa-Rating for companies in our segment (firms with revenues of between €150m and €500m) for the second year in a row.
- **Ecovadis**: an independent non-financial rating agency specialized in four aspects of CSR performance assessment (social, environmental, business ethics and responsible purchasing).

In 2018, Wavestone was awarded a "Gold" rating from Ecovadis, with a score of 72/100, an improvement of 12 points on the previous year.

- **Great Place To Work® label** awarded by the Great Place to Work France Institute. Based on an internal survey involving all of the Company's employees and an assessment of its HR practices, this label recognizes companies that create a positive work environment. For its third year taking part, Wavestone ranked in the top 5 best companies in France with more than 500 employees. 82% of our people say it's a Great Place to Work®.
- **Happy Trainees label** awarded by Meilleures-Entreprises.com. Based on an anonymous satisfaction questionnaire addressed to the interns of the companies being assessed, this independent label rewards firms for how they welcome, accompany and monitor their trainees. 2019 was Wavestone's fifth consecutive year to be awarded the Happy Trainees label.
- **ISO 27001 Certification**: of the Information security management system. First obtained in September 2014 and renewed in September 2017 for three years as part of security audit and digital investigation services for information systems at the Paris and Nantes sites.

2.3. CSR commitments

We are committed to the:

- **Global Compact**: in 2018/19, Wavestone renewed its membership of the UN Global Compact and its commitment to align its operations and strategy with the ten universal principals applying to human rights, labor standards, the environment and the fight against corruption.
- **Corporate Parenthood Charter**: as a signatory of the Charter since 2013, Wavestone is committed to promoting parenthood-related representation within the Company, creating a working environment that is conducive to working mothers and fathers, and respecting the principle of non-discrimination in the professional development of parents in the workplace.
- **Global Positive Forum:** Wavestone took part in the Global Positive Forum in December 2018 as a partner and signed the 20 proposals for future generations.

We also work with a range of different organizations that address key concerns for the firm, such as *Elles Bougent*, AFMD and Hack Academy.

3. Information on Wavestone's social, societal, environmental and economic performance

Forward

In accordance with Articles L.225-102-1 and R.225-104 of the French Commercial Code, we reviewed the firm's main non-financial risks based on an analysis of their materiality, relevance, and how important they are in an assessment of financial risks.

This section complies with the provisions in Articles L.225-102-1 and R.225-104 of the French Commercial Code on corporate transparency obligations with respect to social, societal and environmental matters and on disclosures relating to anti-corruption, initiatives to promote human rights and measures to curb tax evasion.

Details of the Company's CSR reporting methodology are provided in paragraph 4.1. Wavestone's 2018/19 reporting scope includes all of the Company's subsidiaries, including acquisitions during the fiscal year[1].

3.1. Social information

We are committed to being a socially responsible and engaged employer. We make two commitments under the new RSE strategy:

- promote diversity and equal treatment of employees and job applicants;
- promote the development and self-fulfilment of all our employees.

Achieving these goals is under the responsibility of the Director of HR development. Wavestone has engaged substantial resources, since the Company's success essentially hinges on its ability to attract and retain the best talent on the market and develop their potential.

Organization of the HR Development Department

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. To do this, the Department is assisted by:

- a central HR development team, which includes the CSR team;
- decentralized HR development teams within each of the firm's domains;
- a recruitment team in charge of carrying out the firm's recruitment strategy;

(1) Acquisition of Xceed in April 2018 and Metis Consulting in November 2018.

- a personnel management team, in charge of pay and administrative management operations; and
- a team dedicated to facility management and conditions in the workplace.

For the record, Wavestone's HR strategy is presented in the corporate part of the Company's Registration Document.

3.2. Employment

1) Total workforce

At 03/31/19, Wavestone's total workforce stood at 3,094 employees, up 10.8% on the previous year (2,793).

The Company's workforce breaks down as follows:
- 64.3% of employees are under 30 years of age;
- 38.6% of employees are women;
- 89.7% of employees are based in France;
- 82.0% of employees are based in the Paris region (Wavestone head office);
- 3,017 permanent employment contracts, which represents 97.5% of the total workforce; of these, 89.5% are in France;
- 77 non-permanent employment contracts, of which 3 are fixed-term contracts and 74 are apprenticeship contracts;
- 3 job categories: consulting; sales; back office.

2) Breakdown of workforce by gender, age, geographic region and job category

Breakdown by gender

We are committed to promoting gender equality and consistently support measures to ensure strict non-discrimination in the workplace.

(% of total workforce)	At 03/31/19	At 03/31/18	At 03/31/17
Men	61.4%	63.6%	64.0%
Women	38.6%	36.4%	36.0%
Breakdown for consultants			
Men	65.2%	67.4%	68.4%
Women	34.8%	32.6%	31.6%

For more details, see 3.2.6 "Equal opportunities".

Breakdown by age

The average age of Wavestone's workforce at 03/31/19 fell slightly from 32 to 31.5 years. The following table gives a breakdown of the Company's workforce by age:

(% of total workforce)	At 03/31/19	At 03/31/18	At 03/31/17
18-25 years	15.9%	13.5%	13.7%
25-30 years	48.3%	48.0%	45.5%
30-50 years	29.2%	32.1%	34.5%
> 50 years	6.6%	6.4%	6.3%
o/w over 55 years	*3.3%*	*2.7%*	*2.5%*

Average length of service

The average length of service at 03/31/19 for all positions was down slightly year-on-year to 4.3 years.

	2018/19	2017/18	2016/17
Total Group	4.3 years	4.5 years	4.5 years
Consultants	4.1 years	4.2 years	4.2 years

Breakdown by geographic area

All our Paris-based teams work at the Paris La Défense office. Wavestone has three other French offices – in Lyon, Marseille and Nantes – and seven offices abroad: Casablanca (Morocco), London and Edinburgh (UK), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York (USA) and Hong Kong.

(% of total workforce)	At 03/31/19	At 03/31/18	At 03/31/17
Paris region	82.0%	82.7%	82.6%
Regional offices	7.7%	7.8%	7.8%
International	10.3%	9.5%	9.5%

Breakdown by job category

The breakdown by job category (consulting, sales and back office) of the Company's workforce is given in the table below:

(% of total workforce)	At 03/31/19	At 03/31/18	At 03/31/17
Consultants	89.0%	89.0%	88.0%
Sales teams	3.0%	3.0%	3.0%
Back office staff	8.0%	8.0%	9.0%

At 03/31/19, Wavestone employs 2,743 consultants, of which 51 on skills-acquisition or work-study contracts.

3) Hirings and departures

Recruitment policy

The firm's recruitment policy prioritizes young graduates, recruited mainly from the most prestigious engineering and business schools and universities. In addition, as part of its pre-employment strategy, the Company takes on over 350 trainees every year (in the form of sabbaticals and end-of-studies internships) and trainee positions. For example, in 2018/19, over 70% of the Company's end-of-studies trainees and 50% of interns interested in joining the firm were hired on permanent contracts at the end of their training period.

The recruitment process for interns and trainees is as demanding and selective as the process for all new employees. They're also offered the same onboarding and support program once they join the firm.

Breakdown of consultant hiring by type of diploma

	2018/19	2017/18	2016/17
Business schools (%)	44.0%	43.3%	42.0%
Engineering schools (%)	27.2%	31.2%	38.0%
Universities (%)	28.8%	25.5%	20.0%

Details of new hires and departures (excluding internships)

New hires and departures during the 2018/19 fiscal year are shown below:

	2018/19		2017/18	
Recruitment	**Number**	**%**	**Number**	**%**
Total external recruitment (excluding internal mobility transfers)	**965**	**100%**	**785**	**100%**
o/w permanent employment contracts	*890*	*92.2%*	*722*	*92.0%*
o/w temporary employment contracts:	*75*	*7.8%*	*63*	*8.0%*
- of which long term	*10*		*14*	
- o/w skills-acquisition and work-study contracts	*65*		*49*	

	2018/19		2017/18	
Staff departures	**Number**	**%**	**Number**	**%**
Departures (excluding internal mobility)	**762**	**100%**	**620**	**100%**
o/w resignations	*569*	*74.7%*	*455*	*73.4%*
o/w end of temporary employment contracts: (fixed-term, skills-acquisition and work-study contracts)	*64*	*8.4%*	*46*	*7.4%*
o/w suspension of trial periods	*101*	*13.3%*	*90 (1)*	*14.5%*
o/w redundancies	*19*	*2.5%*	*23*	*4.2%*
o/w employment-contract termination by mutual consent	*1*	*0.1%*	*1*	*0.2%*
o/w retirement	*7*	*0.9%*	*3*	*0.5%*
o/w deaths	*1*	*0.1%*	*2*	*0.3%*
Departures of permanent employees	696		573	

(1) Of which end of trial period for an apprenticeship contract.

During the 2018/19 fiscal year, Wavestone recruited 789 permanent employees (excluding end of trial period and internal mobility transfers) and 20 part-time employees were taken on in France.

Staff turnover

Wavestone's yearly staff turnover rate (the number of resignations divided by the total workforce at year end) was 18.4% for the 2018/19 period.

	2018/19	2017/18	2016/17
Turnover (%)	18.4%	16.3%	17.5%

4) Compensation and salary trends

Pay policy

Pay policy: core principles

Our remuneration policy is based on 3 principles:

- **A single salary scale for all subsidiaries and countries**

We apply the same salary scale across all our consulting activities. For each grade within "*Wavestone Horizon*" (Wavestone's professional development tool), there is an associated wage package.

- **A competitive pay policy**

In a competitive market, it's essential to have a competitive pay policy to attract and retain the best talent. This policy is based on management consulting market practices (annual benchmark).

- **Commitment to ethics and transparency**

In France and Luxembourg, we publish all our pay policy rules (starting salary, packages per grade, bonus calculation, etc.) on the Wavestone corporate website.

Wavestone has implemented a standardized salary framework for all of its employees, including experienced new hires, and notably commits to applying a coherent pay policy for staff members with similar career paths.

Employee profit-sharing

Employee profit-sharing for Wavestone SA and Wavestone Advisors, calculated on the basis of the statutory formula, totaled €5,256k in the 2018/19 fiscal year.

For more than 10 years, Wavestone employees have been able to acquire a stake in the Company in the form of bonus shares granted by the firm when profit sharing is paid out. Employees choosing to invest all or part of their share will receive bonus shares two years later, if they are still an employee of the Company and have not sold their Wavestone Actions Fund units.

For the past 4 years, over 50% of employees have chosen to invest all or part of their share in the Wavestone Actions Fund.

Not only does employee shareholding provide bonus shares, it also gives employees a sense of pride in their company.

3.2.1. Organization of work

1) Organization of working time

Since 07/01/17, all Wavestone employees in France fall into one of the following 3 working hour categories: category 1 (37 hours/week with 10 paid days off (ATT [1])), category 2 (a fixed 166hrs 42mn per month and 218 days per year, including the "Solidarity Day"), and category 3 (a fixed 218 days per year, including the "Solidarity day").

2) Absenteeism

Wavestone's absenteeism rate in France was 1.8% for the 2018/19 fiscal year, mainly due to sick leave. Maternity and paternity leave, as well as unpaid leave (including full-time parental leave) are not factored into the absenteeism rate.

3.2.2. Social relations

1) Organization of social dialogue

In France the 3 employee representative bodies we previously had in place (the Works Council, Committee for Health, Safety and Working Conditions and Union representatives) were replaced in June 2018 by an Economic and Social Committee for the Economic and Social Unit made up of Wavestone SA and Wavestone Advisors.

Staff elected the CFE-CGC union in the first round of trade union voting held in June 2016. Two union representatives were appointed in July 2018.

Social actions are managed by the Group's Economic and Social Committee (ESC), and mainly consist of sports and cultural activities. For example, every year for the past 25 years, the ESC organizes a skiing weekend open to all employees. There are also a number of clubs, with interests ranging from sport to cultural activities (including photography, climbing, running and music). We arranged a partnership with Gymlib in August this year that gives staff access to more than 200 sporting activities in more than 2,000 sports centers around France. Some 700 employees have joined up.

Meetings between management and employee representative bodies held in 2018/19 by scope

16 meetings, including 4 exceptional meetings were held with the ESC during the year.

Examples of subjects on the agenda (for information or consultation)

- Consultation on the Group's inclusion policy to promote recruitment of disabled people
- Consultation on the gender equality report and quality of life in the workplace
- Consultation on the presentation of the CSR action plan
- Consultation on taking on young people on skills development contracts, trainees and the trainee tax
- Consultation on the training plan and training actions
- Consultation on the planned merger with Metis Consulting

(1) Organization of Working Time.

2) Review of collective agreements signed

An agreement on the purchasing power premium was signed on 02/28/19 in the ESU formed of Wavestone SA and Advisors.

The Mandatory Annual Negotiations commenced on 01/21/19 and culminated in an agreement signed by the ESU in April 2019.

Wavestone Advisors agreed an action plan on 07/19/18 to promote gender equality and improve the quality of working life.

3.2.3. Health and Safety

1) Health and safety conditions in the workplace

Health, Safety and Working Conditions Committee (HSWCC)

The ESU formed of Wavestone SA and Wavestone Advisors have a single Health, Safety and Working Conditions Committee. It met twice during the 2018/19 fiscal year. A Meeting of the existing committees was held before the ESC elections and the appointment of the new HSWCC.

The HSWCC is involved in actions to prevent occupational risks and improve working conditions. In accordance with Articles L.4611-8 and L.4612 of the French Labor Code, the Committee draws up an annual review of the actions carried out and implemented during the year.

It helps to draft and update the workplace risk assessment document, known as the single document for the evaluation of occupational risks (DUERP).

Other health and safety actions

- First aid in the workplace training
- Safety officer training
- Office remodeling
- Ergonomics in the workplace and prevention of musculoskeletal disorders
- Prevention of psychosocial disorders

For more than five years, Wavestone has also employed an occupational nurse on a full-time basis (from Monday through Friday) at the Company's head office, who works alongside the occupational doctor.

2) Occupational health and safety agreements

No occupational health and safety agreements have been signed by Wavestone.

3) Occupational accidents and illness

France	2018/19	2017/18	2016/17
Number of occupational accidents	22	25	23
o/w commuting accidents	*11*	*11*	*15*
Number of occupational illnesses declared	0	1	0
Rate and frequency of occupational accidents (1)	1.7	2.3	2.7
Severity rate of occupational accidents (2)	0.01	0.02	0.05

(1) Number of accidents with leave per 1 million hours worked.
(2) Number of days lost due to an occupational accident per 1 thousand hours worked.

Out of 22 occupational accidents reported in 2018/19, 8 resulted in time off work on medical grounds.

3.2.4. Wellness in the workplace

Ensuring a high-quality working environment and work-life balance for our employees is an integral part of Wavestone's human resources policy and underpins our commitment to promote the development and fulfilment of our staff.

The Company strives to ensure that its employees benefit from a daily working environment that is both pleasant and conducive to their professional development.

1) Working environment and work-life balance

Office premises: the AIR project

To enhance the quality of the working environment for its employees and to strengthen relationships between teams at all levels, Wavestone developed a new design concept for its offices in 2015, known as the "AIR" project.

It aims to inject more flexibility, comfort, creativity and opportunities for exchanging ideas into the way we work.

The main features of the AIR project are:

- standardized workstations allocated to all employees (no free seating);
- open-plan work areas featuring glass walls to ensure a constant flow of natural sunlight;

- a noise-canceling environment thanks to the choice of fittings at the beginning of the project (suspended, sound-proofed ceiling tiles, specific furniture, etc.), service centers for printers and similar equipment, and dedicated spaces for employees seeking a quiet, isolated place to work (the quiet room, My boxes, etc.);
- special facilities on each floor of the head office: IT Bar, "CreaPlace" creativity center, video studio, etc.;
- new technologies are central to the project: digital signage screens, Meeting room touch-screen booking terminals, video-conferencing equipment, etc.

In addition, employees at the Paris offices have access to concierge services and a private sports club.

Flexible working arrangements

- **Teleworking**

Teleworking is an option for employees throughout France since December 2016 and is also common practice in London, Geneva and Luxembourg.

All Wavestone employees with at least 6 months' seniority are entitled to work remotely, either on a regular basis (up to 2 days per week) or occasionally (up to 3 days per month), provided their jobs are compatible. Occasional teleworking does not require managerial approval but must be declared on a dedicated platform. To take special situations into account, some employees may benefit from a regular teleworking arrangement of more than 2 days per week. This principle applies in particular to pregnant women and people with disabilities.

In the 2018/19 fiscal year, in excess of 60% of employees in France stated they occasionally worked remotely. The average was a half-day per month. Teleworking promotes work-life balance and also reduces the firm's environmental footprint by reducing the number of trips made by employees.

In addition, we trialed co-working in Paris and Nantes this year, in association with Neo-nomade for teleworking staff.

- **Flexible leave**

Seniority is not a prerequisite for taking time off, and no vacation periods are imposed (outside heavy workload periods).

Wavestone pays particular attention to its employees' remaining vacation and ATT days and sends them an individual email indicating the amounts of days left.

- **Meeting schedules**

The Company raises employee awareness of the importance of scheduling regular meetings during standard working hours, namely between 9.30 a.m. and 6.30 p.m.

- **Right to switch off**

Employees are entitled to switch off the remote communication devices provided by their company.

There is no obligation to reply to emails and calls received on non-working days (weekends, paid leave, ATT days, public holidays, sick-leave days) and outside normal working hours.

Emails sent or calls made on a non-working day or outside normal working hours must only be sent in emergency situations, and therefore be exceptional.

Wavestone's management and HR teams ensure that employees' right to switch off is respected by the various teams and endeavor to demonstrate exemplary behavior in this respect.

2) Specific measures for expectant parents

Wavestone is committed to helping female and male employees achieve a healthy work-life balance.

To implement this commitment, the Company has taken several measures, outlined below and presented in Wavestone's Parenthood Guide for employee parents in France:

Corporate nursery service

Wavestone France first introduced its nursery service in 2008 to help its employees with children/expecting a child to find creche places. In 2018/19, Wavestone financed 84 cots for its employees' children. The Company did not turn down any requests.

Childcare leave

Staff members with one or more children aged 12 years and under may take up to 3 paid days of leave per child each year. These days make be taken individually, or together.

Parenting conferences and workshops

As of June 2017, Wavestone will be proposing a series of workshops at its Paris-based offices and remote conferences, conducted in-house by a parenting coach. These 2-hour sessions cover practical topics such as "Teens: the how to guide", "The Montessori method" and "Helping children to be sociable and feel well at school". Two workshops and four talks were held during the fiscal year in Paris, and employees in the regional offices or not present at headquarters could join by videoconference.

Paid maternity, paternity and adoption leave

Full pay is maintained throughout maternity, paternity and adoption leave, irrespective of the employee's length of service within the Company. In addition, Wavestone has implemented a subrogation scheme for its employees to ensure that they do not have to bear a shortfall in cash flow while awaiting the payment of their social security benefits.

Phased return to work after maternity, adoption or parental leave

To ensure a smooth return to work, full-time employees may work part-time (4 out of 5 days) with full-time pay during their first 2 weeks back.

Flexible working hours during pregnancy

Pregnant staff members may benefit from up to 3 teleworking days a week, and are given a second computer to work with at home to avoid carrying heavy loads.

Corporate Parenthood Charter

Wavestone will pursue its commitment to changing the perception of parenthood in the workplace and advocates the principle of non-discrimination of parent employees. Wavestone has been a signatory of the Corporate Parenthood Charter since 2013.

3) Communication and in-house actions

Wavestone is committed to cohesion in its teams and to rallying its employees around the Company's mission. The Company has adopted an operating approach that involves management regularly asking all teams for their ideas and opinions and taking them into account in its decisions. This process allows new initiatives to emerge regularly, creating value for the firm and its employees.

Employee-led projects

Our employees are active every year in putting forward initiatives and this year was no exception. Here are some examples of projects:

- a blood donation drive in the Paris offices in December 2018, in partnership with the French blood donation service, the *Etablissement Français du Sang*. The response was enthusiastic with 60 people lining up to give blood and all time slots fully booked;
- book collection for the French Libraries without Borders group (*Bibliothèques sans Frontières*). A two-week window for employees to donate books for distribution to those less well-off. 200 books were collected and given to the charity;
- a video celebrating International Women's Day spotlighting inspiring women. Twenty staff (men and women) worldwide took part in the video;
- Wavestone organized another "*Vestiaire solidaire*" initiative in partnership with the *La Cravate Solidaire* association at its Paris-based offices. For 8 days in May and June 2018, all employees were invited to donate their used working clothes (suits, jackets, blouses, shirts, shoes, accessories, etc). More than 90 kg of clothing were collected and distributed to people seeking to re-enter the workplace.

Convivial social events

Numerous opportunities are organized for employees to meet and exchange ideas with their colleagues: integration seminars, team Meetings, practice forums, etc.

Several social events are also held throughout the year: free breakfast offered every Friday to Group employees, drinks after work, team diner parties, annual gala for all staff members and their partners, new employee get-togethers, etc.

4) Prevention and treatment of psychosocial risks (PSR)

Wavestone has adopted a local management policy whereby groups of 10 to 15 employees are monitored by a Career Development Manager who, in turn, is backed by a HR contact, delegated to their team. This approach ensures that staff stress problems can be detected well in advance.

If employees experience stress, bullying or harassment, they can go to one of a number of trained people: in the HR teams, the Health, Safety and Working Conditions Committee, the occupational health doctor or the support unit. The support unit is there for employees who may be having a tough time, either professionally or personally. All conversations are strictly confidential.

All managers (Career Development Managers, assignment managers, sales and back-office managers) are systematically trained in the prevention and treatment of psychosocial risks as part of the new managerial program deployed as of September 2018 for all of Wavestone's management. This training course includes an e-learning module and a day of face-to-face training dedicated to real-life examples and practical cases.

Wavestone's in-house training institute also offers two staff training programs designed to help employees concerned maintain efficiency during stressful situations.

We started an anti-sexism campaign in March 2019.

5) Assessment of quality of life in the workplace

Wavestone participates in 2 annual surveys to assess the quality of its working environment and in line with its continuous improvement strategy.

- **Great Place to Work®**

In November 2018, Wavestone renewed its participation in the Great Place to Work® survey. By way of an anonymous satisfaction questionnaire, employees at all of the Company's sites[(1)] were able to express themselves on the quality of life within the Company. The survey assesses the Company on 5 levels: credibility, respect, fairness, employee pride and conviviality.

The 2019 results, announced in April, saw Wavestone – taking part for the third year in a row – keep its place in the Top 5 best companies to work for in France out of a total of 72 French companies with more than 500 employees. Overall, 81% of the Group's employees completed the questionnaire (up from 78% in 2017) and 82% of them considered Wavestone to be a good place to work.

A read-out of the results shows where the firm made progress and where more needs to be done.

- **Happy Trainees**

Wavestone France was awarded the Happy Trainees label for the fifth consecutive year in 2018 with a score of 3.8/5 and a recommendation rate of 89.6%.

Based on an anonymous satisfaction survey addressed to the interns of the companies being assessed, this independent label rewards firms for the quality of the welcome and guidance they offer trainees.

Other anonymous internal surveys by practice can be proposed.

This approach allows new ideas to emerge and creates a culture of exchange and transparency while fostering team spirit.

3.2.5. Integration and development of skills

1) Integration program

All Wavestone recruits follow the same four-stage integration program comprising a welcome session, an integration seminar, a training program and HR and management support.

Welcome session

All recruits joining the firm spend the first two days attending an integration program: informal exchange of ideas, topical presentations (on the Group's HR policy, management tools, recruitment and communication strategy), assignment of a mentor and the "Delivering in Wavestone" training program, designed to help staff master the office-based tools required to produce deliverables in line with Wavestone standards.

For new recruits based in France, this two-day program takes place in Wavestone's Paris offices. For those based outside of France, the welcome session, topical presentations and "Delivering in Wavestone" training program are all conducted within the office where the new recruits are to be based.

"Wavestone Inside" integration seminar

The format of the integration seminar was revamped in 2018/19.

It now takes place over two days twice a year in Deauville. It brings together all new recruits, regardless of their entity, job, level of experience and regional site. Its two-fold aim is to enable new recruits to connect with the Wavestone identity (markets, positioning, values, etc.) and to build-up their internal network.

(1) Excluding the U.S. whose fiscal year is different.

The first day's program features team-building exercises and challenges organized by entity. It ends with an evening event kicked off by an inspirational speaker. Day two focuses on what Wavestone does best, our assets and areas of excellence, and producing videos that reflect an understanding of Wavestone's stand-out practices and values and our commitment to creating a positive impact for all stakeholders. We end the day with a Q&A session with top management.

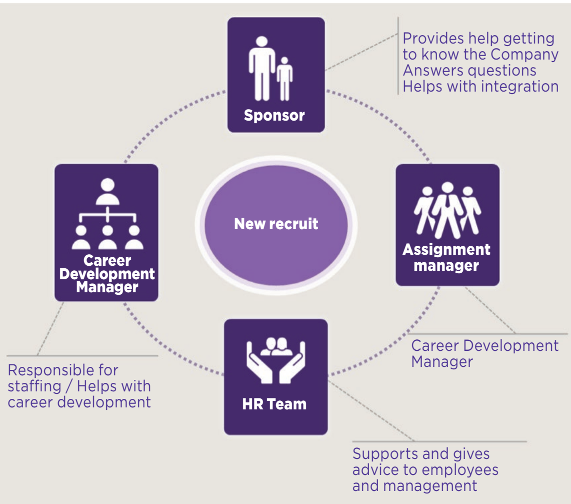
Training program

Young graduates follow a 5-day training program days during their first year in the Company. The dual objective of the program is to enable recruits to obtain the initial skills required to do their job in the best conditions, and to develop their internal network by bringing them into contact with employees from various backgrounds (practices, jobs, offices, etc.).

Training modules vary based on the employee's role and are spread out over the year to allow them to become acquainted with the Company.

Each new recruit attends at least 3 training sessions during their first year.

Close employee monitoring



Integration of newly acquired companies

Wavestone's external growth strategy involves the regular integration of newly acquired companies.

The integration process is led by a dedicated task force, comprising the directors of the acquired company and members of the Wavestone Executive Committee representing the different operational and support functions involved.

2) Skills development

Given the nature of the consulting business, developing employee potential is a key priority for the Wavestone group. The rapid acquisition of skills and responsibility is a major challenge for the Company, particularly since its HR model is founded on recruiting young graduates [(1)] (more than 50% of new hires in 2018/19). To this end, the Group has implemented additional measures, as described below.

The *Wavestone Horizon* professional development tool

Career development programs are designed for our consulting business functions. These programs are made known to all of Wavestone's employees, irrespective of their geographical zone. The *Wavestone Horizon* tool provides a guide to the professional career of the Company's employees, enabling them to visualize their development over the long term. It provides employees and their managers with points of reference to understand what is expected at each grade and helps them to identify the skills they need to develop in order to progress and successfully reach new milestones. By choosing their training programs, each employee is actively involved in the development of his or her career within Wavestone.

In-house training institute and external training program

Skills development at Wavestone is underpinned by:
- digital training courses (e-learning platforms, MOOCs, etc.);
- a common training program for all young recruits[(2)];
- local training programs.

Digital training program

The purpose of Wavestone's training program is to foster the continuous development of its employees' skills. Digital training opportunities draw on: integration training and 3 e-learning platforms My MOOC, Vodeclic and Sequoia programs, open to all employees:
- Vodeclic: tuition in professional office tools used by Wavestone and its clients;
- My MOOC: a monthly catalog of around ten MOOCs emailed to all staff members. Articles, podcasts and YouTube videos were recently added to the platform;
- Sequoia: on-line educational training courses in a game-based format developed by the Group's practices to

(1) Six months or less experience.

(2) See paragraph 3.2.5.1. on the integration of new recruits.

transmit Wavestone's savoir-faire and expertise to employees. Each training program takes the form of several episodes, delivered in an offbeat tone, and result in trainees being awarded badges and certificates on completion. These training sessions are developed by and for Wavestone's employees to meet the specific needs and skills required by the Company's various practices.

All the training programs are international in scope and have a cross-functional approach (multi-practice and multi-function). In addition, to enrich the training options available, each office is encouraged to contribute to the program. The New York and London offices are thus driving the development of the internal platform, Sequoia.

Attendance-based training and blended learning courses(1)

The "Wavestone Academy" offers over thirty attendance-based programs designed to develop key job-related skills (business development, delivery, communication, project management, etc.) or aspects of personal development. Several of these programs award certificates upon completion. These include ITIL (Information Technology Infrastructure Library) Foundation V3, Lean Six Sigma - Green Belt, etc.

These training sessions also provide employees the opportunity to extend their internal network by mixing with colleagues from other practices, offices and divisions.

To meet training requirements in areas that are not covered by the Wavestone training institute, the Group also resorts to external training solutions.

Time allocated to training

The table below gives an overview of the figures relative to external training programs, as well as in-house courses provided by the Company's training institute (excluding digital-based courses) for all of Wavestone employees (excluding Hong Kong).

Fiscal year	2018/19 fiscal year	2017/18 fiscal year (1)	2016/17 fiscal year
Number of employees that attended at least one training course during the fiscal year	2.080	1.766	1.891
Percentage of headcount that attended at least one training course during the fiscal year	67.2%	63%	73.1%
Number of training days provided during the year	6.604	4.611	4.118
Number of training hours provided during the year	38.288	32.275	31.711
Average number of training hours provided during the year per employee	18	18	16

(1) Data missing for Wavestone Morocco and Wavestone Advisors Switzerland (98.4% of the headcount is represented).

The number of employees that attended training was up this year, primarily due to new training opportunities, especially for management and new hires, and better information on training.

Training accounts for 3.9% of total payroll in France. The training spend in the 2018/19 fiscal year in France was €5,961k.

Assignments and on-the-job training

For all Company employees, the professional consulting assignments they carry out also provide the opportunity for them to develop and enhance their individual skills. This hands-on learning approach is an essential growth driver within the Group. As such, at the beginning of every assignment, the project manager informs the consultants of the objectives involved. Once the assignment has been completed (or at regular intervals in the case of long-term assignments), the project manager carries out an evaluation to assess the consultant's work. This feedback highlights the progress achieved and pinpoints areas for improvement. Individual goals concerning the development of new skills are also taken into account during the consultant staffing process (weekly placement of consultants on assignments).

In addition, as part of the process to acquire the consulting skills they need to progress, consultants contribute to the Company's development activities. Each year, a number of consultants carry out 6-to-12 month assignments within the firm's back-office departments (recruitment, communication, finance, etc.).

(1) Blended learning: combination of several forms of learning (e.g. attendance-based, e-learning and phone-based modules).

Internal mobility

Internal mobility is one of several HR mechanisms that enable employees to enrich their career and benefit from diversified career prospects.

All positions open under the annual recruitment plan are eligible. Wavestone commits to reviewing all job applications, whatever the level of experience of the employee and the job applied for, even when a position is not open. As in the case of external recruitment, internal mobility is a formalized process monitored by the Company's HR teams. All Wavestone employee applicants receive a reply within a maximum of 3 months.

Breakdown of internal transfers by type	2018/19		2017/18		2016/17	
Regional transfers	39	*41%*	25	*39%*	16	*33%*
Occupational transfers	19	*20%*	14	*22%*	13	*27%*
Inter-practice transfers	38	*39%*	25	*39%*	19	*40%*
Total	**96**	***100%***	**64**	***100%***	**48**	***100%***

Almost 100 employees availed of internal mobility opportunities in 2018/19, 40% moving to another office.

Performance reviews and annual assessments

Every year, across all of the Group's business lines, each employee's performance is discussed as part of a review involving their superiors and the Career Development Managers and HR teams within the entity concerned. The topics addressed include: the employee's current position in respect of their career path, their career prospects within 12-24 months and the associated development plan, possible changes in their salary and/or bonuses, promotion prospects.

In addition, all employees meet their team manager for an annual assessment in order to discuss their annual evaluation, career prospects, compensation and work-life balance.

The purpose of the Company's Career Development Managers is to help employees achieve their full potential. The annual performance review is a key moment for discussion in which the Group's Career Development Managers receive special training.

3.2.6. Equal opportunities and non-discrimination

The Company is deploying a number of equal-opportunity action plans, in accordance with its commitment to adhere strictly to the principles of ethics and fairness. Wavestone's social and societal policy is reflected in its program to promote diversity and non-discrimination.

As of 2018/19 and in keeping with the Wavestone 2021 strategic plan, the Company has decided to base its action plan on 3 main objectives:

2021 objectives	Performance at 03/31/18	Performance at 03/31/19
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	*30% vs. 36%*	*28% vs. 38%*
Achieve 30% representation of women on the Executive Committee	*17%*	*15%*
Triple the number of employees with disabilities	*11 at 12/31/17*	*15 at 12/31/18*

Wavestone joined the French diversity managers organization, the *Association Française des Managers de la Diversité* (AFMD), in January 2019 to stay abreast of best practices and discuss with peers how to move forward on gender equality in the workplace and on opportunities for the disabled.

In addition to the work of the CSR team, a group of dedicated employees formed the "Wavestone For All" network in October 2017 with the aim of promoting diversity and inclusion and ensuring fair treatment within the firm.

The network, which has its ear to the ground, offers solutions and practical ways forward for a more open and inclusive working environment in the office or on assignment with customers, when it comes to matters of gender, sexual orientation, age, ethnicity, religion, education, social and cultural origin, nationality, disability, etc.

During the year, the network put together:
- an LGBT+ survey that elicited 300 responses and proposals for an action plan;
- pilot awareness and training workshops for employees on diversity and inclusion;
- diversity awareness breakfast Meetings;
- launch of a series of round tables on the importance of women in tech, broadcast internationally. The first took place in March 2019, with inspiring women from inside and outside the firm.

Firm in the belief that diversity and performance go hand-in-hand, the network also works closely with the recruitment teams to increase diversity.

1) Gender equality in the workplace

Social action

Percentage of female employees in the Group

	At 03/31/19	At 03/31/18	At 03/31/17[1]
% of total workforce	38.6%	36.4%	36.0%
% of consultants	*34.8%*	*32.6%*	*31.6%*

(1) Excluding Arthus Technologies and the European activities of Kurt Salmon.

The percentage of female employees in the Group continued to increase and came to 38.6% at 03/31/19. This increase was mainly down to higher numbers recruited from management schools and universities that have equal numbers of male and female graduates.

During the 2018/19 fiscal year, Wavestone continued with initiatives to strengthen its commitment:
- a questionnaire was sent to all employees worldwide in December 2018. We received over 700 replies, 2,500 comments and many suggestions for initiatives. This input formed the basis for an action program to be rolled out in 2019/20 to address the firm's current priorities in this area;
- a quantitative study to see where the entities stand on gender equality and decide on the priorities for the future. This analysis will be presented in 2019/20 to the senior managers at each entity to inform appropriate action plans.

These actions will also help the firm to increase the percentage of women on the Executive Committee to reach the target of 30% women by 2021.

Wavestone also launched a 6-month awareness campaign to draw attention to casual sexism in the Company and at our clients. There are three major planks to this campaign:
- a sexism module, to supplement the management training program;
- an e-learning program open to all employees based on actual employee experiences;
- role-play workshops to give a clearer understanding of what sexism means and how to react as either victim or witness.

In the space of a few days, more than 200 employees registered for the workshops and more than 500 started the e-learning module.

In society

Wavestone is also involved with a number of organizations working for professional equality between women and men:
- Wavestone has been a partner of "*Elles Bougent*", an association that promotes professional gender diversity, since February 2016. The association aims to encourage more women to pursue scientific and technological careers. For Wavestone, the main goal of this partnership is to share best practices with other companies. Female graduates from engineering schools seeking to exchange their points of view and share their career experience can become sponsors of the association;
- in April 2018, Wavestone paired up with Foundation Femmes@Numérique, an initiative that aims to bring together for the first time a strong group of economic, social and public players to focus on increasing the number of women in the digital professions.

Last but not least, under the French law on the freedom to choose an occupation (09/05/18), Wavestone disclosed a score of 85/100 for gender equality for the Wavestone economic and social unit. The aim of the law is to eliminate pay differences between men and women in France.

2) Employment and inclusion of people with disabilities

At 12/31/18, Wavestone France employed 15 people with disabilities according to the definition provided in the mandatory declaration of employment of people with disabilities (DOETH form)(1). Wavestone France's employer contribution to the AGEFIPH fund for the employment of people with disabilities came out at €700k(2) in 2018, down slightly on last year's amount (€714k). The Group is aware that it is behind on this issue. As a result, it has pledged to triple the number of employees with disabilities relative to 12/31/17 numbers as part of its 2021 strategic plan.

The firm stepped up its commitment in 2018/19 focusing on awareness and on recruiting and supporting people with disabilities.

Recruitment:
- sourcing campaigns using a range of online platforms and handicafés;
- partnership with a firm specializing in employment of the disabled;
- continued training of all those involved in hiring in a program called "Guide to hiring the disabled", delivered by CED, a French communications agency promoting the recruitment of people with disabilities.

As a result of all these endeavors, we hired 3 more people with disabilities in the six-month period from September 2018 to March 2019.

Support:
- Wavestone France continued its partnership with the Company Made in TH, which offers personalized support to employees who are directly or indirectly concerned by disability. This partnership, which kicked off in June 2017, involves organizing an on-call service twice a month, either by phone or in Wavestone's Paris offices;
- Wavestone France formed a disability unit with two in-house staff and one external expert in disability to improve how our disability inclusion commitment is organized. Its main objectives are:
  - to provide close follow-up for employees already declared disabled to ensure their ongoing well-being;
  - to offer strictly confidential and individual interviews to employees concerned by disability to answer their questions and help them with their administrative procedures. At the employee's request, these interviews can be conducted in private with the external disability expert or in pairs with a member of the internal disability units;
  - to offer support to HR, recruitment and managerial teams to answer their questions and help them in their efforts. Note that the disability unit makes regular calls to our regional offices to provide support locally.
- In addition, the HR team received training by the CED organization on the theme "Integrating employees with disabilities".

Awareness:
We organized a number of information sessions this year to raise employee awareness and break down prejudice and preconceived ideas:
- a music quiz with well-known disabled individuals in the Paris, Lyon and Marseille offices, with the participation of 200 employees;
- events to coincide with European Disability Employment Week 2018 in Paris and Lyon: big wheel workshops, blind pétanque and cocktails. The hundred or so employees who took part answered questions and met challenges to learn more about disability;
- in January 2019, Wavestone launched the second edition of the "Prix Handi Cap by Wavestone", a competition to reward the best initiatives by student groups working for people with disabilities. This project, which is sponsored by Hamou Bouakkaz, former deputy Mayor of Paris, aims to give visibility to disabilities while dispelling popular stereotypes. Participation was up this year with 28 groups from various schools competing, from 16 last year. The Group's employees also got behind the project by voting for the project of their choice and coaching the finalists. A number of activities were organized to mark the final, on 04/04/19, including blind basketball, a tasting of diabetic pastries and a presentation of innovations designed to facilitate people with dyslexia. Two prizes were awarded: a Handi Cap by Wavestone Prize worth €2,500 and a *Coup de Coeur* Prize worth €1,500;
- an ad was also broadcast on France Inter to highlight our commitment during AGEFIPH's "driving progress" campaign.

(1) Mandatory declaration of the employment of people with disabilities.

(2) It should be noted that Wavestone has made the choice not to introduce a disability reporting incentive policy.

During the 2019/20 fiscal year, in addition to pursuing actions already under way, Wavestone plans to sign a partnership agreement with AGEFIPH, aimed at drafting an appropriate and sustainable employment policy.

Wavestone also continued with its broader social engagement in the area of disability.

- Wavestone France uses the services of the ESAT in the sheltered employment sector, mainly for printing documents for in-house training courses, taking orders for tray-meals, fruit baskets and event buffets, collecting and recycling used paper, and recycling IT equipment (printers, ink cartridges, toners, etc.);
- Wavestone is pursuing its partnership with the Grenoble École de Management to promote the "Management and Disabilities" certificate offered to thirty students. Student applicants are required to submit a "study journal" illustrating their views on the subject of disabilities. As a member of the selection panel, Wavestone is required to read and assess these journals;
- the Wavestone Foundation participates in humanitarian projects, by supporting or developing initiatives to benefit children worldwide. Some of the projects chosen offer support to people with disabilities. In 2019, the Foundation selected the "*Les P'tites Zaprems*" project working on the rehabilitation and inclusion of disabled children in Peru;
- on Powerday, Wavestone's global corporate solidarity day, 1,000 Company's employees lent their support to various associations by taking part in skill-based sponsorship or in-the-field projects. For instance, one of the projects in Paris was "Put yourself in my shoes" in a sheltered employment company (at least 80% disabled employees).

3) Anti-discrimination policy

In addition to the aforementioned commitments in favor of female employees and people with disabilities, Wavestone is also committed to ensuring job security for older employees.

At end-March 2019, employees aged 50 and over accounted for 6% of the total workforce, on a par with the figure for the previous year.

Specific actions have been implemented to meet the expectations of employees aged 50 and over in France, and to optimize the expertise they have gained while adapting to their individual situations:

- close monitoring by the HR team at key end-of-career milestones, notably at the ages of 50 and 60, and during the year employees retire;
- full medical check-up: 100% financed;
- individual retirement review, designed to verify the rights acquired by employees and determine the age required for them to qualify for a full pension, and to estimate the amount of their pension: 100% financed;
- possibility of switching from full- to part-time (3-day week), during which time old-age insurance and supplementary pension contributions are maintained at a full-time rate, with the Company bearing the cost difference.

More details on some anti-discrimination initiatives carried out by the firm are given in paragraph 3.4 of this report.

3.2.7. Promote and respect core ILO agreements

In accordance with commitments specified in the Global Compact, Wavestone is opposed to all forms of child labor and forced labor, in line with the core conventions of the International Labor Organization (ILO). Given the nature of the firm's consulting activities and the location of its offices, Wavestone is not directly exposed to the challenges related to eliminating forced or compulsory labor, and the effective abolition of child labor.

Wavestone also respects the conventions of the International Labor Organization relative to the freedom of association, the right to collective bargaining and the elimination of discrimination related to employment and occupation, as described in paragraph 3.2.6 of this report.

A positive social footprint is an integral aim of our CSR policy, reflected in two commitments:

- reduce the environmental impact of our business;
- support projects that create social value and put our skills to work for their benefit.

3.3. Environmental information

Since Wavestone's activities are purely intellectual, the Company's impact on the environment is limited. Nevertheless, for the past seven years, Wavestone has been committed to actively monitoring and reducing our environmental footprint.

To measure the main areas of impact and identify our priority actions, the Company completes a carbon audit (Bilan Carbone®) every two years. We did this for the first time in 2012/13, followed by updates in 2013/14, 2015/16 and 2017/18. The main environmental issues identified by the audits stem from business travel and the building footprint of our offices.

Reporting and initiatives target these priorities, since they are the most significant for our environmental impact. That said, we also keep a close eye on other topics and opportunities for improvement, like our paper use and how we manage our IT equipment.

Details concerning Wavestone's environmental reporting methodology

While Wavestone has used the same reporting methodology for the past seven years, some regulatory reporting points that are less relevant to the Company's activities[1] are excluded from the reporting scope as not significant for Wavestone's environmental impact (biodiversity, soil use, noise pollution, etc.).

Formerly excluded, our offices in New York, Hong Kong and Edinburgh are now included in the reporting scope. All Wavestone's offices are covered:

Offices	Workforce at 03/31/19	Breakdown (% of total workforce)
Paris (Head office)	**2,536**	**82.0%**
Regional offices	**239**	**7.7%**
Lyon	138	4.5%
Nantes	80	2.6%
Marseille	21	0.7%
International	**319**	**10.3%**
Casablanca	17	0.5%
London	105	3.4%
Brussels	13	0.4%
Luxembourg	62	2.0%
Geneva	65	2.1%
New York	47	1.5%
Hong Kong	8	0.3%
Edinburgh	2	0.1%
Total	**3,094**	**100.0%**

Certain information that could not be gathered at all our sites was extrapolated from the Paris-site ratios.

In order to ensure a good understanding of the information reported, the definitions and calculation methods specific to certain indicators are explained in footnotes to this document.

3.3.1. Global environmental policy

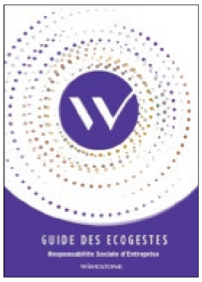
Wavestone has set up an organizational structure dedicated to CSR and addressing environmental issues (see paragraph 2.1 of this report).

1) Employee environment training and information initiatives

Wavestone raises staff awareness of environmental issues by briefing its employees on key environmental actions carried out related to implementing new practices (using Ecolabel paper, eco-responsible printing methods, etc.).

Above and beyond initiatives designed to inform, Wavestone's policy seeks to galvanize and engage our staff to play their role in caring for the environment.

For example:
- two screenings of Yann Arthus Bertrand's film "Home" organized with 50 or so employees;
- environment information breakfasts organized and led by the staff of our French offices. Leading on from this breakfast meeting initiative, we put together a "breakfast kit" for the environment ambassadors in our international offices to use for similar events;
- employees produced a guide (in English and French) on everyday things we can do to protect the environment, which was distributed at all Wavestone offices;



- a "Climate fresco" workshop was held and attended by 30 or so students from the Institut Villebon and employees to share knowledge about climate change. Other similar events are planned in the next few months.

The results of the carbon audits and the steps taken to reduce our carbon footprint are communicated to all personnel through the Intranet site.

(1) Environmental reporting appendix – Cross-reference table between Wavestone data and Article 225 of the Grenelle II Law.

2) Wavestone office remodeling and renovation

In 2015/16, Wavestone began to roll out "AIR", its new office layout project. This project notably includes:

- the removal of individual rubbish baskets to encourage a reduction in paper waste;
- the installation of presence detectors to limit electric lighting consumption;
- the roll out of IT solutions (video-conferencing equipment in conference rooms) designed to limit staff travel.

This layout project has been deployed in the Paris, Nantes, Lyon, Marseille, Luxembourg, London and New York offices.

We are currently testing a number of initiatives designed to reduce and reuse drinks packaging waste:

- "Canibal" [1] and "newCy" in Paris;
- "Lemontri" in Marseille.

3.3.2. Pollution and waste management

Waste generated by Wavestone is mainly office waste (paper, organic waste, packaging and ink cartridges), and end-of-service IT equipment (computers and mobile phones for the most part).

Electrical and electronic waste (WEEE) accounts for 7% of the total waste generated by Wavestone's activities in weight. This type of waste represents a major challenge given its large carbon footprint throughout its entire lifespan (use of water, metal and energy resources at all stages from product design through to recycling). We recycle all this waste or channel it for reuse or energy recovery.

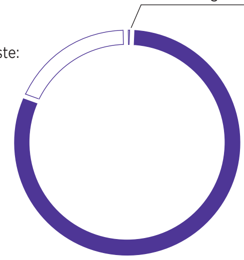
1) Office waste

In 2018/19, the office waste generated amounted to 20.59 kg per employee for an overall total of 63.7 tons[2]. This is the equivalent of 686 1-liter plastic bottles for each employee.

The breakdown is as follows:

- non-recycled waste: 51.74 tons of non-hazardous office waste[3];
- recycled waste[4]:
  - 11.79 tons of paper waste, including 9.7 tons from the Paris offices, were recycled by the association ANRH (Association for the professional and respectful integration and reintegration of people with disabilities);
  - 0.18 tons of ink cartridges[5], including 0.16 tons from the Paris offices. In Paris, all ink cartridges are collected by the company Conibi, transported by Geodis, and recycled by Clozdloop, a company specialized is ink-cartridge recycling. The information is not available for the other offices.

Office waste - 2018/19



(kg/employee)	2018/19	2017/18	2016/17	2015/16	2014/15
Office waste	20.58	20.53	22.2	28.7	27.8

The amount of office waste per employee remained stable year-on-year. Over the past five years, the average weight of waste generated per employee has been reduced by around 30% across all offices. This outcome points to the effectiveness of local actions, including supplying mugs and water bottles for new hires, installing separate recycling containers at some sites and "zero waste" campaigns.

(1) Canibal, the Company that runs the system, reported on the 12 terminals installed in 2018: 95,820 drinks packages collected (92,438 beakers) giving a total weight of 577.32 kg, savings of 1.44 tons of CO_2eq. and production of 90,017 kWh.

(2) Data obtained from the service provider responsible for waste processing for the Paris, Geneva and London offices. Extrapolations were conducted based on the Parisian ratio for the other officers. This methodology has been the same since 2012.

(3) This is office waste (packaging, office supplies, etc), considered as non dangerous waste.

(4) The methodology does not include the drinks packaging waste recovered by Canibal. If we include this packaging in the waste, office waste for the fiscal year comes to a total of 64.3 tons, equivalent to 20.78 kg for each employee.

(5) Recycled ink cartridge data for the Company's French premises is underestimated since cartridge order tracking is not automatic. As a lots of the photocopiers are leased, the cartridges are ordered automatically by the photocopier and are already included in the cost of the lease.

2) Computer waste

To ensure the smooth running of its business, Wavestone makes sure that its employees are equipped with the best high-tech IT equipment, a strategy which means our IT equipment is replaced on a regular basis, especially laptops (4-year lifespan).

A significant amount of IT equipment came to the end of this cycle in the 2018/19 fiscal year and was replaced: 2,308 laptops and 739 mobile phones were taken out of operation. This gives a total of 3,047 end-of-life devices, amounting to roughly 4.7 tons, which is 1.5 kg of IT waste per employee this year.

The increase on previous years (1,183 devices withdrawn in 2017/18, including 958 mobile phones, 471 devices retired in 2016/17 and 274 in 2015/16) is due to the lifecycle of our IT equipment.

To prolong the lifespan of IT equipment (in particular computers) that has reached the end of their service period, staff members may buy these devices for their own personal use. Equipment that is not bought back by employees is either stored or recycled.

Wavestone implemented a procedure for the systematic recycling of end-of-service IT equipment at all of its sites. The cooperative company "Les Ateliers du Bocage" (https://ateliers-du-bocage.fr/) was chosen to treat electrical and electronic waste (WEEE) for Paris and Marseille, through the clean disposal of toxic components and the recycling of recyclable materials.

3) Food waste

Article 4 of the 2016-138 law dated 02/11/16 specifies that food waste be integrated into corporate environmental reports. The implementing decree for this law was published on 08/19/16.

Wavestone does not handle the canteen spaces used by its employees, and is thus not directly concerned by this issue. Consequently, Wavestone did not define an indicator to track this issue in 2018/19. Yet, employees were active with several initiatives, such as a composting bin in London.

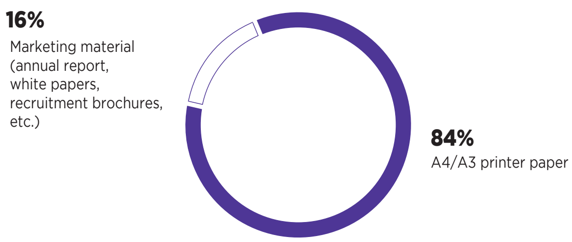
Our third Powerday – a world solidarity day – was held in August 2018, supported by more than 1,000 employees engaged in a range of projects. Our people helped to coordinate regional SOLAAL (a public interest organization to prevent food waste) networks and to plan future initiatives. The organization collects unsold crops from farmers and farm cooperatives and distributes them to 20 national food aid charities. Since its creation in 2013, SOLAAL has collected 1,454 tons of agricultural products and contributed to the equivalent of 27 million meals (at end-2018).

3.3.3. Sustainable use of resources

Since Wavestone has no manufacturing activities, its use of resources is limited to office consumables and shared resources used to operate the buildings in which its offices are located.

1) Consumption of raw materials

Paper consumption - 2018/19



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). In 2018/19, Wavestone consumed 14.96 tons of paper, equivalent to 4.8 kg per employee and 254 trees felled per year to meet the firm's paper consumption needs.

969 A4 pages per employee in 2018/19

1,160 A4 pages per employee in 2017/18

Down 16% this year, per-person paper consumption continues its significant and steady decline of the past five fiscal years:

(kg/employee)	2018/19	2017/18	2016/17	2015/16	2014/15
Paper consumption	4.8	5.8	5.8	8.7	9.6

Paper consumption is estimated on the basis of paper orders placed during the year. Last year, a major A3 paper order was placed to cover the Paris office's consumption for several years to come, based on a consumption assumption of 0.7 tons of A3 over a 10-year period. Therefore, 0.7 tons of A3 paper was added in 2018/19 to the total purchase for the year to estimate the Company's actual consumption.

We are actively working to reduce paper use. For instance, we use screens in meeting rooms to project presentations and information instead of printing them. Photocopier settings are automatically set to "Green print", a black & white, recto-verso printing mode.

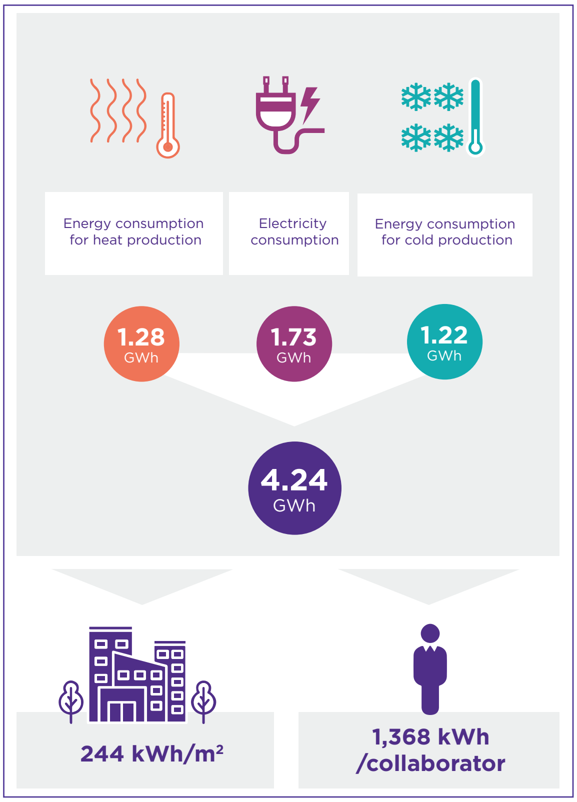
During 2018/19, Wavestone continued to implement its paperless solutions for annual General Meeting notices and preparatory documents with e-notices and e-voting. In this context, a partnership forged with Reforest'Action for AGMs and greeting cards helped bring about the planting of 698 trees in Haiti.

For the record, Wavestone recycles all of its paper (see paragraph 3.3.2.1) and only uses PEFC- and FSC-certified paper (see paragraph 3.3.1.1).

2) Energy consumption

Like many businesses, our offices use heating, air conditioning, ventilation, lighting and office equipment, which account for our direct energy consumption.

In 2018/19, Wavestone's total power consumption (electricity, heating and air conditioning) amounted to 4.24 GWh. Energy use was practically unchanged from the prior year, despite the increase in both the workforce and space occupied[1].



Energy use came out at 244.42 kWh/m². By comparison, the average energy in France in 2015[2] was 283 kWh/m², putting Wavestone 14% ahead of the French average in terms of energy efficiency per sq. m for its entire scope.

(kWh/m²)	2018/19	2017/18	2016/17	2015/16	2014/15
Final energy consumption	244.42	300.8	251.3	250.9	300.0

Thus, final energy consumption per employee fell by 13%, from 1,569 kWh/employee/year to 1,368 kWh/employee/year. The carbon footprint of an employee working in a Wavestone office was 32%[3] of the average in France (for private and professional activities).

(kWh/employee)	2018/19	2017/18	2016/17	2015/16	2014/15
Final energy consumption	1,368	1,569	2,110	1,702	1,942

(1) Because the offices in New York, Hong Kong and Edinburgh were included in the reporting scope in fiscal 2018/19, unlike in previous years, and the two new acquisitions. The headcount also increased this year.

(2) Source: Energy Efficiency Highlights IEA - https://www.iea.org/statistics/efficiency/

(3) According to IEA (International Energy Agency – 2016) statistics, a French person uses an average of 4,241.6 kWh per year.

Wavestone is constantly improving its energy consumption per employee. Installing modern technology devices on the Company's premises (motion detectors for lighting, timers, LED bulbs, etc.) has helped to streamline consumption.

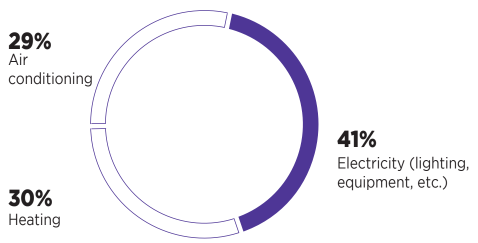
Wavestone's renovated "AIR" offices in Paris are equipped with presence and daylight detectors that turn off the lights automatically when a space has been unoccupied for 15 minutes. In Paris, the offices are lit between 8.00 a.m. and 8.00 p.m., Monday through Friday, to save energy. Switches are also installed to control lighting outside of office hours.

Wavestone's head office (comprising 81.9% of its workforce) occupies 12,733 sq. m. of the Tour Franklin in the La Défense business district of Paris. This tower is connected to urban heating and cooling networks that provide heating and air conditioning for the offices.

Engie provides our energy needs in Tour Franklin from all renewable sources, as does Enovos in our Luxembourg offices.

The energy consumption of this site breaks down as follows:

Total energy consumption by type - 2018/19



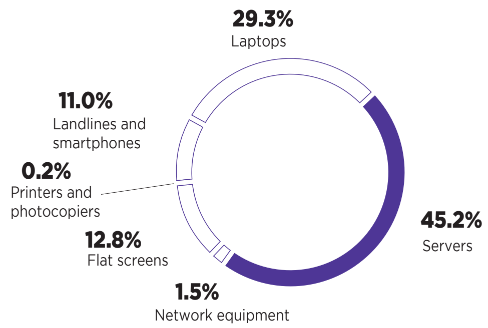
Focus on computer and telecommunications equipment

Our business calls for heavy use of computer equipment from phones to laptops and servers, which account for a substantial share of our energy consumption. In total, this is estimated at 0.457 GWh(1) per year (equivalent to the annual power consumption of 96 French households), based on the average number of working hours in use and average consumption data. Factoring in certain usages outside of Wavestone premises, total energy consumed by IT equipment represented (2) 26.5% of the Group's total electricity consumption (1.73 Gwh).

The inventory of our IT equipment was updated in fiscal 2018/19 and found that many of our servers and networking equipment were particularly power-hungry.

Wavestone's energy consumption breaks down as follows:

Final energy per use - 2018/19



All Company laptops are EPEAT(3) labeled; 90.6% of all IT equipment carry the "Silver" label, and 9.4% the "Bronze" label. Among other things, this label guarantees the precautionary use of natural resources in the manufacturing of the products, as well as their recyclable nature and compliance with the Energy Star standard for energy consumption while in use. Labeling is now included in the selection criterion used by the Company in its procurement process.

(1) The methodology used remains unchanged: the estimate was based on the number of devices used by Wavestone and the average utilization rate and performance of said equipment in France (source IDATE). Utilization rate estimates are based on the following assumptions: laptops, screens and mobile phones are used 1,760 hours a year on average and servers, 8,760 hours. The assumption used for photocopiers and printers is based on 10,000 copies per device per year.

(2) Estimated at 30% for laptops and mobile phones: teleworking, checking and answering emails on mobile phones, etc.

(3) The Electronic Product Environmental Assessment Tool (EPEAT) label requires, among other things, the limited use of dangerous substances, guaranteed recycling and sustainability, low power consumption and low environmental impact packaging (http://www.epeat.net/). EPEAT upped the criteria markedly in 2018, which explains why none of our laptops achieved Gold certification this year.

3) Water consumption

Information related to the Group's water consumption below mainly concerns the domestic water supply used for sanitary and cleaning purposes, and by air conditioning systems.

Our employees used an average 3.58 cubic meters of water each in fiscal 2018/19, the equivalent of 3,580 liters or 65 showers per person.

Wavestone's total annual water consumption(1) was 11,061 cubic meters, an increase of 19% on the previous year, due to the consolidation of the New York and Hong Kong offices in the reporting scope and the 11% hike in our headcount.

Water consumption per employee was relatively stable, following a sharp decrease in the past five years:

(m³/employee)	2018/19	2017/18	2016/17	2015/16	2014/15
Water consumption	3.58	3.38	4.73	7.34	7.09

All of Wavestone's offices are located outside water stress areas (areas with a water supply of less than 1,700 m³ per capita per year for all uses combined)(2). As such, there is no need to study the pressure exerted by Wavestone on local water resources.

3.3.4. Climate change: greenhouse gas emissions(3)

1) Summary table

The scope of this analysis is limited to four sources of emissions, namely:

- business travel and commuting;
- energy consumption of buildings;
- paper purchases (marketing and printing);
- refrigerant gas leaks in air conditioning systems.

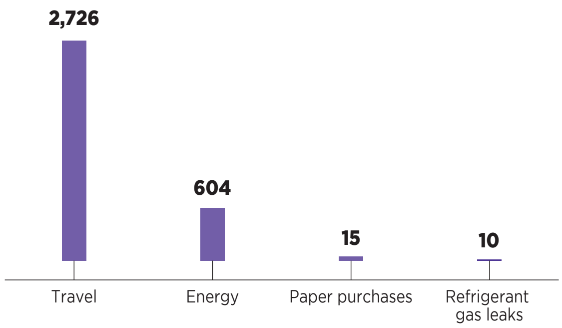
Wavestone's greenhouse gas emissions created by these four sources in 2018/19 amounted to 3,355 tons of CO_2 equivalent, or 1.08 tons of CO_2 equivalent per employee. According to the IPCC (Intergovernmental Panel on Climate Change), human-caused emissions must be kept below 2 tons of CO_2 eq. per year if we are to limit global warming to below 2°C in 2050.

(tons of CO_2 equivalent/ employee)	2018/19	2017/18(1)	2016/17	2015/16	2014/15
Greenhouse gas emissions	1.08	1.23	0.9	1.1	0.9

(1) 2017/18 GHG emissions for the 4 main categories were adjusted to correct for underestimating the data for transport. This table shows the value after correcting for 2017/18 transport data.

The Company's greenhouse gas emissions break down as follows:

Greenhouse gas emissions (tons of CO_2 equivalent) of defined scope



2) Travel

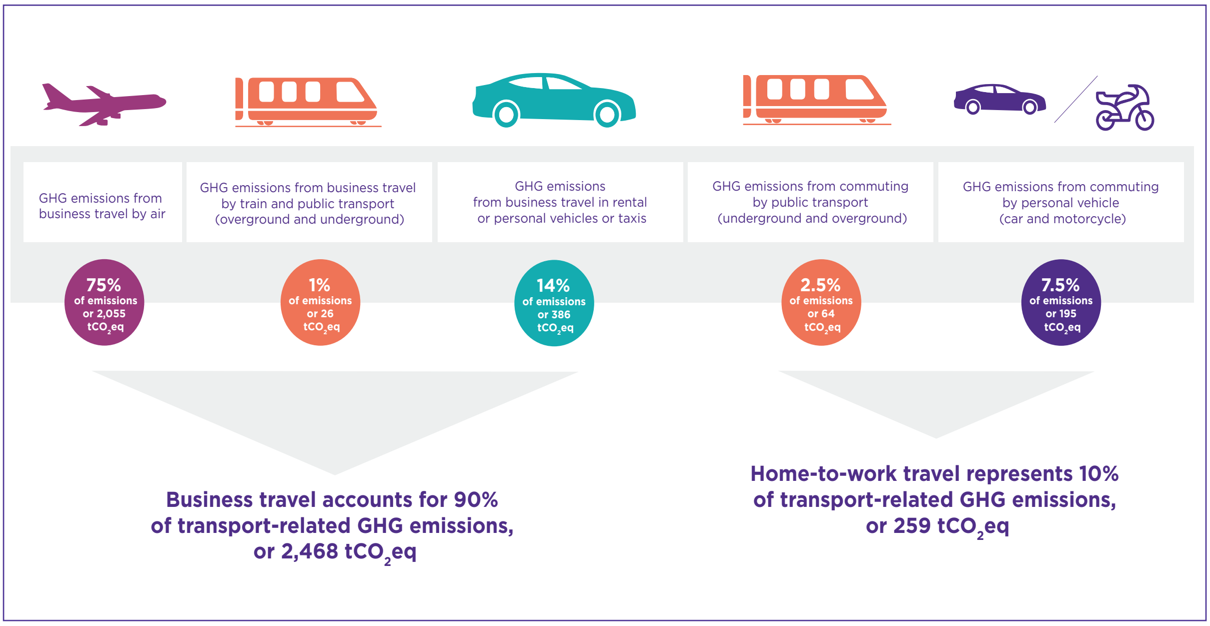
For the scope referred to above, employee transport is the main source of Wavestone's greenhouse gas emissions(4) (81%). To gain a better understanding of these emissions, Wavestone analyzed the volume and different means of transport used on business trips and in staff commuting air travel alone accounts for 75% of greenhouse gas emissions generated by our business travel and staff commuting.

(1) Water consumption for the Tour Franklin offices is based on the consumption for the building as a whole and a ratio per floor. The consumption for the Lyon, Marseille, Casablanca, Brussels and Luxembourg offices were provided by the owner. For the Group's other offices (Nantes, Geneva, London, New York, Hong Kong and Edinburgh), water consumption was extrapolated from the data for the Paris offices (m³/employee ratio).

(2) For more information on water stress areas, visit http://www.un.org/waterforlifedecade/scarcity.shtml

(3) The methodology used is in line with requirements specified in Article 75 of the Grenelle II Law. The emission sources taken into account are those required by Article 75 (scopes 1 and 2), as well as paper purchases and travel, which have been identified as major emission sources for Wavestone's business.

(4) The scope used to produce the GHG statement is not considered in its entirety for the 2018/19 financial year; only emissions related to travel, energy, refrigerant gas leaks and paper purchases are taken into account.



3) Business trips

Business trips, using all methods of transport [(1)], amount to roughly 17.4 million km per year, or approximately 5,623 km per year per employee. This is due to the high level of mobility of Wavestone's employees, which is a characteristic feature of the consulting sector, amplified by the Group's international expansion.

The distance covered for business travel by all Wavestone collaborators represents trips

434 round-the-world trips

N.B.: A round-the-world trip is 40,075 km.

(1) Data for journeys by train, plane and short-term car rental were supplied mainly by the Egencia Travel Agency and the SNCF. The methodology used is unchanged: the calculation of air and train journeys include data issued in the Wavestone Carbon Emissions Report (Egencia); the journeys made now take into account the estimated mileage recorded in expense reports, based on Egencia mileage. Data on journeys by public transportation, taxis and private vehicles were obtained from the accounting department. The amounts collected (in €) were converted into distances travelled (km).

(km per year per employee)	2018/19	2017/18[1]	2016/17	2015/16	2014/15
Business trips	5,623	6,265	3,231	4,716	4,752

(1) Distance by air travel was corrected this year to harmonize and and standardize the method used to input the data since the 2016/17 merger.

N.B.: The methodology for rental vehicles is unchanged from last year. The number of actual kilometers communicated by Egencia and recorded in employee expense reports is now taken into account to estimate business trips made using rental vehicles.

Following the merger in 2016/17, a major project was undertaken to harmonize methodologies to take account of the different information systems and the differences in management practices. We continued with this methodology review this year, improving the accuracy of estimated distances travelled, especially for air travel. We also found that these distances had been underestimated in the data used in 2017/18. and corrected these figures.

Breakdown of business trips by type of transport in 2018/19:

(km/year)	2018/19	2017/18	2016/17	2015/16	2014/15
Plane	51.3%	49.6%	40%	37%	18%
Train	38.0%	32.5%	42%	44%	51%
Public transport	1.9%	7.8%	3%[1]	9%	17%
Cars	8.8%	10%	14%	10%	14%
o/w employee cars	*5.5%*	*7.9%*	*8.5%*	*9.4%*	*11%*
o/w rental cars	*1.2%*	*0.4%*	*0.1%*	*0.2%*	*1%*
o/w taxis	*2.1%*	*1.7%*	*5.9%*	*1.4%*	*2%*

(1) This percentage is underestimated due to a lack of data for Kurt Salmon's European activities. The data from the ERP is not granular enough. In future, precise start and end points will need to be put into the management tool to account for all distances travelled.

Wavestone has adopted a two-pronged strategy to reduce the environmental impact of business trips within the context of its international expansion strategy, namely by:

1. Limiting business trips by using audio and videoconferencing systems: Wavestone's meeting rooms are equipped with remote conferencing systems that are used mainly for in-house discussions between the firm's various sites.

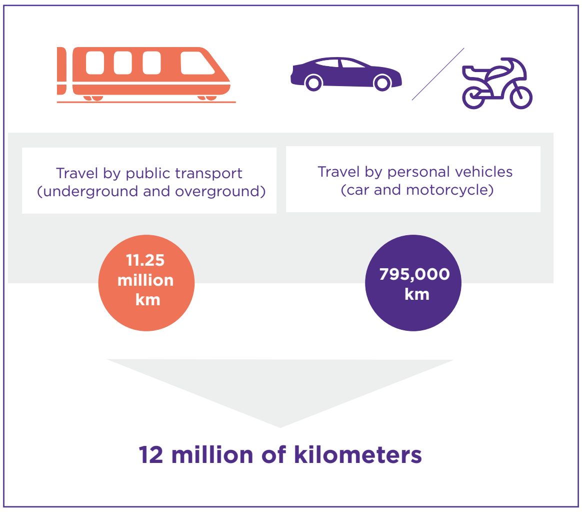
2. Choosing the least polluting means of transport for short-distance trips: Wavestone's employees are strongly encouraged to use public transportation for business trips in accordance with the current travel policy. Some examples of the measures put in place include:

- air travel is authorized only if the train would take more than 3 hours;
- Wavestone pays 50% of employee subscriptions to public bike-rental schemes (Vélib, Vélov, Bicloo, etc.) at all our French offices;
- car travel is authorized for business trips only when there is no access to public transportation or the schedule is too inconvenient. Using a private car for business trips requires prior authorization by the Career Development Manager. We are also promoting soft modes of travel locally. In Lyon, for instance, electric bikes are available for use by staff.

Commuting to work

12 million km per year is the total for commuting to and from work[1] within the reporting scope[2], but it's not possible to break down this metric further into a realistic kilometer per employee.

Wavestone's employees are encouraged to use public transportation to commute to work. The table below shows the transport choices made by our employees in the fiscal year:



(1) The distance travelled by car by employees is calculated based on mailing codes for those with either car or motorbike parking spaces. Public transport use is estimated according to the tickets declared by employees. How average distances using public transport in Paris are calculated has changed since the regional travel pass system is no longer divided into transportation zones. This means that estimates are less accurate than in previous years.

(2) The public transport data we have covers 88.9% of staff and the private car data 81.9%.

(% km)	2018/19	2017/18	2016/17	2015/16	2014/15
Public transportation	93.4%	92%	92%	86%	86%
Own vehicles (car & motorbike)	6.6%	8%	8%	14%	14%

Exceptionally, taxis and VTCs are reimbursed for employees traveling home after 10 p.m.

Since 10/01/16, teleworking has been available to employees in all of the Group's French offices in order to reduce commuting. Teleworking is also very common in London, Luxembourg, New York and Geneva.

3.3.5. Protection of biodiversity

None of Wavestone's sites are situated in protected or high-biodiversity areas. The Company's activities have no direct or significant impact on biodiversity. However, Wavestone has a limited indirect impact through the amount of paper consumed. To minimize this impact, the firm only uses paper made from pulp from sustainably-managed forests (FSC or PEFC certified) or 100% recycled paper. Since 2012, this requirement has been incorporated into printing-services specifications, as well as printing paper purchases.

Appendices

1. Summary of Wavestone's environmental performance indicators over the past 5 years

Theme-based indicators	2018/19	2017/18	2016/17	2015/16	2014/15	Unit	% change yr-on-yr	% change over 5 years
Office waste	20.58	20.53	22.2	28.7	27.8	kg/headcount	+0.2%	-30%
Final energy consumption (per sq. m)	244.4	300.8	251.3	250.9	300.0	kWh/sq. m	-19%	-24%
Final energy consumption per employee	1,368	1,569	2,110	1,702	1,942	kWh/headcount	-13%	-36%
Water consumption	3.58	3.38	4.73	7.34	7.09	m³/headcount	+6%	-62%
Paper consumption	4.83	5.8	5.8	8.7	9.6	kg/headcount	-16%	-52%
Greenhouse gas emissions *(within the reporting scope)*	1.08	1.23(1)	0.9	1.1	0.9	t.CO_2 eq/ workforce	-12%	+20%
Total distance traveled for business trips	5,623	6,265(1)	3,231	4,716	4,752	km/headcount	-10%	+21%
Business flights as a percentage of business trips	51%	50%(1)	40%	37%	18%	% of total km traveled	+3%	+133%
% of employees commuting by public transportation	93%	92%	92%	86%	86%	% of total km traveled	+2%	+10%

(1) 2017/18 indicators adjusted in line with standardization of data input methodologies.

2. Environmental performance indicators: five-year summary table

Category	Indicators/staffing	2018/19	2014/15
Office waste	Number of plastic bottles per collaborator (Average weight of an empty bottle: 30 g)	737	937
Energy consumption	Number of operating hours of the Eiffel Tower per collaborator (heating, air conditioning, elevators, lights)	1h48	3h54
Water consumption	Number of showers per collaborator (55 L on average per shower)	65	138
Paper consumption	Number of sheets used per employee (A4 sheet of 4.98 g)	969	2,063
Greenhouse gas emissions	Number of cars per year per collaborator (Use of an "average" car covering 17,423 km during one year)	0.56	0.47
Distance traveled	Number of Paris - New York trips per collaborator (Distance Paris - New York: 5,837 km)	1.6	1.8

3. Environmental reporting appendix – Cross-reference table between Wavestone data and Article 225 of the Grenelle II Law

The following table shows the cross-reference between the information presented in this report and implementing decree no. 2012-557 dated 04/24/12 relative to the obligation concerning corporate, social and environmental transparency. Certain information (in gray below) was considered irrelevant given Wavestone's activities (see details in the "Actions taken by Wavestone" column).

Decree 2012-557, Article 1, para. 2		Actions taken by Wavestone
a) General policy	Organization of the Company to take environmental issues into account and, where necessary, environmental assessment and certification initiatives	Paragraph 2.1
	Measures carried out to ensure employee access to environmental training and protection	Paragraph 3.3.1 1)
	Measures employed to prevent environmental risks and pollution	Since Wavestone's activities are not of a material nature, they do not present any high environmental risk or cause major pollution (releases into the air, water or soil, noise pollution, soil use, etc.) Wavestone did not write any provisions or guarantees for environmental risk
	The amount of provisions and guarantees for environmental risks, provided that such information is unlikely to cause any serious damage to the Company in the context of an ongoing dispute	
b) Pollution and waste management	Measures taken to prevent, reduce or remedy releases into the air, water or soil that seriously harm the environment	Since Wavestone's activities are not of a material nature, they do not present any high environmental risk or cause major pollution (releases into the air, water or soil, noise pollution, soil use, etc.)
	Measures being carried out to prevent, recycle and eliminate waste	Paragraph 3.3.2
	Management of noise pollution and any other kind of pollution specific to the Group's activity	Because Wavestone's activities are not of a material nature they are not a source of major noise pollution
c) Sustainable use of resources	Water consumption and supply in accordance with local restrictions	Paragraph 3.3.3 3)
	Consumption of raw materials and measures taken to optimize their use	Paragraph 3.3.3 1)
	Energy consumption measures taken to improve energy efficiency, and recourse to renewable energy	Paragraph 3.3.3 2)
	Land use	Since Wavestone's activities are not of a material nature, they do not present any high environmental risk or cause major soil pollution. In addition, Wavestone's premises are located in already urbanized areas
d) Climate change	Greenhouse gas emissions	Paragraph 3.3.4
	Adaptation to the consequences of climate change	Since Wavestone's activities are not of a material nature, they are not directly impacted by the consequences of climate change
e) Protection of biodiversity	Measures taken to preserve and/or develop biodiversity	Paragraph 3.3.5

3.4. Information concerning societal commitments

3.4.1. Relations between persons or organizations with an interest in the Company's activities

1) Partnership and sponsorship initiatives to support projects that create value for society to which Wavestone contributed expertise

As of 2018/19 and in keeping with the Wavestone 2021 strategic plan, the Company spends more time supporting organizations with a civic mission:

2021 objective	Performance at 03/31/18	Performance at 03/31/19
Devote 1% of the firm's time to supporting organizations with a civic mission	*Approximately 0.16%*[(1)]	*0.24%*

(1) Figure revised based on a new calculation basis.

Wavestone wants to increase the many forms of skills sponsorship to achieve this objective:

Powerday is Wavestone's global solidarity day organized once a year to give our people the opportunity to take part in a voluntary project.

Staff members wishing to volunteer can lend their support to the charitable association of their choice either by taking part in skills-based sponsorship programs or manual projects. Powerday helps to sponsor several associations committed to a variety of causes, such as the environment, health and disabilities, child welfare, social and professional integration, education and citizenship, sports & culture.

All of the associations supported by Wavestone are required to respect the Company's CSR commitments and notably carry out an audit and/or control ensuring the ethics, financial transparency and quality of their governance.

More than 1,000 employees from all our offices worldwide took part in 100 or so projects in the third Powerday, held on 08/31/18.

Some of the 2018 Powerday projects include:
- forest clean-up workshops in the Paris region;
- social solidarity craftwork workshops in Lyon;
- learning how best to sort and recycle cigarette butt litter in Marseille;
- textile sorting in Switzerland;
- introduction to surfing for young people with disabilities in the Nantes region;
- drafting the strategic plan for Croix-Rouge Insertion in Paris.

Following the success of the first three Powerdays, the event will be an annual occurrence. The next edition will take place on 08/30/19 and will aim to mobilize 1,500 employees.

Pro bono consulting and advice for community groups

Examples of partnerships include:

Ashoka

In 2017, Wavestone began a trial partnership with international NGO Ashoka as part of the latter's "ShareIT" program. This program, which combines technology, entrepreneurship and social commitment, aims to encourage the development of innovative digital projects with a positive social impact (Tech for Good). Buoyed by the initial success of the program, we stepped up the partnership in 2018/19 and rolled out skill-based sponsorship by offering two employees the opportunity to join the program full-time over a period of several months.

Wavestone consultants took on an engagement for *Signes de sens*, an organization working to promote equal access to education and culture for the deaf and hard of hearing. The engagement focused on developing a web browser extension for Elix, a collaborative online sign language dictionary.

Vendredi

Wavestone partners Vendredi, which gives three interns the opportunity to work one day a week for an NGO or other voluntary group. The purpose of the initiative is to create a link between voluntary groups in the business world through skills sharing.

Mentoring, during or outside of working hours, to help and support others in a specific area

Villebon – Georges Charpak Institute

Wavestone has been a sponsor of the Villebon - Georges Charpak Training Institute since 2012. This socially-responsible initiative is supported by the ParisTech Foundation, higher education bodies (business schools and universities) and socio-economic players. The Villebon Institute's goal is to widen access to the highest forms of education and extensive scientific studies:

- by promoting social, cultural and intellectual diversity for students. All the students show promise but do not excel in the mainstream educational system. 70% of these are on scholarships, 30% from technology studies and 16% have some form of disability;
- by deploying an experimental and interdisciplinary approach fostering team work in project mode;
- by spreading best practices and innovative teaching methods in the university environment.

Three classes have now graduated, with around 40 graduates in each year. Each class is limited to around forty students and leads to a Bachelor degree in "Science and Technology".

The success of this educational approach, awarded the Excellence in Innovative Education (IDEFI) label in 2012, was confirmed by the graduation, in 2016, 2017 and 2018, of the first three classes of students. Since 2016, 94% of students went on to Master's level or enrolled in engineering colleges, such as: AgroParisTech, EPITA, Arts et métiers, Polytech and EDHEC.

As founder of the Villebon Institute, Wavestone lends its support at various levels: student-sponsorship, vocational integration by way of conferences, career workshops, company visits (around 7 events a year), student selection, raising the profile of the Institute and participation on its governing bodies.

In 2018/19, around 80 Wavestone's employees sponsored students from the Institute throughout their 3-year Bachelor's program and gave them guidance on building their professional projects.

Apprentis d'Auteuil

Since February 2018, Wavestone has lent its support to the "*L'Ouvre Boite Paris*". *L'Ouvre Boite* is a project designed to support young entrepreneurs aged 18 to 25 who show innovation, initiative, creativity and courage in starting up their business, but who are faced with specific cases of social and professional exclusion (long-term unemployment, lack of qualifications, living in a disadvantaged urban area, etc.).

In this instance, one Wavestone employee and a member of the Shake'Up initiative were chosen to be mentors for 2 years. Their objective is to provide support and a listening ear to young entrepreneurs to help them get their project off the ground.

Alter'Actions

Our partnership with Alter'Actions started in 2017 in a novel community engagement program to train students to consult pro bono for organizations in the social and solidarity economy, supervised by professional consultants. Professional staff in partner companies, like Wavestone, contribute through skills-based sponsorship.

Since the inception of the partnership, Wavestone has completed three assignments for different groups. In 2018/19, for example, one of our employees supervised students in the "*Comme les Autres*" organization. Formed by Michaël Jérémiasz, who was left paraplegic after a skiing accident, "*Comme les Autres*" provides help and support to people who are disabled following an accident to rebuild their lives. The group wanted help with an advertising campaign to consolidate and expand its impact around the country and look into ways of raising funds.

The Wavestone Corporate Foundation

The Wavestone Corporate Foundation was created in 2009, and extended in 2019 for a period of 5 years, for the purposes of carrying out humanitarian actions in France and abroad by lending support to, or developing, actions aimed at combating child poverty and extreme deprivation.

The Foundation is focused on developing long-term development projects.

Since its creation, the Foundation has backed and financed more than 128 youth-work projects, for the most part in Africa and Asia. Every project monitored by Wavestone is sponsored by an employee of the Company. During the fiscal year, 36 sponsors had contributed to the Wavestone Foundation's projects by continuing to lend their support.

In 2018/19, 14 projects were financed by the Foundation. In March 2019, 18 new projects were selected by the Foundation's Board of Directors following a new call for projects.

The Charter of the Foundation and all previous-year activity reports are available on the Foundation's website: www.fondation-wavestone.fr.

In fiscal 2018/19, Wavestone donated €197,500 to charitable organizations (excluding Powerday). The foundation also paid out €66,200 to groups working with disadvantaged children.

2) Actions taken with respect to employment and professional integration

As a responsible employer, Wavestone pays particular attention to its social footprint

In 2018/19, close to 8,000 applicants from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, recruitment events and spontaneous applications) were interviewed by Wavestone in France.

The objective of this proactive partnership policy is to lend support to students in their personal and professional development throughout their studies:

- professional, via the transmission of knowledge and savoir-faire inherent in consulting jobs (project management, client relationship management); and
- personal, by providing a variety of career coaching programs.

There were over 150 on-campus initiatives in 2018/19: CV/cover-letter workshops, talks by members of the Company's alumni, attendance at educational meetings, organization of conferences, round tables and course modules, etc.

On an educational level, the Company also maintains strong relations with the careers services and faculty bodies of its target schools.

3) Raising awareness of IT security issues

IT security has risen to the top of the Company's agenda and is vital to our core business. We reaffirmed our commitment to working to reinforce IT security in the long term during this past year.

A deep and lasting commitment to raising public awareness about the importance of online security

In fiscal 2018/19, Wavestone continued to strengthen information system protection measures through a number of initiatives to make the general public more aware of the threats to cybersecurity and how to stay secure in the digital space.

We continued our partnership, active since 2015, with Hack Academy and its awareness raising platform.

The Company is also involved in putting together a digital security holiday activity book for 7-11 year olds, with ISSA France, called "*les As du Web*", sponsored by the Secretary of State for Digital Affairs.

Wavestone also shot its first – playful – video with Wavestone staff to make the general public aware of password security. The video was uploaded in October 2018 and is set to be followed by others exploring cybersecurity topics.

Free, open-source cybersecurity for all

Wavestone regularly develops software to facilitate certain types of activity or to demonstrate feasibility, especially when it comes to cyber security: platform to hack into passwords, exploiting vulnerabilities in some technologies, looking into indicators of compromise if an attack is suspected, amongst others. We pick out the software that could prove useful to other cybersecurity operators and make it available on the web free of charge. The source code is also distributed under free license so that the software can be improved by other coders. Several of these software packages were updated in fiscal 2018/19 to add more features and broaden their application.

Broad engagement across the board

This year, Wavestone was also active in the work of public policy think tank Institut Montaigne on cyber threats and the resilience of our economy and society as a whole to mounting and large-scale cyber threats. We worked for nine months in the role of rapporteur with businesses and universities. Published in November 2018, the report (in French) "*Cybermenace : avis de tempête*" (translated loosely as "Cyber threats: storm warning") posits thirteen practical proposals. The focus is on cooperation and solidarity and the need for a global and coordinated response by governments.

We also signed the "Paris Call for Trust and Security in Cyberspace" launched by France during the UNESCO Internet Governance Forum (IGF), further underlining our commitment to the issue. Wavestone supports the call through our promise to continue to work towards the goals of a stable cyberspace.

3.4.2. Regional, economic and social impact of the Company's activities

At Wavestone, we take the regional, economic and social impacts of our business seriously.

Our goal is to be socially engaged. In other words, we intend to act responsibly to inform and guide large corporates and public bodies in their mission-critical transformation projects to yield positive results for all stakeholders.

To take CSR to the next level, we have built CSR goals into our consultancy practice and set priority targets to 2021:

2021 objectives	Performance at 03/31/18	Performance at 03/31/19
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	*No policy*	*Policy being drafted*
Draw up a responsible charter of advice and train all employees in its application	*No charter*	*Charter being drafted*

Wavestone wants to make responsible consulting the default position for all employees in all our centers of excellence and offices, and across all subject areas. The right training and resources are vital to achieving this goal.

In 2019/20, we will trial responsible consulting on several types of engagements, such as supplier search, a digital project, and oversight and management of a transformation project. We will build on the lessons learned to expand this policy.

In addition, Wavestone is committed to supporting its customers in their transformation towards more efficient, sustainable and responsible business models. One of the consulting engagements in this area, in fiscal 2018/19, was a call for tenders by a local authority to award a public service contract for the development and launch of a new B2C long-term rental offer for electric bicycles (EAB) to promote soft, sustainable and alternative mobility. Wavestone was awarded the contract.

3.5. CSR information: economic responsibility

Wavestone aims to be a trusted partner and conduct itself as a responsible player in its environment. As such, the firm guarantees all of its financial, economic, civic and social stakeholders:

- compliance with transparency and ethics rules and the protection of data from end to end of the value chain;
- responsible relations with our suppliers.

3.5.1. Transparency and ethics

Governance

Wavestone has adopted a two-tier management structure comprising a Management Board and a Supervisory Board to ensure a clear separation between the Management and Control functions of the Company

Wavestone complies unreservedly with the MiddleNext Corporate Governance Code.

The Supervisory Board is composed of 6 members (2 women and 4 men), of which 3 are independent. As Wavestone is an equity-controlled company, the composition of the Supervisory Board ensures that the interests of the minority shareholders are respected. The board has an Audit Committee and Compensation Committee, both of whom are chaired by independent directors.

On the recommendation of the Audit Committee, internal controls were tightened during the 2018/19 fiscal year to secure processes and manage risk. IS, operational and financial incidents are monitored every month and more than a hundred procedures have been drawn up and published.

In addition, an internal audit charter was drawn up together with an internal audit code of ethics.

During the 2017/18 fiscal year, a new Risk-monitoring Committee (COPIL) was set up to oversee internal control, internal audit and IS-risk.

Anti-corruption code of conduct and guide

Wavestone's Management Board adopted the Anti-corruption code of conduct published by MiddleNext in December 2017. The code sets out the principles to be followed by all employees in the performance of their duties no matter what their job is or where they are based. It also applies to anybody acting on behalf of the firm.

Wavestone also drafted it own in-house guide for staff based on actual case studies.

Whistleblowing system and the role of the Ethics Officers

Our whistleblowing policy allows staff to raise concerns about bribery, corruption and influence peddling. The system is also open to third parties working on behalf of Wavestone.

Central to this policy is the appointment of Ethics Officers representing all the firm's functions. Their role is to review reports received from employees through internal audit to decide if there's a case to answer, and monitor and oversee any matters referred for investigation.

Ethics Officers also answer questions from employees or third-parties on issues related to fraud, corruption, conflicts of interest and influence peddling. We are arranging regular monthly Ethics Officers hours in 2019/20 to give employees the opportunity to discuss any concerns they have.

Commitment to business ethics training

Our CSR strategic plan includes the commitment by 2021:

2021 objective	Performance at 03/31/18	Performance at 03/31/19
Have trained 100% of employees [(1)] in business ethics	*No training*	*Training being developed*

(1) Employees who have been with the Company for at least 1 year.

An initial business ethics module is under development. On completion of the module, participants will be able to:
- understand what fraud, corruption and influence peddling are;
- know the sanctions that apply and their duties as an employee of the firm;
- know how to express their concerns or flag risky situations;
- recognize and avoid fraud and corruption risks and know what to do if faced with attempted bribery.

Fraud and tax evasion

Tax compliance is a central concern for Wavestone. We ensure we are compliant with all laws in our host countries, that we file our tax returns and pay all taxes due within the deadlines.

3.5.2. Data protection across the value chain

1) Raising awareness of IT security issues

Wavestone's core business is to assist its clients in the definition and implementation of their most critical projects. As a result, the Company handles a lot of data entrusted by its clients on a daily basis. As a trusted partner, Wavestone has made data protection its priority. That is why, in recent years, the Group has reviewed and strengthened its information system protection measures to ensure maximum protection against the growing number of cyber threats. To prevent any incident that could have a significant impact on the brand image, operations and financial health of its clients but also Wavestone itself, a series of functional and technical measures have been implemented Group-wide. Each information system user thus has a key role to play in this prevention.

In order to raise awareness among its employees, Wavestone has implemented a certain number of measures:

- creation of a user guide distributed to all new employees and available on the Company Intranet;
- creation of a series of animated awareness videos;
- dedicated page on the Intranet;
- confidentiality agreement signed by new recruits, e-learning modules for new employees recalling Wavestone's good ISS practices; etc.

The Company has decided to strengthen its action plan by setting a priority objective in Wavestone's CSR strategic plan:

2021 objective	Performance at 03/31/18	Performance at 03/31/19
Have trained 100% of employees (1) in data protection	*70% of new hires*	*86% of new hires*
	13% of employees	*71% of employees*

(1) Employees who have been with the Company for at least 1 year.

3.5.3. Responsible relations with our suppliers

Social and environmental issues taken into account in the firm's procurement policy

During the 2018/19 fiscal year, Wavestone continued work on drafting a new procurement policy for the firm to embed key CSR issues. This new responsible procurement policy focuses on two main areas:

- the integration of CSR criteria when choosing suppliers;
- the creation of a procurement code of ethics for internal buyers.

Until now, sustainable development criteria (environmental, social and/or societal) were integrated into certain specific purchasing processes, but were not implemented and standardized at Group level (see 3.3.3).

Wavestone intends to make CSR criteria an integral part of supplier selection by:

- preparing a list of responsible suppliers for France;
- drafting a CSR appendix to be included with the specifications of calls for tender.

Our aim is to select suppliers that meet social (the sheltered employment sector, social employment companies, companies hiring older people, etc.), environmental (zero waste policy, organic foods, etc.) and community (Made in France) criteria.

To keep CSR high on the agenda, initiatives aimed at buyers led to sourcing locally produced, green goodies for new hires and a higher spend with the sheltered sector. The new ESC is also keen to select activities and providers based on CSR criteria and plans to draft a CSR charter during the upcoming year.

Paying suppliers on time is also a key priority for Wavestone.

In addition, as a signatory of the United Nations Global Compact since 2012 (see 2.3), Wavestone is committed to meeting international ethics standards and, as part of its continuous improvement initiative, to pursuing efforts that promote social progress and economic development.

Lastly, it should be noted that the bulk of Wavestone's partners and suppliers are based in France and subject to French laws and obligations relating to human rights, labor law, etc.

Outsourcing

As part of its consulting services to large companies, Wavestone may occasionally be called on to subcontract part of its services to other specialist firms, particularly when a specific skill that does fall within its own area of expertise, is necessary to complete the project.

Measures taken to promote consumer health and safety

Since Wavestone provides corporate services, it is not concerned by consumer health and safety issues.

It should be noted, however, that the Group contributes towards raising awareness of cybersecurity (see 3.4.1.3).

4. Methodology note regarding Wavestone's 2018/19 non-financial reporting

4.1. Scope of consolidation

Unless stated otherwise, by default, the **social and societal information** covers Wavestone's entire consolidation scope.

Wavestone reporting scope therefore includes Wavestone SA (parent company) and its subsidiaries:

- Wavestone Advisors UK, Xceed Group (Holdings), Xceed Group, Wavestone Consulting UK (offices in the United Kingdom);
- Wavestone Advisors Switzerland and Wavestone Consulting Switzerland (offices in Switzerland);
- Wavestone Advisors (French offices);
- Wavestone US and Xceed (2007) (offices in the United States);
- Wavestone Luxembourg (office in Luxembourg);
- Wavestone Belgium (office in Belgium);
- Wavestone Advisors Morocco (Moroccan office);
- Wavestone HK (office in Hong Kong);
- M3G (1), Metis Consulting (1) (French offices).

A different methodology, detailed in the environmental report (see 3.3), is used for **environmental data**.

Economic data are both qualitative and quantitative.

4.2. Reporting period

Most of the data provided in this report covers the 2018/19 fiscal year ended 03/31/19. In exceptional cases which are explicitly mentioned, the information covers the 2018 calendar year.

4.3. Non-financial data collection sources and method

Wavestone's non-financial data is collected and consolidated at the Company's head office. Data collection and consolidation is the responsibility of the head of HR development, under the supervision of the Chief Financial Officer.

1) Data collection and consolidation

Social data

Given the nature of Wavestone's consulting activity, the social aspect of sustainable development is a major issue and key priority for the Company.

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. The department is assisted mainly by a central team and decentralized HR development teams.

Social reporting and the monitoring of associated indicators fall under the responsibility of a single dedicated contact within Wavestone's HR Development Department, who is in charge of data consolidation at Group level.

Environmental data

At the environmental level, Wavestone has worked with the firm I Care & Consult since 2013. Wavestone SA conducted its first carbon audit during the 1 fiscal year, using the Bilan Carbone® approach developed by the French Environment and Energy Management Agency, ADEME. An environmental reporting procedure, in accordance with Articles 75 and 225 of Grenelle II, was also set up in 2012/13.

The processing and analysis of environmental data is supervised by I Care & Consult. Data collection is monitored by a contact within Wavestone, in charge of gathering and consolidating all information from contributors identified in the departments concerned (IT, Pay, etc.).

Societal data

Societal reporting is mainly qualitative. It is overseen by Wavestone's HR Development Department, working in tandem with the specific contributors in the various departments.

Exclusions

In this report, Wavestone publishes qualitative and quantitative data on all the social, environmental and societal themes required by Articles L.225-102-1 and R.225-104 of the French Commercial Code.

Note, however, that in accordance with the "comply or explain" rule provided by law, information considered not relevant and therefore not applicable to the Company because of its exclusively intellectual activity, is not included in this report. These exclusions mainly concern environmental information (see the "Cross-reference table: pursuant to decree 2012-557 of 04/24/12 Grenelle II" in the Appendices) and societal information (actions to reduce food waste and food precariousness, to protect animal welfare, and promote responsible, fair and sustainable nutrition).

(1) Acquired in November 2018.

4.4. Control methods

Internal control

Data is initially assessed by the CSR manager who reports to the HR Department.

Once data consolidation has been completed, data consistency checks are performed by the departments concerned. These checks include comparative analysis with data from previous years, and significant differences are systematically analyzed.

External control

Under the new regulatory provisions of the Grenelle II Law, its implementing decree, and the order of 05/13/13, Wavestone commissioned the firm Finexfi, a designated independent third-party, to audit its social, environmental and societal information for the 2018/19 fiscal year. The subsequent audit report is presented below.

5. The independent auditor's limited assurance report on the Company's social, societal and environmental information.

To the Shareholders,

Following our engagement by Wavestone as an independent third-party organization accredited by COFRAC under no. 3-1081 (scope available at www.cofrac.fr), we submit our report on the consolidated statement of non-financial information for the fiscal year ended 03/31/19 (hereinafter the "Statement"), included in the Company's management report, pursuant to Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

Entity's responsibility

The Management Board is responsible for preparing a Statement in accordance with applicable law and regulations, including a description of the Company's business model, the main non-financial risks, a presentation of the policies in place to address these risks as well as the outcomes of these policies, including key performance indicators.

This Statement was prepared in accordance with the reporting framework (the "Reporting Framework") used by the entity, the main points of which are available on the Company's website or on request at Wavestone's registered office.

Independence and quality control

Our independence is defined by Article L.822-11-3 of the French Commercial Code and by the audit profession's code of ethics. We also have a quality control system including documented policies and procedures to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

Responsibility of the independent third party

It is our role, based on our work to express a substantiated limited assurance, on:

- compliance of the Declaration with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the disclosures pursuant to Article R.225 105-I(3) and II of the French Commercial Code, namely the outcomes of policies applied, including key performance indicators, and actions to address the main risks (hereinafter the "Disclosures").

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable laws and regulations, specifically with regard to the due diligence, anti-corruption and anti-tax evasion plan;
- compliance of products and services with applicable regulations.

Nature and scope of our work

We conducted our work in accordance with professional standards applicable in France, which specify the terms and conditions for the performance of its engagement by the independent third-party organization, and with International Standard on Assurance Engagements (ISAE) 3000.

Our audit took place over an average of six person/days between 04/30/19 and 05/17/19.

We conducted three interviews with the individuals responsible for drafting the Statement.

Our work allows us to assess the compliance of the Statement with the regulations and the fairness of the Disclosures:

- we reviewed the activity of all the companies included in the scope of consolidation, the presentation of the principal social and environmental risks related to this activity, the impacts on respect for human rights, anti-corruption and anti-tax evasion, as well as the policies in place to address these risks and their outcomes;
- we assessed how appropriate the Guidelines are in terms of relevance, completeness, reliability, neutrality, clarity,

taking best practice in the industry into account where relevant;

- we checked that the Statement covers each category of disclosure required under Article L.225-102-1 of the aforementioned Code, with respect to social and environmental matters, respect for human rights, anti-corruption and anti-tax evasion;
- we verified that the Statement describes the business model and the main risks related to the activity of all entities within the consolidation scope, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as the policies, actions and outcomes, including key performance indicators;
- where relevant to the risks or policies presented, we verified that the Statement presents the disclosures required by Article R.225-105;
- we assessed the process for identifying and validating the main risks;
- we investigated which internal control and risk management procedures are implemented by the entity;
- we assessed the consistency of the outcomes and key performance indicators selected in respect of the main risks and policies presented;
- we checked that the Statement covers the consolidated scope, in other words, all the companies included in the scope of consolidation as per Article L.233-16, within the limits specified in the Statement;
- the audit team reviewed the entity's data collection process to ensure comprehensive and fair Disclosures;

For the key performance indicators and other quantitative results we considered most important, we implemented:

- analytical procedures consisting in verifying the consistency of the data gathered and their correct consolidation;
- granular tests on samples that involved checking that definitions and procedures are correctly applied and reconciling the data with supporting documents. This was done on a selection of contributing entities[(1)] that cover 40 to 100% of the consolidated data from the key performance indicators and selected outcomes for these tests[(2)];
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and outcomes) that we considered most important;
- we assessed the overall consistency of the Statement based on our knowledge and understanding of all the companies included in the scope of consolidation.

We consider that through our work based on our professional judgement we have obtained sufficient appropriate evidence to support the limited assurance conclusion expressed in the assurance report. A higher level of assurance would have required more in-depth verification work.

Due to the use of sampling techniques and other limitations inherent in the operation of any information and internal control system, the risk of not detecting a material misstatement in the Statement cannot be completely eliminated.

Comments on the disclosures

Quantitative social data are primarily derived from a single group database, to which robust internal controls are applied.

Opinion

Based on the procedures performed, no material misstatements have come to our attention that caused us to believe that the Statement of non-financial information was not presented in accordance with applicable regulations and that the Disclosures, taken as a whole, are not truly and fairly presented, in accordance with the Reporting Framework.

Lyon, 05/17/19

FINEXFI
Isabelle Lhoste

Partner

(1) Scope of social disclosures: global database; scope of environmental disclosures: Wavestones SA sites in Paris, Marseille, Nantes, Nanterre and Villeurbanne.

(2) Employment, New Hires and Lay-offs, Health and Safety, Training, sustainable resource use (raw materials and energy), climate change, focus on business trips, social and charitable work.

2018/19 Management Board Report - Additional notes

Company results and other items in the last five years

(in thousands of euros)	03/31/15	03/31/16	03/31/17	03/31/18	03/31/19
Capital at year-end					
Share capital	497	497	497	497	505
Number of ordinary shares	4,966,882	4,966,882	4,966,882	4,966,882	20,196,492
Operations and profit/loss					
Revenues before tax	152,910	192,103	223,853	274,228	308,967
Profit/loss before tax, profit-sharing, depreciation, amortization and provisions	19,196	24,683	37,768	53,193	49,525
Income tax	3,954	4,637	9,262	12,328	11,868
Employee profit-sharing	1,993	2,514	4,402	6,678	4,162
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	12,069	13,518	23,689	30,558	31,538
Distributed earnings	1,908	2,009	3,040	3,993	4,054
Earnings per share					
Profit/loss after tax and profit-sharing and before depreciation, amortization and provisions	2.67	3.53	4.85	6.88	1.66
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	2.43	2.72	4.77	6.15	1.56
Dividend paid	0.39	0.41	0.61	0.81	0.23(1)
Personnel					
Average headcount	1,266	1,535	1,685	1,796	1,942
Total payroll	70,422	87,272	94,566	101,423	107,294
Social security and social welfare contributions	34,159	42,829	44,955	47,597	50,670

(1) After the division by 4 of the par value of Wavestone's shares.

Management Board Report – Trends

For a description of recent trends and the outlook for the Company, please refer to the "Management Report - *General Report*" in section 1 of this document.

CORPORATE GOVERNANCE REPORT

02

In accordance with Article L.225-68 of the French Commercial Code, the Supervisory Board will present its corporate governance report to the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19, which includes the information referred to in Articles L.225-37-3 to L.225-37-5 of the French Commercial Code, as well as the observations of the Supervisory Board on the Management Board Report and on the financial statements for the fiscal year.

For your information, the corporate governance report was approved by the Supervisory Board at its meeting on 05/27/19.

Management and control of the Company

1. Presentation of the governance bodies

Wavestone is a French public limited company (*société anonyme*) governed by a Management Board and a Supervisory Board.

The composition of the governing bodies for the fiscal year ended 03/31/19 is as follows:

Management Board

• Mr. Pascal Imbert	Chairman of the Management Board
• Mr. Patrick Hirigoyen	Member of the Management Board

Supervisory Board

• Mr. Michel Dancoisne	Chairman of the Supervisory Board
• Mrs. Marie-Ange Verdickt	Vice-Chairwoman of the Supervisory Board
• Mr. Jean-François Perret	Member of the Supervisory Board
• Mrs. Sarah Lamigeon	Member of the Supervisory Board
• Mr. Rafaël Vivier	Member of the Supervisory Board
• Mr. Benjamin Clément	Employee representative member of the Supervisory Board

Audit Committee

• Mrs. Marie-Ange Verdickt	Chairwoman of the Audit Committee
• Mr. Michel Dancoisne	Member of the Audit Committee
• Mr. Rafaël Vivier	Member of the Audit Committee

Compensation Committee

• Mr. Rafaël Vivier	Chairman of the Compensation Committee
• Mrs. Marie-Ange Verdickt	Member of the Compensation Committee
• Mr. Michel Dancoisne	Member of the Compensation Committee
• Mr. Jean-François Perret	Member of the Compensation Committee

1.1. Terms of office and positions exercised by Wavestone's corporate officers during the fiscal year ended and over the past five years

Name	Date of first appointment and date of renewal	Date of end of term of office	Main position held within the Company	Main position held outside the Company	Other terms of office and positions held in other companies	Other terms of office held over the past five years
Pascal Imbert	09/30/02 09/26/08 07/28/14 (effective as of 09/26/14)	09/26/20	Chairman of the Management Board		**Axway** Director **Wavestone Consulting Switzerland** Chairman and CEO **Wavestone Belgium** Director **Wavestone Advisors Morocco** CEO **Wavestone Advisors** Chairman **Wavestone US** Chairman **Xceed Group** Director/Chairman **Xceed Group (Holdings)** Director/Chairman **Wavestone Consulting UK** Director/Chairman **Xceed (2007)** Director/Chairman/Treasurer **FIH** CEO	
Patrick Hirigoyen	09/30/02 09/26/08 07/28/14 (effective as of 09/26/14)	09/26/20	Member of the Management Board		**Wavestone** CEO **Wavestone Belgium** Director **Wavestone Luxembourg** B-class Director	

Name	Date of first appointment and date of renewal	Date of end of term of office	Main position held within the Company	Main position held outside the Company	Other terms of office and positions held in other companies	Other terms of office held over the past five years
Michel Dancoisne	09/30/02 09/26/08 07/11/14 (Member of the SB) 07/28/14 (Chairman of the SB) 07/20/16 (Member of the Audit Committee) 03/05/18 (Member of the Compensation Committee) 07/26/18 (Chairman of the SB)	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/22	Chairman of the Supervisory Board Member of the Audit Committee Member of the Compensation Committee			
Marie-Ange Verdickt	09/26/12 07/20/16 (Member of the SB) 07/20/16 (Chairwoman of the Audit Committee) 03/05/18 (Member of the Compensation Committee) 07/26/18 (Vice-Chairwoman of the SB)	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/20	Vice-Chairwoman of the Supervisory Board Chairwoman of the Audit Committee Member of the Compensation Committee	Independent Advisor	**ABC Arbitrage** Director **Caphorn Invest** Member of the Supervisory Board **Interparfums** Director **Bonduelle SCA** Member of the Supervisory Board	

Name	Date of first appointment and date of renewal	Date of end of term of office	Main position held within the Company	Main position held outside the Company	Other terms of office and positions held in other companies	Other terms of office held over the past five years
Jean-François Perret	09/26/08 07/11/14 (Member of the SB) 07/28/14 (Vice-Chairman of the SB) 03/05/18 (Member of the Compensation Committee) 07/26/18 (Member of the SB)	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/22	Member of the Supervisory Board Member of the Compensation Committee	**Teknowlogy Group (prev. CXP Group)** Director and Chairman of the Strategic Committee	**CVMP Conseil** CEO **Whoz** Board Member	**Pierre Audoin Consultants** Vice-Chairman of the Supervisory Board
Sarah Lamigeon	07/22/15	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/19	Member of the Supervisory Board Communications Director			**Wavestone** Non-voting member of the Supervisory Board (resigned on 07/22/15)
Rafaël Vivier	07/22/15 07/20/16 (Member of the Audit Committee) 03/05/18 (Chairman of the Compensation Committee)	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/19	Member of the Supervisory Board Member of the Audit Committee Chairman of the Compensation Committee	**Wit Associés** Founding Partner **Consultor** CEO	**EDHEC** Head of the "Strategy Consulting Intensive Track" program	
Benjamin Clément	01/10/18	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/22	Employee representative member of the Supervisory Board Head of Communications		Private business owned by individual ("*auto-entrepreneur*" status)	

All corporate officers confirmed that in the past five years they have not been:

- convicted of fraud;
- involved in bankruptcy, receivership or liquidation proceedings in which the corporate officers acting in their capacity as members of the administrative, management and supervisory bodies, were convicted;
- incriminated and/or subject to sanctions by an official public statutory or regulatory authority.

The corporate officers declared that, to the best of their knowledge, there are:

- no potential conflicts of interest between the Board members' duties and their private interests and/or other obligations;
- no family ties between any of the Company's corporate officers.

2. Conditions governing the preparation and organization of the work carried out by the Supervisory Board

2.1. General organization and composition of the management and control bodies

First of all, it is important to note that Wavestone adopted a two-tier corporate governance structure comprising a Management Board and a Supervisory Board at the combined ordinary and extraordinary Shareholders' Meeting of 09/30/02. The Board of Directors, which submitted this change in corporate governance for the shareholders' approval, considered it was in the best interests of Wavestone to separate the Company's management and control functions. Past experience showed that a dual-board structure (comprising a Management Board and a Supervisory Board) was, by far, the best way to achieve this.

The separation of the Company's management and control functions, together with the appointment of independent members to sit on the Supervisory Board, underscores Wavestone's resolve to comply with the best corporate governance practices.

Composition of the Supervisory Board

The Supervisory Board is comprised of the following members:

- Michel Dancoisne: Chairman;
- Marie-Ange Verdickt: Vice-Chairwoman;
- Jean-François Perret: member;
- Sarah Lamigeon: member;
- Rafaël Vivier: member;
- Benjamin Clément: employee representative member.

The members of the Supervisory Board were chosen for their extensive skills and expertise, as shown in their biographies presented below.

Biographies of the members of the Supervisory Board

Michel Dancoisne

Born on 03/13/47, Michel Dancoisne graduated from the *Institut Supérieur d'Electronique et du Numérique* (Higher Institute for Electronic and Digital Studies) and obtained an Executive MBA from the HEC business school. In 1971, he joined Télésystèmes, a subsidiary of France Telecom, as a technical and sales engineer, before going on to become a sales engineer at CII-Honeywell Bull in 1974. In 1979, he participated in the creation of the Questel database server business at Télésystèmes, initially in charge of commercial operations and then becoming head of general management. In 1985, Michel was promoted to Director of the Networks Division and was appointed member of the Company's Management Board. In 1990, he co-founded Wavestone, which he co-chaired until his appointment as Chairman of the Supervisory Board in 2002.

Marie-Ange Verdickt

Born on 10/24/62, Marie-Ange Verdickt graduated from the *Ecole Supérieure de Commerce de Bordeaux* and is a member of the French Society of Financial Analysts (SFAF). After starting out as an auditor at Deloitte-Touche in 1984, she became a management controller for the Wang computer group in 1987. She joined Euronext in 1990, initially as a financial analyst before becoming head of financial analysis, working notably on IPOs and financial transactions involving listed companies. From 1998 to 2012, she was employed by *Financière de l'Echiquier*, first as an equity fund manager specialized in French and European mid-cap stocks, and then as Director of Research and SRI (Socially Responsible Investment). Marie-Ange Verdickt currently serves as a director on the Board of Directors of ABC Arbitrage and Interparfums, and is a member of the Supervisory Boards of the CapHorn Invest private equity fund and Bonduelle SCA. In addition, she contributes to the SCR Committee of Sopra-Steria and the Investment Committee of the *Fondation des Petits Frères des Pauvres*.

Jean-François Perret

Born on 06/05/42, Jean-François Perret graduated from the National Institute for Electrical engineering, Electronics, Computer science, Fluid mechanics & Telecommunications and Networks of Toulouse (ENSEEIHT) and from the Business Administration Institute (IAE) in Paris. In 1967, he joined *Société Anonyme de Télécommunications* (SAT) as a design engineer, before becoming a business engineer at ELECMA (the electronics division of SNECMA) just two years later.

In 1970, he was appointed head of the Information Technology delegation formed by the French Prime Minister's office and was part of a research group tasked with analyzing the emergence of the software industry and strategic planning, with a view to creating a European information technology industry (UNIDATA). In 1974, he became Director of Economic and Financial Affairs of the Department of Electronic and Information Technology Industries (DIELI) within the French Ministry of Industry.

In 1977, he joined Pierre Audoin Consultants (PAC) where he pursued his career as Deputy CEO, then CEO and ultimately Chairman of the Management Board. During his term of office, he helped establish PAC as a recognized leader in the consulting sector, as well as the strategic and marketing research segments of the software and IT services markets. He also played a key role in PAC's international development and in the merger between PAC and CXP in June 2014. Jean-François Perret is currently Director and Chairman of the Supervisory Board of the CXP Group, the European leader in analysis and consulting in the field of digital software and services. He is also very active in the engineering community, particularly via the G9+ Institute (digital think tank comprising members of 20 alumni associations) and the ENSEEIHT association of engineers.

Sarah Lamigeon

Born on 05/08/72, Sarah Lamigeon holds a degree in Economic Sciences and a Master's degree in European Studies from the College of Europe in Belgium. She began her professional career in 1997 as a Project Manager for the Erasmus Technical Assistance Office at the European Commission in Brussels. In 2000, she moved to Bath (UK) to join the communications department of Future PLC, a media group listed on the London Stock Exchange. A year later, she joined Wavestone to develop the Company's communications strategy. Today, as Director of Communications, she is responsible for developing Wavestone's image and reputation. Sarah Lamigeon and her teams are also in charge of Wavestone's financial reporting, as well as the Company's recruitment and internal communication strategy. She is also Treasurer of the Wavestone Foundation for underprivileged children.

Rafaël Vivier

Born on 08/27/75, Rafaël Vivier graduated from the EDHEC business school and is an HEC-certified coach. He began his career in 1999 working as a consulting partner for the recruitment agency, Michael Page in Paris. In 2001, he moved to the strategic consulting firm, Achats Masaï, to take up the position of consultant and then Manager. In 2006, Rafaël Vivier joined the Roland Berger firm as an industry specialist, focusing on the automotive and aeronautical sectors in particular. In 2008, after gaining experience on the Management Board of Adecco France, he founded and is currently a Partner at Wit Associés, a Human Resources consulting firm specialized in high-growth sectors, mainly in the professional services sector and for large listed groups. In 2011, he created consultor.fr, an on-line media network specialized in strategy consulting, now the main source of information on this sector. He is currently CEO of the Company.

Benjamin Clément

Born on 02/24/89, Benjamin Clément is a graduate of *Télécom Ecole de Management*. He joined Wavestone as a consultant in 2012, a position he held for four years, during which time he carried out most of his assignments in the transport sector in Paris, Brussels and London. In 2016, he joined the Group's communications team and now dedicates most of his time to improving Wavestone's image and reputation. He also contributes to the drafting of financial communication and employer-brand content. He was appointed employee representative member of the Supervisory Board in January 2018. Benjamin Clément also runs his own corporate and sports event management company.

Terms of office and positions of the members of the Supervisory Board

Details of the terms of office and positions held, as well as the dates of appointment and renewal of terms of office, are provided in paragrah 1.1 "Terms of office and positions held by corporate officers during the fiscal year ended and over the past five years" of this report.

Duration of terms of office

Members of the Supervisory Board are appointed for a duration of 4 years.

Obligation to hold Wavestone shares

Supervisory Board members are legally obliged to own at least 150 registered Wavestone shares each, which must be acquired within the twelve-month period following the date on which they take up their functions.

Independent members of the Supervisory Board

At the meeting convened on 03/18/19, the Supervisory Board reviewed the independence of all of its members on the basis of the criteria defined by the MiddleNext Corporate Governance Code published in September 2016. The director-independence qualification criteria given in this Code stipulate the absence of any significant financial, contractual or family relationships likely to impair the independence of board members' judgment.

The results of this review are provided in the table below:

MiddleNext independence criteria	Not an employee or a corporate officer (either past or present)	Not a major client, supplier or banker	Not a reference shareholder	No family ties with another corporate officer or reference shareholder	Not a former auditor
Michel Dancoisne	X	√	X	√	√
Jean-François Perret	√	√	√	√	√
Marie-Ange Verdickt	√	√	√	√	√
Sarah Lamigeon	X	√	√	√	√
Rafaël Vivier	√	√	√	√	√
Benjamin Clément	X	√	√	√	√

X: Independence criterion not respected.
√: Independence criterion respected.

The Supervisory Board concluded that 3 of its 6 members (equivalent to 50% of its members) can be considered independent, namely: Jean-François Perret, Marie-Ange Verdickt and Rafaël Vivier.

Composition of the Management Board

The Management Board is comprised of the following members:

- Pascal Imbert: Chairman;
- Patrick Hirigoyen: Member.

Biographies of the members of the Management Board

Pascal Imbert

Born on 08/12/58, Pascal Imbert is a graduate of the *Ecole Polytechnique and Télécom ParisTech* (the Paris Institute of Science and Technology). He began his career with the R&D division of the digital services company, Télésystèmes (now part of the Atos group) in 1980, before joining Cirel Systems, a manufacturer of telecoms products, in 1988.

In 1990, he co-founded Wavestone with Michel Dancoisne, with whom he oversaw the development of the Company for a period of 12 years. In 2002, he became Chairman of the Company's Management Board and Michel Dancoisne, the Chairman of the Supervisory Board.

From 2010 to 2014, Pascal Imbert served as Chairman of MiddleNext, the French association representing listed midcaps, and has been a Director of the software developer Axway since 2011.

Patrick Hirigoyen

Born on 08/06/63, Patrick Hirigoyen holds an engineering degree from the *Ecole Nationale Supérieure des Télécoms de Bretagne* (Higher National School of Telecommunications) and has extensive experience in the field of consulting. He began his career working as a business engineer with INFI, a software and computing services company specialized in new technologies. He joined Wavestone in 1993 where, as Director of Sales, he developed the sales division before being appointed CEO and member of the Management Board in September 2002.

Terms of office and positions of the members of the Management Board

Details of the terms of office and positions held are provided in paragraph 1.1 "Terms of office and positions held by corporate officers during the fiscal year ended and over the past five years" of this report.

2.2. Information concerning the member of the Supervisory Board whose appointment shall be put forward for the approval of the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19

Christophe Aulnette

French nationality
57 years

Main positions held outside of the Company
- Director of Netgem SA;
- Chairman of NETIPTV SAS;
- Executive Chairman of Dathena Science Pte LTD;
- Director of Sixon Holding SA;
- Board Director of Locarise Pte Ltd;
- Member of the Supervisory Board of MBO Partenaires.

Other terms of office and positions held
- N/A

Other terms of office held in other companies over the past five years
- Director of Netgem Singapore;
- Director of Netgem Australia;
- Director of Netgem Mexico;
- Chairman of Netgem International and Netgem SA.

Professional experience

Christophe Aulnette, aged 57, is graduate of Telecom ParisTech and has more than 25 years of experience in managing and developing international companies in the technology sector.

In 1988, he joined Microsoft France, where he successively held the positions of sales engineer and Director of the Key Accounts division. In 1998, he was appointed General Manager of Asia Business Development at Microsoft's Asia-Pacific headquarters in Tokyo, before being promoted to Chairman of South Asia. Based in Singapore, he was responsible for the operational management of the seven subsidiaries in the region. In May 2001, he was called back to France to take up the position of Chairman of Microsoft France, the group's fifth largest subsidiary in the world with more than €1.2 billion in revenue.

In March 2005, he was appointed Chairman of the Management Board of Altran Technologies, a listed company with 16,000 employees in Europe and generating revenue of €1.5 billion. He left his position at the end of 2006 after initiating a major transformation plan within the group.

In early 2009, he joined Netgem, a company listed on the NYSE Euronext exchange, which provides online television solutions for telecom operators. During his four years as CEO, Christophe Aulnette transformed the Company by expanding it internationally, capturing many operator clients across all 5 continents, while maintaining a high level of profitability.

In 2013, he became a director of the Netgem group and developed, starting in Singapore and now based in Paris, an investment and operational consulting activity for companies in the technology sector.

Number of Wavestone shares held

As of 03/31/19, Christophe Aulnette did not hold any Wavestone shares.

Furthermore, the Supervisory Board inform you that at its meeting of 05/27/19, the Supervisory Board voted on the independence of the candidate nominated for the position of new member of the Supervisory Board. On the same date, your Supervisory Board confirmed the candidate's independence from Wavestone.

2.3. Diversity policy of the Supervisory Board, its Committees and the Executive Committee (EXCOM)

Diversity policy within the Supervisory Board and its Committees (Audit Committee and Compensation Committee)

Guided by the interests of the Company and its shareholders as a whole, the Supervisory Board ensures that its composition and that of its Committees (Audit Committee and Compensation Committee) are diversified, to ensure dynamic and high-quality discussions. It regularly reviews the appropriateness and relevance of their composition with regard to the key objectives of Wavestone's strategy.

The Supervisory Board assesses its composition based on the following four criteria:

- Gender equality

  The Board aims to maintain a balanced proportion of women and men among its members.

  At present, the Board is comprised of three men - excluding the employee representative member - and two women. The Board is thus in compliance with its legal obligations.

  For the record, the employee representative member on the Board is a man and the Audit Committee is chaired by a woman, Marie-Ange Verdickt.

- **International experience - Nationality**

  Following the resignation of Jean-Noël Mermet, the international dimension of the Board has been reduced. In order to address this lack of experience, the Supervisory Board decided to present for approval to the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19, the appointment of Christophe Aulnette as a member of the Supervisory Board (see section 2.2. of this document).

- **Complementarity of skills**

  The Board's members offer an array of valuable skills, which serve to assess the development issues and challenges facing Wavestone. These skills cover, in particular, the consulting and services market, financial and stock market strategy management in an expanding company, external growth, human resources, CSR and communication.

- **Age balance**

  Wavestone is in compliance with regulations regarding the duration of terms of office and intends to maintain a broad age spectrum for members of the Supervisory Board and its Committees. The Board wishes to maintain a balanced composition between members with historical knowledge of the Company and those who have recently joined. In 2018/19, the Board's members are aged between 30 and 76, and the average age of the members of the Supervisory Board is 54.

Diversity policy within the EXCOM with regard to the balanced representation of women and men

The Board also ensures that the Management Board implements a non-discrimination and diversity policy, in particular with regard to the balanced representation of women and men in management and in particular on the executive Committees.

Wavestone promotes equal pay for women and men and aims to ensure that women are represented at all levels of the Company, including in positions of greater responsibility.

As part of its CSR approach, Wavestone has set itself the objective of reaching a target of 30% of female EXCOM members by 2021. At 03/31/19, women accounted for only 15% of EXCOM members.

2.4. Preparation and organization of work

Functioning and work carried out by the Supervisory Board

The Supervisory Board is responsible for permanent monitoring of how the Management Board manages the Company.

The Supervisory Board may conduct as many audits and controls it deems necessary, at any time during the year, and may ask the Management Board to provide any document it considers necessary to fulfill its duties. Moreover, at any time during the course of business between its meetings, the Supervisory Board may request any information considered pertinent or vital, notably in the form of financial analysis reports.

During the fiscal year ended 03/31/19, the Supervisory Board met 7 times (05/28/18, 07/02/18, 07/26/18, 09/18/18, 12/03/18, 01/30/19, 03/18/19) with an attendance rate of 95%. The Supervisory Board meeting schedule is determined at each Supervisory Board meeting; dates are set for at least the next two meetings over a maximum period of 12 months.

Meetings are convened by electronic mail and by post approximately one week ahead of the scheduled date. The Supervisory Board agenda is always sent with the notice of meeting. In addition, interim and full-year financial statements are communicated to Board members for review approximately one week before the date of the Supervisory Board meeting. Social and Economic Committee representatives on the Supervisory Board are invited to attend all Supervisory Board meetings.

The Statutory Auditors are invited to Management Board and Supervisory Board meetings called to approve the Company's interim and annual financial statements. The items dealt with by the Supervisory Board during the fiscal year ended 03/31/19 included:

- the review, verification and audit of the full-year Company and consolidated financial statements and the report of the Management Board;
- the review, verification and audit of the interim Company and consolidated financial statements and the report of the Management Board;
- the review of the results of the current share buy-back program and the review of the proposition for the next share buy-back program, presented by the Management Board;
- sureties, endorsements, guarantees and pledges granted to the Management Board;
- action plan/budget with the participation of the Operational Committee;
- management forecasts presented by the Management Board;
- the review of external growth and international development reports;
- the review of Management Board quarterly reports;
- corporate officer's compensation;
- the review of the eligibility of Supervisory Board members' independent status;
- the review of potential conflicts of interest;
- monitoring the replacement of executive directors;

- compliance with the MiddleNext Corporate Governance Code (recommendations and points requiring vigilance);
- the amendment of the internal rules for the Supervisory Board;
- the Company's policy with respect to equal pay and professional opportunities;
- the Company's Corporate Social Responsibility (CSR) strategy;
- the Company's ethical charter;
- the association of management regarding capital and compensation;
- the analysis of internal control and risk management procedures in force within the Company;
- self-assessment of the functioning and work of the Supervisory Board;
- review of the implementation of the "Sapin 2" law;
- review of the implementation of the GDPR;
- choice of Statutory Auditors.

The members of the Management Board, the CFO, or any other person depending on the subject matter may attend all or part of the Supervisory Board meetings, at the discretion of the members of this Supervisory Board.

Management Board representatives do not participate in corporate officer compensation reviews.

Draft minutes of Supervisory Board meetings are sent to all members for approval before signature, which is generally given at the next Supervisory Board meeting.

Assessment of the functioning and work of the Supervisory Board

Every year, the Supervisory Board conducts a self-assessment survey to assess its functioning and the work it carries out. A formal assessment is carried out every 3 years. The last formal assessment was carried out by the Supervisory Board on 03/18/19.

Committees

Audit Committee

The Supervisory Board as a whole also functioned as the Audit Committee until 07/20/16 when the Supervisory Board decided to create an ad hoc Audit Committee separate from the Supervisory Board.

The Committee has 3 members: Marie-Ange Verdickt, Michel Dancoisne and Rafaël Vivier.

It was formally noted that, given their professional experience, Marie-Ange Verdickt and Rafaël Vivier meet the criteria of independence and competence in accounting and/or financial matters.

Regarding its functioning and the work it carries out, the Audit Committee follows the AMF working group recommendations for Audit Committees.

Without prejudice to the powers of the Board, the Audit Committee is responsible in particular for the following tasks:

- monitoring the process of preparing financial information and, where appropriate, making recommendations to ensure its integrity;
- monitoring the effectiveness of the internal control and risk management systems and, where applicable, the internal audit, with regard to the procedures relating to the preparation and processing of accounting and financial information, without prejudice to its independence;
- issuing its recommendation on the Statutory Auditors proposed for appointment by the annual General Meeting. This recommendation is addressed to the Supervisory Board and is drawn up in accordance with applicable regulations; it also issues a recommendation to the Supervisory Board when the renewal of the term of office of the Statutory Auditor(s) is envisaged under the conditions defined by applicable regulations;
- monitoring the performance by the Statutory Auditor of its engagement and taking into account the findings and conclusions of the French High Council of Statutory Auditors (*Haut conseil du commissariat aux comptes*) following the audits carried out in compliance with applicable regulations;
- ensuring that the Statutory Auditor complies with the conditions of independence in accordance with the terms and conditions laid down by applicable regulations;
- approving the provision of services other than the certification of accounts in compliance with applicable regulations;
- reporting regularly to the Board on the performance of its duties. It also reports on the results of the engagement to certify the accounts, how that engagement has contributed to the integrity of financial reporting and the role it has played in that process. It also informs the Board of any difficulties encountered as soon as possible.

Audit Committee's meetings are held separately from Supervisory Board meetings and are chaired by Marie-Ange Verdickt, Chairwoman of the Audit Committee and independent member of the Supervisory Board.

The members of the Management Board, the CFO, or any other person depending on the subject matter may attend all or a part of the Audit Committee's meetings, at the discretion of the members of this Audit Committee.

Statutory Auditors' reports on the interim and annual Company and consolidated financial statements, as well as reviews of Statutory Auditor independence and proposals for the renewal of their mandate are discussed in the absence of the members of the Management Board.

Minutes of each Audit Committee meeting are drawn up and appended to the minutes of the Supervisory Board meeting, the Supervisory Board being tasked with examining their content.

During the fiscal year ended 03/31/19, the Audit Committee met 5 times on 05/25/18, 09/18/18, 11/30/18, 01/28/19 and 03/04/19, and recorded an attendance rate of 100%.

During these meetings, the main points dealt with by the Audit Committee included:

- the review and verification of the Company and consolidated financial statements for the fiscal year ended 03/31/19 presented and approved by the Management Board; examination of the Chief Financial Officer and Statutory Auditors' reports;
- review of additional reports and documents drafted by the Management Board for the annual General Meeting;
- review, verification and audit of the annual financial report prepared by the Management Board;
- review of the corporate governance report;
- review of Statutory Auditors' independence. It should be noted that the Statutory Auditors provided a service in addition to the certification of the financial statements, which consisted of certifying the leverage ratio attestation as part of the financing agreement implemented on 01/07/16;
- review of the call for tenders for the appointment of a new Statutory Auditor;
- review and verification of the interim financial statements approved by the Management Board; the review, verification and audit of the interim financial report prepared by the Management Board; the examination of the Chief Financial Officer and Statutory Auditors' reports;
- analysis and monitoring of the multi-year internal audit plan and of the internal control and risk management procedures in force within the Company; the general framework of these procedures is reviewed every year to ensure their effectiveness. This is notably achieved by way of risk mapping, as well as by carrying out an in-depth review of the procedures concerning one or more risks in particular, and by checking to ensure that the appropriate procedures and control measures are in place. In the event of failure or malfunction, the Audit Committee asks the Company to take the necessary corrective measures.

The Supervisory Board, in its various meetings, followed the recommendations of the Audit Committee.

Compensation Committee

At its meeting on 03/05/18, the Supervisory Board decided to create a Compensation Committee with effect from 04/01/18.

The Committee has 4 members: Marie-Ange Verdickt, Michel Dancoisne, Rafaël Vivier and Jean-François Perret.

It was formally noted that, given their professional experience, Marie-Ange Verdickt, Rafaël Vivier and Jean-François Perret meet the criteria of independence and competence in accounting and/or financial matters.

Without prejudice to the powers of the Supervisory Board and under its responsibility, the Compensation Committee's mission is to carry out an annual review and make recommendations and opinions to the Supervisory Board with respect to the following items:

- compensation and benefits components for executive corporate officers;
- the amount of the remuneration package for the Supervisory Board to be submitted to the annual General Meeting of Shareholders and the distribution of this package among the members of the Supervisory Board, and the remuneration of the non-voting members.

Compensation Committee's meetings are held separately from Supervisory Board meetings and are chaired by Rafaël Vivier, Chairman of the Compensation Committee and independent member of the Supervisory Board.

Minutes are drawn up of each meeting of the Compensation Committee and are communicated to each of the members of said Committee.

During the fiscal year ended 03/31/19, the Compensation Committee met 3 times on 04/19/18, 05/15/18 and 05/25/18, and recorded an attendance rate of 100%.

During these meetings, the main points dealt with by the Compensation Committee included:

- appointment of the Chairman;
- allocation of the Compensation Committee;
- validation of the amount and terms of allocation of compensation to be paid to members of the Supervisory Board and related Committees;
- analysis of the compensation of members of the Management Board;
- level of compensation of members of the Management Board;
- evolution of the compensation of the Management Board in the medium term;
- criteria for the allocation of the variable portion of Management Board members' compensation and method of evaluating the achievement of objectives;
- recommendation for the compensation of the Chairman of the Supervisory Board;
- evolution of the compensation of members of the Supervisory Board, Audit Committee and Compensation Committee.

Internal rules

Wavestone's internal rules governing the Supervisory Board's operating procedures cover the following aspects as comprehensively as possible:

Role of the Supervisory Board

- to perform its general role of exercising continuous controls;
- to verify the proper exercise of executive powers;
- to limit the powers of the Management Board;
- to analyze the voting results of annual General Meetings;
- to ensure the replacement of executive directors;
- to review areas requiring careful monitoring.

Composition of the Supervisory Board and independence criteria for its members

- conditions for appointment of members to the Supervisory Board;
- employee representative member of the Supervisory Board;
- independence of Supervisory Board's members.

Duties of the members of the Supervisory Board

- loyalty and compliance with laws and the Articles of Association;
- secrecy;
- diligence;
- compliance with rules concerning trading in Company securities, including on insider information;
- disclosure of conflicts of interest and duty to abstain.

Functioning of the Supervisory Board

- frequency of Board meetings;
- convocation of Board members;
- information concerning Board members;
- recourse to video-conferencing or other means of telecommunication;
- deliberations of the Supervisory Board;
- assessment of the work of the Supervisory Board.

The Supervisory Board, Audit Committee and Compensation Committee internal rules are available in full on the Company's website: www.wavestone.com.

Terms and conditions of shareholder participation at General Meetings

The terms and conditions of shareholder participation at General Meetings are described in Articles 25 to 34 of the Articles of Association.

3. Application of the MiddleNext Corporate Governance Code

For its Corporate Governance Code, the Supervisory Board adopted the MiddleNext Corporate Governance Code for Small and Mid-cap Companies published in December 2009 and updated in September 2016. This Code is available on the MiddleNext website: www.Middlenext.com.

This Code offers recommendations that companies choosing to adopt the Code must comply with, and provides a list of due diligence factors that the Supervisory Board has reviewed.

In addition, the Supervisory Board has confirmed that Wavestone has implemented all the recommendations of the MiddleNext Corporate Governance Code.

Corporate officer compensation

1. Summary of compensation paid to corporate officers for fiscal years 2018/19 and 2017/18

This section presents the total compensation, including elements of compensation of any kind, paid during the past fiscal year to each of the Company's corporate officers.

The table below details the compensation and benefits of all kinds received by Wavestone's corporate officers from all the companies belonging to the Group.

This table shows both the compensation due in respect of the fiscal year, and the compensation actually paid during the fiscal year. In effect, part of the compensation due for one fiscal year is paid during the first months of the following fiscal year.

			2018/19 Gross annual compensation				2017/18 Gross annual compensation			
(in euros)			**Fixed**	**Variable**	**Attendence fees**	**Total**	**Fixed**	**Variable**	**Attendence fees**	**Total**
Management Board										
Pascal Imbert	Due		197,184	30,275		**227,459**	169,020	63,894		**232,914**
	Paid		*197,184*	*35,730*		***232,914***	*169,020*	*48,017*		***217,037***
Patrick Hirigoyen	Due	Compensation	197,184	30,275		**227,459**	168,408	63,674		**232,082**
		Benefits-in-kind	nd			**nd**	nd			**nd**
		Total	197,184	30,275		**227,459**	168,408	63,674		**232,082**
	Paid	*Compensation*[1]	*197,184*	*37,027*		***234,211***	*168,408*	*46,132*		***214,540***
		Benefits-in-kind[2]	*5,786*			***5,786***	*2,893*			***2,893***
		Total	*202,970*	*37,027*		***239,997***	*171,301*	*46,132*		***217,433***
Supervisory Board, Audit Committee and Compensation Committee										
Michel Dancoisne	Due		35,429		24,000	**59,429**	67,503			**67,503**
	Paid		*35,429*			***35,429***	*67,503*			***67,503***
Jean-François Perret	Due				16,000	**16,000**			11,000	**11,000**
	Paid				*11,000*	***11,000***			*11,000*	***11,000***
Marie-Ange Verdickt	Due				32,000	**32,000**			22,000	**22,000**
	Paid				*22,000*	***22,000***			*18,685*	***18,685***
Nathalie Wright	Due					**0**				**0**
	Paid					***0***			*8,082*	***8,082***
Sarah Lamigeon	Due		83,415	6,708	12,000	**102,123**	82,562	10,362	11,000	**103,924**
	Paid		*83,415*	*10,362*	*11,000*	***104,777***	*82,562*	*9,537*	*11,000*	***103,098***
Rafaël Vivier	Due				28,000	**28,000**			17,233	**17,233**
	Paid				*17,233*	***17,233***			*16,123*	***16,123***
Jean-Noël Mermet	Due					**0**			6,551	**6,551**
	Paid[3]				*7,511*	***7,511***				***0***
Benjamin Clément	Due		50,546		10,800	**61,346**	51,055		2,411	**53,466**
	Paid		*50,546*		*2,411*	***52,957***	*51,055*			***51,055***

(1) Note that for the 2018/19 fiscal year, following a miscalculation, the variable compensation paid to Patrick Hirigoyen for the 2017/18 fiscal year was overestimated by €1,421. By way of adjustment, the variable compensation due in 2018/19 will be reduced by the same amount.

(2) Patrick Hirigoyen also benefits from an unemployment insurance plan for company directors and managers. The charges related to this plan are borne by the Company and reintegrated into Patrick Hirigoyen's compensation package in the form of benefits-in-kind.

(3) The compensation paid to Jean-Noël Mermet includes the payment of the balance due for the 2018/19 fiscal year of €960, following his resignation on 06/13/18.

- **Adjustments to the compensation of members of the Management Board between 2017/18 and 2018/19**

The compensation of members of the Management Board was adjusted in 2018/19 in line with the salary policy applied to all of the Company's employees.

This alignment concerns two aspects: a change in the compensation structure (fixed and variable) and a revaluation of the variable component.

- Concerning the compensation structure:

  This change has an impact on the fixed compensation component: 50% of the performance-related variable component for 2017/18 has been reintegrated into the fixed component for 2018/19. It should be noted that in the past, all employees were guaranteed 50% of this variable component.

  This change also has an impact on the variable compensation component: the amount of this new performance-related variable component is identical to the previous one, but it varies from 0 to 130%, whereas previously it could vary from 50 to 200%.

- Concerning the revaluation of the performance-related variable component:

  The performance-related compensation package was reviewed, the main item impacted being the percentage of variable component (from 29% to 39%), in accordance with the application of the Wavestone policy for senior executive compensation.

- Concerning the fixed portion of Patrick Hirigoyen's compensation:

  An adjustment was made to bring this fixed portion in line with the fixed portion of Pascal Imbert's compensation, representing an increase of 709 euros.

- **Reminder of the compensation structure for members of the Management Board, which was subject to an "ex-ante" vote at the annual General Meeting of Shareholders of 07/26/18.**

- Fixed compensation

  The fixed compensation component is determined by taking into account the level and difficulty of the officers' responsibilities, their experience in the function and their seniority in the Company, as well as trends in compensation policies applied by groups and companies with similar business activities.

- Variable compensation (bonuses)

  For Mr. Pascal Imbert, Chairman of the Management Board, the variable compensation (bonus) component is based on the differences between the targets budgeted at the beginning of the fiscal year and the corresponding results actually achieved over the period. The value of the performance-related variable component (target bonus) represented a gross an amount of €76,902 in 2018/19 (€56,330 gross in 2017/18). The variable component (bonus) can range between 0% and 130% of this amount.

  For Mr. Patrick Hirigoyen, member of the Management Board, the variable compensation (bonus) component is based on the differences between the targets budgeted at the beginning of the fiscal year and the corresponding results actually achieved over the period. The value of the performance-related variable component (target bonus) represented a gross an amount of €76,902 in 2018/19 (€56,136 gross in 2017/18). The variable component (bonus) can range between 0 and 130% of this amount.

  Information on the calculation of the variable compensation (bonus)

  Variable compensation (bonus) is determined on the basis of the performance-related variable component (target bonus), to which two performance indices are applied, multiplied by each other:

  > A collective performance indicator (CPI): based on the achievement of budgetary objectives (operating income on ordinary activities and group share of net income, on a like-for-like basis compared to the previous fiscal year) and is adjusted upwards or downwards by the differences between the objectives set at the beginning of the fiscal year and the corresponding results actually achieved. The CPI can range from 0 to 130%. For the fiscal year in question, the CPI applicable to the members of the Management Board stood at 78.74%.

  > An individual performance indicator (IPI), reviewed by the Supervisory Board on the recommendation of the Compensation Committee. The review focuses on three areas:
    - the consistency of annual results with the objectives of the 2021 strategic plan;
    - the achievement of the main objectives set annually; and
    - the monitoring of the Company's main management indicators.

This assessment takes into account CSR criteria, including Wavestone's annual GAIA ranking in its category, the Great Place to Work® ranking, and team turnover over the year. The IPI can range from 0 to 100%. For the 2018/19 fiscal year, on the recommendation of the Compensation Committee, the Supervisory Board approved the IPI at 50%. This corresponds to a "satisfactory result with some weaknesses" according to the annual individual evaluation criteria set out in the Group's compensation policy.

> The calculation formula is as follows:

Variable compensation (bonus)
= Performance-related variable component (target bonus) x CPI x IPI

- Other information
  - It is recalled that on 03/29/19, Pascal Imbert carried out an intra-group reclassification of Wavestone shares without affecting control of the Company, leading to the holding by FIH (of which Pascal Imbert retains a majority shareholding and exclusive control) of 24.00% of Wavestone's share capital. Furthermore, it is specified that Wavestone's executives and corporate officers do not receive any remuneration from FIH.
  - None of Wavestone's executive directors or corporate officers received any compensation other than that listed in the summary table above. This includes compensation benefits referred to in Article L.225-102-1, paragraph 1 of the French Commercial Code (relating to controlled companies).
  - The Company has not implemented a severance or arrival bonus mechanism or deferred compensation relating to the termination or change in duties for Wavestone corporate officers as defined under Article L.225-90-1 of the French Commercial Code.
  - In addition, corporate officers do not benefit from any form of supplementary retirement plan as defined under Article L.225-79-1 of the French Commercial Code.
  - None of Wavestone's executives or corporate officers receive any benefits-in-kind, with the exception of Patrick Hirigoyen who benefits from an unemployment insurance plan for company directors and managers representing a gross an amount of €5,786 (see table above).

The following tables, prepared in accordance with AMF recommendations, give all the information required by regulations in force.

Compensation, options and shares granted to executive corporate officers (Table 1 of the AMF recommendations)

(in euros)	2018/19 Gross annual compensation Amounts due	2017/18 Gross annual compensation Amounts due
Pascal Imbert, Chairman of the Board		
Compensation due for the fiscal year	227,459	232,914
Value of multi-year variable compensation granted during the fiscal year	n/a	n/a
Value of options granted during the fiscal year	n/a	n/a
Value of free shares granted during the fiscal year	n/a	n/a
Total	**227,459**	**232,914**
Patrick Hirigoyen, member of the Board		
Compensation due for the fiscal year	227,459	232,082
Value of multi-year variable compensation granted during the fiscal year	n/a	n/a
Value of options granted during the fiscal year	n/a	n/a
Value of free shares granted during the fiscal year	500,071	n/a
Total	**727,530**	**232,082**

Compensation paid to each executive corporate officer (Table 2 of the AMF recommendations)

	2018/19 Gross annual compensation		2017/18 Gross annual compensation	
(in euros)	Amounts paid	Amounts due	Amounts paid	Amounts due
Pascal Imbert, Chairman of the Board				
Fixed compensation	197,184	197,184	169,020	169,020
Variable compensation	35,730	30,275	48,017	63,894
Multi-year variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a
Benefits-in-kind	n/a	n/a	n/a	n/a
Total	**232,914**	**227,459**	**217,037**	**232,914**
Patrick Hirigoyen, member of the Board				
Fixed compensation	197,184	197,184	168,408	168,408
Variable compensation (1)	37,027	30,275	46,132	63,674
Multi-year variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a
Benefits-in-kind	5,786	nd	2,893	n/a
Total	**239,997**	**227,459**	**217,433**	**232,082**

(1) Note that for the 2018/19 fiscal year, following a miscalculation, the variable compensation paid to Patrick Hirigoyen was overestimated by €1,421. By way of adjustment, the variable compensation due in 2018/19 will be reduced by the same amount.

Attendance fees and other compensation received by non-executive corporate officers (Table 3 of the AMF recommendations)

	2018/19 Amounts paid for the fiscal year	2017/18 Amounts paid for the fiscal year
Michel Dancoisne		
Attendance fees	n/a	n/a
Other compensation	35,429	67,503
Jean-François Perret		
Attendance fees	11,000	11,000
Other compensation	n/a	n/a
Marie-Ange Verdickt		
Attendance fees	22,000	18,685
Other compensation	n/a	n/a
Nathalie Wright		
Attendance fees	0	8,082
Other compensation	n/a	n/a
Sarah Lamigeon		
Attendance fees	11,000	11,000
Other compensation	93,777	92,098
Rafaël Vivier		
Attendance fees	17,233	16,123
Other compensation	n/a	n/a
Jean-Noël Mermet		
Attendance fees	7,511	n/a
Other compensation	n/a	n/a
Benjamin Clément		
Attendance fees	2,411	n/a
Other compensation	50,546	51,055
Total	**250,906**	**275,547**

Free shares allocated to corporate officers (Table 6 of the AMF recommendations)

Shares allocated free of charge by the General Meeting of shareholders during the financial year to each corporate officer by the issuer and by any Group's company	Number and date of plan	Number of shares granted during the financial year (1)	Valuation of shares according to the method used for the consolidated financial statements	Acquisition price	Availability date	Performance conditions
Patrick Hirigoyen	Plan Key People no. 13	11,836	500,071	07/02/18	07/02/21	Yes
Total		**11,836**	**500,071**			

(1) Number of shares after a 4-for-1 stock split.

Table showing the allocation of vested shares (Table 7 of the AMF recommendations)

Shares allocated free of charge that have become available to each corporate officer	Number and date of plan	Number of shares that became available during the year (1)	Acquisition condition(2)
Sarah Lamigeon	OneFirm Share Plan	736	Yes
Patrick Hirigoyen	OneFirm Share Plan	736	Yes
Patrick Hirigoyen	Executive Plan no. 10	2,632	Yes
Total		4,104	

(1) Number of shares before a 4-for-1 stock split.

(2) Performance and attendance conditions.

Record of free share allocations (Table 10 of the AMF recommendations)

Information on free shares granted	Plan dated 09/15/06	Executive Plan no. 5	Executive Plan no. 7	Executive Plan no. 10	OneFirm Share Plan	Key People Plan no. 13 (1)
Date of the meeting	09/30/05	09/25/09	09/28/11	09/25/13	07/22/15	07/20/16
Date of the Management Board	09/15/06	10/15/10	07/02/12	07/01/15	01/28/16	07/02/18
Total number of free shares granted Of which the number assigned to:	27,840	45,540	7,499	13,160	111,136	71,036
Patrick Hirigoyen	9,280	7,590	0	2,632	736	11,836
Sarah Lamigeon	0	0	7,499	0	736	0
Date of acquisition of shares	09/15/09	07/15/13	07/02/15	07/01/18	06/28/18	07/02/21
End date of retention period	09/15/11	07/15/15	07/02/17	07/01/20	06/28/18	07/02/21
Number of shares subscribed at 03/31/19	27,840	37,950	7,499	13,160	87,346	0
Cumulative number of shares cancelled or lapsed	0	7,590	0	0	23,790	0
Number of free shares allocated and still to be acquired at 03/31/19	0	0	0	0	0	71,036

(1) Number of shares after a 4-for-1 stock split.

Table 11 of the AMF recommendations

Executive Corporate officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due as a result of the termination or change of functions		Compensation relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pascal Imbert Chairman of the Management Board		X		X		X		X
Patrick Hirigoyen Member of the Executive Board - Chief Executive Officer		X		X		X		X

In accordance with AMF recommendations, the following information is not applicable to Wavestone for the 2018/2019 fiscal year:

- subscription or purchase options granted during the year to executive corporate officers by the issuer and by any company in the Group (Table 4 of the AMF recommendations);
- subscription or purchase options exercised during the year by executive corporate officers (Table 5 of the AMF recommendations);
- record of past allocations of subscription or purchase options - information related to subscription and purchase options (Table 8 of the AMF recommendations);
- subscription or purchase options granted to the ten highest-paid employees or corporate officers and options exercised by them (Table 9 of the AMF recommendations).

2. Other information relative to executive directors and corporate officers

2.1. Restrictions on executive directors and corporate officers

Pursuant to Articles L.225-185 and L.225-97 II, paragraph 4 of the French Commercial Code and in accordance with the law, at its meeting on 06/18/07, the Supervisory Board decided to fix at 25% the proportion of registered shares that corporate officers of Wavestone and the companies it controls are obliged to hold until termination of their functions, within the context of each plan implemented by Wavestone in which these corporate officers would qualify as beneficiaries as result of their mandate.

Note that this provision only applies to plans set up for the benefit of these corporate officers after the entry into force of the Law of 12/30/06.

2.2. Transactions on Company shares by executive directors and their relatives

In accordance with laws and regulations in force, the following table lists the transactions carried out on Company shares by executive directors, senior managers, and persons closely related to them, during the past fiscal year.

Executive directors	Transaction date	Type of transaction	Number of shares	Transaction share price
Sarah Lamigeon	09/27/18	Sale	489	€38.00
Sarah Lamigeon	09/27/18	Sale	500	€37.30
Sarah Lamigeon	10/01/18	Sale	338	€36.25
Sarah Lamigeon	10/03/18	Sale	1,011	€37.16
Sarah Lamigeon	10/04/18	Sale	947	€38.00
Sarah Lamigeon	10/08/18	Sale	1,262	€35.08
Sarah Lamigeon	10/14/18	Sale	223	€31.05
Sarah Lamigeon	10/17/18	Sale	474	€31.13
Sarah Lamigeon	10/19/18	Sale	476	€33.10
Sarah Lamigeon	12/05/18	Sale	676	€29.75
Sarah Lamigeon	12/07/18	Sale	584	€28.90
Sarah Lamigeon	12/07/18	Sale	650	€29.00
Sarah Lamigeon	12/10/18	Sale	1,056	€28.60
Patrick Hirigoyen	02/19/19	Sale	5,615	€27.95
Patrick Hirigoyen	02/25/19	Sale	8,500	€26.40
Patrick Hirigoyen	02/26/19	Sale	6,000	€26.70

3. Consultation among shareholders on the compensation of executives and corporate officers

3.1. Consultation on the compensation items paid or allocated during the 2018/19 fiscal year ("say on pay" ex-post vote – Resolutions 10 to 12 of the AGM on 07/25/19)

The fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or granted in respect of the 2018/19 fiscal year, and presented below, will be submitted to the vote of the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19, in resolutions 10 (for Pascal Imbert), 11 (for Patrick Hirigoyen) and 12 (for Michel Dancoisne).

Items of compensation paid or granted to Pascal Imbert, Chairman of the Management Board in respect of the 2018/19 fiscal year, subject to the vote of the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19

Items of compensation due or granted in respect of the fiscal year ended	Amounts or book value submitted to the vote	Description
Fixed compensation	€197,184	The fixed compensation component is determined by taking into account the level and difficulty of the officers' responsibilities, their experience in the function and their seniority in the Company, as well as trends in compensation policies applied by groups and companies with similar business activities.
Variable annual compensation paid	€30,275	The variable compensation (bonus) component is based on the differences between the targets budgeted at the beginning of the fiscal year and the corresponding results actually achieved over the period. The value of the performance-related variable component (target bonus) came to a gross amount of €76,902 in 2018/19 (€56,330 gross in 2017/18). The variable component (bonus) can range between 0 and 130% of this amount. On the proposal of the Compensation Committee and in accordance with the formula for calculating variable compensation (target bonus x CPI x IPI) defined above, he will receive 39.37% of the target bonus, representing an amount of €30,275.
Multi-year variable compensation not yet paid	n/a	n/a
Stock options, free shares or other grants of securities	n/a	n/a
Non-recurring compensation	n/a	n/a
Board and Committees' compensation	n/a	n/a
Value of benefits of all kinds	n/a	n/a

Items of compensation paid or granted to Patrick Hirigoyen, CEO and member of the Management Board in respect of the 2018/19 fiscal year, subject to the vote of the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19

Items of compensation due or granted in respect of the fiscal year ended	Amounts or book value submitted to the vote	Description
Fixed compensation	€197,184	The fixed compensation component is determined by taking into account the level and difficulty of the officers' responsibilities, their experience in the function and their seniority in the Company, as well as trends in compensation policies applied by groups and companies with similar business activities.
Variable annual compensation paid	€30,275	The variable compensation (bonus) component is based on the differences between the targets budgeted at the beginning of the fiscal year and the corresponding results actually achieved over the period. The value of the performance-related variable component (target bonus) represented a gross an amount of €76,902 in 2018/19 (€56,136 gross in 2017/18). The variable component (bonus) can range between 0 and 130% of this amount. On the proposal of the Compensation Committee and in accordance with the formula for calculating variable compensation (target bonus x CPI x IPI) defined above, he will receive 39.37% of the target bonus, representing an amount of €30,275. Note that for the 2018/19 fiscal year, following a miscalculation, the variable compensation paid to Patrick Hirigoyen was overestimated by €1,421. By way of adjustment, the variable compensation (target bonus) due in 2018/19 will be reduced by the same amount.
Multi-year variable compensation not yet paid	n/a	n/a
Stock options, free shares or other grants of securities	€500,071	Patrick Hirigoyen received an initial grant during this fiscal year, under the Key People Plan no. 13, representing 11,836 shares (after a 4-for-1 stock split), valued at €500,071 on the date of the initial grant. This information is provided in Table 6 in section 2.1 above.
Non-recurring compensation	n/a	n/a
Board and Committees' compensation	n/a	n/a
Value of benefits of all kinds	€5,786	Patrick Hirigoyen benefits from an unemployment insurance plan for company directors and managers. The charges related to this plan are borne by the Company and reintegrated into his compensation package in the form of benefits-in-kind.

Items of compensation paid or granted to Michel Dancoisne, Chairman of the Supervisory Board in respect of the 2018/19 fiscal year, subject to the vote of the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19

Items of compensation due or granted in respect of the fiscal year ended	Amounts or book value submitted to the vote	Description
Fixed compensation	€35,429	For the fiscal year ended 03/31/19, Michel Dancoisne received compensation of €35,429 in respect of his position as Chairman of the Supervisory Board.
Variable annual compensation paid	n/a	n/a
Multi-year variable compensation not yet paid	n/a	n/a
Stock options, free shares or other grants of securities	n/a	n/a
Non-recurring compensation	n/a	n/a
Board and Committees' compensation	€24,000	It is recalled that, as from the fiscal year beginning 04/01/18, Michel Dancoisne receives compensation for his term of office as Chairman of the Supervisory Board, member of the Audit Committee and member of the Compensation Committee.
Value of benefits of all kinds	n/a	n/a

3.2. Consultation on the principles and criteria used to determine the compensation of executives and corporate officers ("say on pay" ex-ante vote – Resolutions 13 to 15 of the AGM on 07/25/19)

This section outlines the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind allocated to the members of the Supervisory Board and of the Management Board in respect of their term of office.

In accordance with Article L.225-82-2 of the French Commercial Code, these principles and criteria will be submitted to the vote of the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19.

Compensation policy applicable to members of the Management Board

a) General principles

The items taken into account by the Supervisory Board, on the recommendation of the Compensation Committee, in the analysis of Management Board member compensation are as follows:

- short-term items (comprising a fixed and a variable component);
- where applicable, a long-term incentive item in the form of the allocation of free shares contingent upon fulfilling a predetermined set of performance targets;
- other items: welfare insurance, health cover and unemployment insurance for Company directors and managers.

The principles applied by the Supervisory Board to determine Management Board member compensation are as follows:

- comparability: the method used to determine compensation takes into account practices applied by groups and companies whose business activities are comparable with those of Wavestone;
- consistency: trends in Management Board member compensation are pegged to the level of difficulty of their responsibilities and are consistent with the Group's standardized pay policy applied for all of its personnel. It respects the framework set for the level of compensation of the Company's French senior executives.

b) Structure of global annual compensation

The compensation structure for members of the Management Board will be maintained according to the same principles as the previous fiscal year, i.e.:

- a fixed component;
- a variable component, referred to as a bonus. The target bonus (target bonus level achieved) for 2019/20 represents 39% of fixed compensation. The bonus paid may vary between 0 and 130% of the target bonus amount.

The bonus structure for annual compensation was set as follows by the Supervisory Board:

- As regards the bonus, it will be determined according to the target bonus, to which two performance indicators apply, multiplied by each other:
  - a collective performance indicator (CPI): based on the achievement of budgetary objectives (operating income on ordinary activities and net income) and is adjusted upwards or downwards by the differences between the objectives set at the beginning of the fiscal year and the corresponding results actually achieved; the terms of variation are set for the year by the Supervisory Board. The CPI can range from 0 to 130%;
  - an individual performance indicator (IPI), reviewed by the Supervisory Board on the recommendation of the Compensation Committee. The review focuses on three areas:
    - > the consistency of annual results with the objectives of the 2021 strategic plan;
    - > the achievement of the main objectives set annually; and
    - > the monitoring of the Company's main management indicators;
  - this assessment takes into account CSR criteria, including Wavestone's annual GAIA ranking in its category, the Great Place to Work® ranking, and team turnover over the year;
  - the IPI can range from 0 to 100%;
  - the calculation formula is as follows: bonus due = target bonus x CPI x IPI.

It should be noted that the Supervisory Board proposed, for the members of the Management Board, the alignment of the two compensation packages (fixed and variable components).

c) Determination of the 2019/20 compensation of Pascal Imbert for exercising his mandate as Chairman of the Management Board

In accordance with the principles defined in points a) and b) above, the criteria used to determine, distribute and allocate the components of the total compensation package of Pascal Imbert in 2019/20 are as follows:

i) Fixed component

In line with the Group's compensation policy for senior executives and a disappointing year-end, the fixed component of Pascal Imbert's salary was increased to €199,157 gross, representing a 1% increase.

ii) Variable component

It is proposed to set the target bonus at €77,671 gross, representing 39% of the fixed component, in implementation of the process outlined in this document.

In accordance with Article L.225-82-2 of the French Commercial Code, the payment of the annual variable compensation due for the fiscal year ending 03/31/20 will take place after the annual General Meeting to be held in 2020 to approve the financial statements for the fiscal year ending 03/31/20, and is subject to approval by that Meeting.

iii) Other items of compensation

Pascal Imbert benefits from the same welfare insurance and health cover plan as Wavestone's employees.

d) Determination of the 2019/20 compensation of Patrick Hirigoyen for exercising his mandate as member of the Management Board and CEO

In accordance with the principles defined in points a) and b) above, the criteria used to determine, distribute and allocate the components of the total compensation package of Patrick Hirigoyen in 2019/20 are as follows:

i) Fixed component

In line with the Group's compensation policy for senior executives and a disappointing year-end, the fixed component of Pascal Imbert's salary was increased to €199,157 gross, representing a 1% increase.

ii) Variable component

It is proposed to set the target bonus at €77,671 gross, representing 39% of the fixed component, in implementation of the process outlined in this document.

In accordance with Article L.225-82-2 of the French Commercial Code, the payment of the annual variable compensation due for the fiscal year ending 03/31/20 will take place after the annual General Meeting to be held in 2020 to approve the financial statements for the fiscal year ending 03/31/20, and is subject to approval by that Meeting.

iii) Long-term compensation items

For the record, Patrick Hirigoyen was awarded free shares within the context of the 09/15/06, 10/15/10, 07/01/15, 01/28/26 and 07/02/18 plans.

The last free share plan is still ongoing, as the shares related to this plan have yet to be acquired. Share acquisition is contingent upon fulfilling the following set of criteria:

- **Free share plan of 07/02/18**
  - the plan concerns 11,836 shares following a 4-for-1 stock split;
  - presence within the Company on the third anniversary of the date of allocation of the shares;
  - performance condition relative to the Group's 03/31/21 operating income on ordinary activities target. This performance condition is measured on a like-for-like basis, based on the Company's scope as of 04/01/18 (including the Xceed Group);
  - personal investment in 591 Wavestone's shares to be completed at the latest on the 2nd anniversary of the allocation of the free shares, valued on the basis of the last market price of the Wavestone share on the date of the allocation of the shares;
  - retention of the Wavestone shares held as mentioned above until the date of the 3rd anniversary of the allocation of the shares.

iv) Other items of compensation

Patrick Hirigoyen benefits from the same welfare insurance and health cover plan as Wavestone's employees.

Patrick Hirigoyen also benefits from an unemployment insurance plan for company directors and managers. The charges related to this plan are borne by the Company and reintegrated into his compensation package in the form of benefits-in-kind.

Compensation policy reserved for the members and the Chairman of the Supervisory Board

a) Compensation paid to the members of the Supervisory Board

Subject to the conditions specified in point b) below concerning the Chairman of the Supervisory Board, compensation of members of the Supervisory Board allocated for exercising their mandates is restricted to the amount of attendance fees paid by the Company, for up to the maximum amount voted by the annual General Meeting, and distributed in the portions decided upon by the Supervisory Board.

The overall annual budget set by the combined extraordinary and ordinary Shareholders' Meeting of 07/26/18 was €136,000, in order to take into account the creation of the Compensation Committee as of 04/01/18. Given that this budget has been maintained for the 2019/20 fiscal year, it is not necessary to propose a resolution to the combined ordinary and extraordinary Shareholders' Meeting of 07/25/19.

The rules for allocating compensation to members of the Supervisory Board provide for a fixed component and a larger variable component, calculated on the basis of attendance at meetings of the Supervisory Board, Audit Committee and Compensation Committee meetings, and the number of meetings held.

Payment of this compensation is made once the variable component for each Supervisory Board member has been determined.

The amount of compensation to be paid to members of the Supervisory Board remains stable at €12,000; this amount was increased during the previous fiscal year.

It should be noted that the compensation budget for Committees' Chairpersons represents twice the budget for Committees' members.

We would also like to point out that compensation is now paid to Michel Dancoisne as a member of the Board and Committees, instead of the compensation under his employment contract (which expired on 03/31/18).

Pursuant to the compensation policy for members of the Supervisory Board described above, the Supervisory Board has decided to allocate attendance fees as follows:

Supervisory Board

Name	Maximum annual amount	Fixed component (40%)	Variable component (60%)
Michel Dancoisne	12,000	4,800	7,200
Jean-François Perret	12,000	4,800	7,200
Marie-Ange Verdickt	12,000	4,800	7,200
Sarah Lamigeon	12,000	4,800	7,200
Rafaël Vivier	12,000	4,800	7,200
Benjamin Clément	12,000	4,800	7,200
New member	12,000	4,800	7,200

Audit Committee

Name	Maximum annual amount	Fixed component (40%)	Variable component (60%)
Marie-Ange Verdickt	16,000	6,400	9,600
Michel Dancoisne	8,000	3,200	4,800
Rafaël Vivier	8,000	3,200	4,800

Compensation Committee

Name	Maximum annual amount	Fixed component (40%)	Variable component (60%)
Rafaël Vivier	8,000	3,200	4,800
Jean-François Perret	4,000	1,600	2,400
Marie-Ange Verdickt	4,000	1,600	2,400
Michel Dancoisne	4,000	1,600	2,400

In addition to receiving compensation for sitting on the Board and in accordance with the provisions of Article L.225-84 of the French Commercial Code, Supervisory Board members may also receive compensation for carrying out exceptional assignments.

b) Compensation allocated to the Chairman of the Supervisory Board

i) General principles

The compensation allocated to the Chairman of the Supervisory Board factors in:

- his degree of involvement in defining and developing the Group's strategy;
- practices applied by groups and companies whose business activities are comparable with those of Wavestone.

ii) Implementation of the method used to determine Michel Dancoisne's compensation for the 2019/20 fiscal year

In accordance with the principles defined in point i) above, for exercising his mandate as Chairman of the Supervisory Board during the 2019/20 fiscal year, Michel Dancoisne will receive a gross sum of €35,783, up 1% on the previous year. This compensation will be paid in two installments: July 2019 and January 2020.

It is recalled that Michel Dancoisne's employment contract expired on 03/31/18.

Additional information

1. Terms and conditions of shareholder participation at General Meetings

The terms and conditions of shareholder participation at annual General Meetings are described in Articles 25 to 34 of the Articles of Association.

2. Agreements entered into between a representative or a significant shareholder and a subsidiary

No agreement falling within the scope of Article L.225-37-4, paragraph 2 of the French Commercial Code (with reference of Article L.225-68), took place during the 2018/19 fiscal year (i.e. agreements other than those relating to ordinary transactions and entered into under normal terms and conditions, entered into directly or via an intermediary, between, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of Wavestone, and a direct or indirect subsidiary of Wavestone).

For all information concerning related-party agreements, please refer to the "Financial information" chapter.

3. Table of currently valid authorizations to increase Company share capital

Following the combined extraordinary and ordinary Shareholders' Meeting of 07/20/16

Resolution	Purpose	Duration	Maximum par value	Utilization
9th	Free allocation of existing shares or shares to be issued to employees of the Company and related companies	38 months	5% of the share capital on the day of implementation of the resolution	Employee Plan no. 11 of 07/03/17: final allocation of 44,132 shares, representing 0.22% of the share capital Employee Plan no. 12 of 07/03/17: initial allocation of 69,752 shares, representing 0.35% of the share capital Employee Plan no. 13 of 07/02/18: initial allocation of 83,000 shares, representing 0.41% of the share capital Key People Plan no. 13 of 07/02/18: initial allocation of 59,200 shares, representing 0.29% of the share capital For information on prior utilizations relative to delegations granted by previous AGMs, please refer to previous registration documents
10th	Free allocation of existing shares or shares to be issued to corporate officers of the Company and related companies	38 months	0.5% of the share capital on the day of implementation of the resolution	Key People Plan no. 13 of 07/02/18: initial allocation of 11,836 shares, representing 0.06% of the share capital

Following the combined extraordinary and ordinary Shareholders' Meeting of 07/27/17

Resolution	Purpose	Duration	Maximum par value	Utilization
12th	Issue of ordinary shares and financial securities giving access to the Company's share capital, with shareholders' preferential subscription rights (PSR) maintained	26 months	Marketable securities: €248,344.10 Debt securities: €40,000,000	None
13th	Issue of ordinary shares and financial securities giving access to the Company's share capital, without PSR, by way of a public offering (priority granted to existing shareholders for a minimum period of five days)	26 months	Marketable securities offered to the public: €99,337.64 Debt securities: €15,000,000	None
14th	Issue of ordinary shares and financial securities giving access to the Company's share capital, without PSR maintained, within the framework of a private placement	26 months	10% of the Company's share capital as of 07/27/17 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 13th resolution and the overall ceiling set in the 19th resolution	None
15th	In the event of a capital increase authorized under resolutions 12, 13 and 14 (with or without PSR) being oversubscribed, the power to increase the number of ordinary shares and/or financial securities to be issued in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, at the same price as the initial issue and within thirty days of the end of the subscription period	26 months	15% of the initial issue subject to the ceiling specified in the resolution in question and within the limits of the overall ceiling set in the 19th resolution	None
16th	Issue of ordinary shares and financial securities giving access to share capital, without PSR maintained, for the purposes of remunerating contributions in kind granted to the Company and comprising shares or financial securities giving access to third-party share capital (not including IPOs)	26 months	10% of the Company's share capital as of 07/27/17 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 13th resolution and the overall ceiling set in the 19th resolution	None

Resolution	Purpose	Duration	Maximum par value	Utilization
17th	Issue of ordinary shares and financial securities giving access to share capital, without PSR, for the purposes of remunerating contributions in kind granted to the Company and comprising shares or financial securities giving access to third-party share capital within the framework of an IPO	26 months	10% of the Company's share capital as of 07/27/17 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 13th resolution and the overall ceiling set in the 19th resolution	None
18th	Issue of ordinary shares and financial securities giving access to the Company's share capital, without PSR maintained and reserved for staff members who are subscribers to an employee savings plan	26 months	5% of the share capital on the day of implementation of the resolution within the limit of the overall ceiling set in the 19th resolution	None
19th	Overall ceiling for issuances carried out under resolutions 12 to 18 of the combined extraordinary and ordinary Shareholders' Meeting of 07/27/17 and resolutions 9 and 10 of the combined extraordinary and ordinary Shareholders' Meeting of 07/20/16	-	Marketable securities: €248,344.10 Debt securities: €40,000,000	None
20th	Incorporation of reserves or profits, issue premiums or contribution premiums by the creation and free allocation of ordinary shares or by increasing the par value of shares, or by a combination of these two methods	26 months	€400,000 This ceiling is independent	None

4. Information likely to have an impact in the event of a public offering

Pursuant to the provisions of Article L.225-37-5 of the French Commercial Code (with reference to Article L.225-68), we draw your attention to the following points:

- the capital structure of Wavestone, as well as the direct and indirect holdings of which the Company is aware and all related information are described in point 3.1.1. "Breakdown of the share capital" under section 3.1. "Information concerning the share capital" of the Management Board Report;
- to the Company's knowledge, there are no shareholder pacts or any other agreements concluded between its shareholders other than the collective lock-up undertakings described in point 3.1.4. "Collective lock-up undertakings" under section 3.1. "Information concerning the share capital" of the Management Board Report;
- there are no securities with special controlling rights, with the exception of the double voting rights under Article 11-4 of the Articles of Association and in accordance with regulations;
- there are no statutory restrictions regarding the exercise of the right to vote or the transfer of shares;
- the voting rights attached to Wavestone shares, within the context of the Group's employee savings plan mentioned in section 3.2. "Employee shareholding" of the Management Board Report, are exercised by the Wavestone Actions Fund;
- the appointment and revoking of Management Board members are governed by the applicable laws;
- current delegations related to the powers of the Management Board are described in section 4.1.8. "Share buyback program" of the Management Board Report and in the table of currently valid authorizations provided in section 3 of this report;
- amendments to Wavestone's Articles of Association are made in accordance with legal and regulatory provisions;
- there is no agreement which entitles Management Board members to receive severance compensation upon termination of their functions;
- within the context of the loan contracted by Wavestone on 01/07/16, in the event of a change in Company control, the lending parties may choose whether or not to request the immediate payment of their share in the sums drawn down and the payment of all interest and other amounts due to them under the conditions of the loan agreement. The term "change in company control" applies under the following circumstances:
  - > the key management[1] members (or their successors in the event of their death) cease to control the borrower within the meaning of Article L.233-3 1 (paragraphs 1, 2 and 3) and section II of the French Commercial Code; or
  - > the borrower ceases to directly hold 100% of the capital and/or voting rights of Wavestone Advisors.

(1) "key management members" refers either to all three of the Key Company management members (Pascal Imbert, Michel Dancoisne and Patrick Hirigoyen) or to Mr. Pascal Imbert and at least one of the two other key management members.

Observations of the Supervisory Board on the report of the Management Board and the financial statements for the 2018/19 fiscal year

To the Shareholders,

In accordance with Article L.225-68 of the French Commercial Code, the Supervisory Board brings to your attention its observations on the report of the Management Board and the financial statements for the 2018/19 fiscal year.

The accounting documents relating to the Company and consolidated financial statements for the 2018/19 fiscal year, on which you are called upon to vote, have been communicated to us by your Management Board within the statutory time limit.

The Supervisory Board has been kept regularly informed by the Management Board of the activity of Wavestone and of the Group and has carried out the necessary verifications and controls.

In the course of its duties, the Supervisory Board relied on the observations of the Audit Committee.

On the basis of this work, the Supervisory Board examined the financial statements presented by the Management Board and discussed them with the Statutory Auditors.

The Supervisory Board has no comments to make on the Company and consolidated financial statements for the year ended 03/31/19, or on the reports and related documents prepared by the Management Board and presented to you.

The Supervisory Board has examined the proposed resolutions submitted to the combined extraordinary and ordinary Shareholders' Meeting of 07/25/19 and invites you to approve them.

The Supervisory Board would like to thank the Management Board and all of Wavestone's staff for their work and efforts over the past year.

The Supervisory Board

05/27/19

FINANCIAL INFORMATION

03

Consolidated financial statements at 03/31/19

Consolidated income statement

(in thousands of euros)	Note	03/31/19	03/31/18
Revenue	1	**391,530**	**359,919**
Purchases consumed	2	12,346	13,078
Personnel expenses	3 & 4	262,989	247,553
External expenses	5	51,429	40,914
Levies and taxes		5,992	5,784
Depreciation charges and provisions		3,501	369
Other current income and expenses		29	1,636
EBIT		**55,243**	**50,584**
Amortization of customer-relationship intangible assets	6	2,289	2,503
Other operating income and expenses	6	**(525)**	**(1,325)**
Operating profit		**52,430**	**46,756**
Financial income	7	10	4
Gross cost of financial debt	7	1,688	1,868
Net cost of financial debt		**1,678**	**1,864**
Other financial income and expenses	7	(120)	(978)
Pre-tax profit/loss		**50,631**	**43,914**
Tax expenses	8	19,861	17,286
Net income for the period		**30,770**	**26,628**
Non-controlling interests		0	0
Net attributable profit to owners of the parent		**30,770**	**26,628**
Net undiluted earnings attributable to owners of the parent (in euros) (1) (2)	9	2	1
Net diluted earnings attributable to owners of the parent (in euros)	9	2	1

(1) Weighted number of shares during the period.
(2) Following the increase in the number of shares in circulation (issuance of free shares and share splits) and in accordance with IAS 33, a retrospective restatement has been made to calculate net income per share at 03/31/18, based on the number of shares as at 03/31/19.

Consolidated balance sheet

(in thousands of euros)	Note	03/31/19	03/31/18
Goodwill	10	140,621	118,909
Intangible assets	11	10,094	12,881
Property, plant and equipment	11 & 12	17,099	17,083
Financial assets - > 1 year	13	1,961	1,566
Other non-current assets	13	7,635	6,638
Non-current assets		**177,409**	**157,077**
Trade receivables and related accounts	14	130,420	123,920
Other receivables	14	25,692	28,258
Cash and cash equivalents	14	50,709	52,056
Current assets		**206,821**	**204,235**
Total assets		**384,230**	**361,312**

Capital	15	505	497
Additional paid-in capital		11,218	11,218
Reserves and consolidated income		139,762	119,386
Group translation reserves		(675)	(852)
Total shareholders' equity attributable to owners of the parent		**150,810**	**130,249**
Non-controlling interests		0	0
Total shareholders' equity		**150,810**	**130,249**
Long-term provisions	16	14,566	13,758
Financial liabilities - > 1 year	17	65,703	69,994
Other non-current liabilities	18	1,535	162
Non-current liabilities		**81,803**	**83,913**
Short-term provisions	16	4,297	4,521
Financial liabilities - < 1 year	17	23,720	16,708
Trade receivables and related accounts	18	19,381	18,380
Tax and social security liabilities	18	81,369	89,664
Other current financial liabilities	18	22,851	17,876
Current liabilities		**151,618**	**147,150**
Total liabilities		**384,230**	**361,312**

Change in consolidated cash and cash equivalents

(in thousands of euros)	Note	03/31/19	Restated (1) 03/31/18	Reported 03/31/18
Consolidated net income		**30,770**	**26,628**	**26,628**
Net depreciation charges and provisions		9,210	7,544	7,544
Gain (loss) on disposals, net of tax		(60)	33	33
Other calculated income and expenses		1,888	(1,771)	(2,787)
Cost of net financial debt		1,262	1,481	1,481
Gross cash flow (2)		**43,071**	**33,915**	**32,899**
Change in working capital requirement		(10,448)	(2,762)	(2,762)
Net cash flow from operating activities		**32,622**	**31,153**	**30,137**
Acquisitions of tangible and intangible assets	11	(1,449)	(2,705)	(2,705)
Asset disposals		75	49	49
Change in financial assets		(321)	2	1,059
Impact of changes in consolidation scope (3)		(21,619)	(1,436)	(1,436)
Net cash flow from investments		**(23,314)**	**(4,090)**	**(3,033)**
Sale (acquisition) by the Company of its own shares (4)		(8,070)	41	0
Dividends paid to shareholders of parent company		(4,054)	(3,007)	(3,007)
Dividends paid to consolidated non-controlling interests		0	0	0
Borrowings	17	19,600	690	690
Repayment of borrowings	17	(17,307)	(9,477)	(9,477)
Net interests paid		(1,284)	(1,501)	(1,501)
Net cash flow from financing activities		**(11,114)**	**(13,254)**	**(13,295)**
Change in net cash		**(1,806)**	**13,809**	**13,809**
Impact of changes in exchange rates	17	403	(470)	(470)
Cash and cash equivalent at start of period	17	51,996	38,657	38,657
Cash and cash equivalent at end of period	17	50,592	51,996	51,996

(1) The Company has decided to change the presentation of its cash flow statement in order to better reflect the effects of share buybacks. This change has an impact on the "Other calculated income and expenses" and "Change in financial assets" lines, and leads to the creation of the "Sale (acquisition) by the Company of its own shares" line.

(2) Gross cash flow is calculated after current taxes.

The amount of taxes paid amounted to €22,870k at 03/31/19 and €19,047k at 03/31/18.

(3) The impact of changes in consolidation scope corresponds to the disbursement of items related to the acquisition of the Xceed scope, items related to the acquisition of the Metis scope and items related to the acquisition of the Kurt Salmon scope.

(4) For information, the Company delivered treasury shares for an amount of €1,893k.

Change in consolidated shareholders' equity

(in thousands of euros)	Capital	Premiums	Consolidated reserves	Profit for the year	Translation gain (loss)	Shareholders' equity
Consolidated shareholders' equity at 03/31/17	**497**	**11,218**	**72,978**	**20,055**	**(639)**	**104,110**
Consolidated profit for the year	0	0	0	26,628	0	26,628
Fair value adjustment of hedging instruments	0	0	19	0	0	19
IAS 19 actuarial gain (loss)	0	0	(84)	0	0	(84)
Net comprehensive income	**0**	**0**	**(64)**	**26,628**	**0**	**26,564**
Impact of non-controlling interests	0	0	0	0	0	0
Appropriation of profit	0	0	20,055	(20,055)	0	0
Change in capital of the consolidating company	0	0	0	0	0	0
Dividends paid out by the consolidating company	0	0	(3,007)	0	0	(3,007)
Treasury shares	0	0	324	0	0	324
Restatement of provision for free shares	0	0	2,472	0	0	2,472
Translation gain (loss)	0	0	0	0	(214)	(214)
Consolidated shareholders' equity at 03/31/18	**497**	**11,218**	**92,758**	**26,628**	**(852)**	**130,249**
Consolidated profit for the year	0	0	0	30,770	0	30,770
Fair value adjustment of hedging instruments	0	0	(28)	0	0	(28)
IAS 19 actuarial gain (loss)	0	0	500	0	0	500
Net comprehensive income	**0**	**0**	**472**	**30,770**	**0**	**31,242**
Impact of non-controlling interests	0	0	0	0	0	0
Appropriation of profit	0	0	26,628	(26,628)	0	0
Change in capital of the consolidating company	8	0	(8)	0	0	0
Dividends paid out by the consolidating company	0	0	(4,054)	0	0	(4,054)
Treasury shares	0	0	(7,345)	0	0	(7,345)
Restatement of provision for free shares	0	0	541	0	0	541
Translation gain (loss)	0	0	0	0	177	177
Consolidated shareholders' equity at 03/31/19	**505**	**11,218**	**108,992**	**30,770**	**(675)**	**150,810**

Wavestone distributed a dividend of €0.20 per new share (see the year's highlights) for a total payout this year of €4,054k.

Shareholders' equity contains no taxable items. Cumulative deferred tax assets amounting to €393k relate to items booked under shareholders' equity since the Company was founded. They are generated by actuarial gains and losses arising from the application of IAS 19 and by the fair value remeasurement of hedging instruments.

Statement of net comprehensive income

(in thousands of euros)	Note	03/31/19	03/31/18
Net income for the period		**30,770**	**26,628**
Fair value adjustment of hedging instruments	19	(28)	19
IAS 19 actuarial gain (loss)	16	500	(84)
Total recognized as equity		**472**	**(64)**
Net comprehensive income attributable to owners of the parent		**31,242**	**26,564**

Notes to the consolidated financial statements

Contents

1. Overview

Wavestone is a public limited company (*société anonyme*) incorporated in France and subject to all laws and regulations governing commercial companies in France and notably the provisions of the French Commercial Code. Its headquarters are located at Tour Franklin, 100-101 Terrasse Boieldieu, 92042 Paris La Défense cedex. The Company is listed in compartment B of Euronext Paris.

The consolidated financial statements of Wavestone (comprising the Wavestone parent company and its subsidiaries) were approved by the Management Board on 05/27/19.

All amounts presented in the notes are expressed in thousands of euros (€k).

2. Significant events in the fiscal year

Acquisition of Xceed Group excluding the FIMS (Flexible Infrastructure Managed Services) business

On 04/06/18, Wavestone acquired all of the capital of Xceed Group (Holdings) Ltd., a holding company with no operational activities, which itself wholly owns Xceed Consultancy Services Limited and Xceed (2007) Inc.

Established in London in 2003, Xceed Group is a consultancy that specializes in implementing IT transformation programs for major financial services players. Its primary activities include the planning and delivery of complex IT change programs.

In the fiscal year ended 11/30/17, Xceed Group recorded consolidated revenues of €15,285k (£13,346k) and an adjusted EBITDA margin of more than 20%. These figures do not include Xceed Group's FIMS activity. The firm has 60 employees in London and New York, with the vast majority located in London.

This acquisition was financed entirely in cash, through the use of credit lines already available to Wavestone. Goodwill is recorded in the Group's consolidated financial statements.

The company will be consolidated in Wavestone's financial statements as from 04/01/18, in other words, for its full fiscal year.

Wavestone share split

In accordance with the 17th resolution, the combined General Meeting of Shareholders on 07/26/18 resolved on a 4-for-1 split of the par value of the shares comprising the share capital, effective as of the trading session on 09/04/18.

The former 5,049,123 shares for a par value of €0.10 per share were replaced by 20,196,492 new shares at €0.025 each.

Capital increases

Wavestone increased its capital by €7k by issuing 284,832 new shares effective as of 06/29/18, using the reserves account.

Wavestone carried out a second capital increase of €1k by creating 44,132 new shares effective 07/20/18, using the reserves account.

The purpose of both increase rounds was the award of free shares to the beneficiaries of the two plans that expired during the fiscal year.

Impact of business combinations

On a like-for-like and constant forex basis, Wavestone generated revenues of €377,866k, operating income on ordinary activities of €53,418k, and Group share of net income of €30,245k at 03/31/19, versus revenues of €359,919k, operating income on ordinary activities of €50,584k and Group share of net income of €26,628k at 03/31/18.

On a like-for-like and current forex basis, revenue came out at €377,968k, operating income on ordinary activities was €53,406k and Group share of net income stood at €30,220k at 03/31/19.

On a full-scope basis, Wavestone had revenue of €391,530k, operating income on ordinary activities of €55,243k and Group share of net income of €30,770k.

Financing transaction

On 10/30/18, Wavestone signed an amendment to the credit agreement concluded on 01/07/16 to draw down a further credit line earmarked for acquisitions in the amount of €50,000k, under the same commercial conditions as the initial agreement. The facility consists of two tranches: €15,000k redeemable in January 2022 and €35,000k redeemable at maturity in January 2022.

Metis Consulting's acquisition

Wavestone acquired 100% of the share capital of Metis Consulting on 11/13/18.

Founded in 2007 and based in Paris, Metis Consulting helps clients transform their supply chain operations, from strategy definition to the implementation of the organizational structures, processes, equipment and the technologies that underpin them.

The firm posted €8.7m in revenue for the fiscal year ended 03/31/18; EBITDA margin has been consistently higher than 15% for the past three years. Metis Consulting has 40 staff.

This acquisition was financed entirely in cash, through the use of credit lines available to Wavestone.

The company will be consolidated in Wavestone's financial statements as of 04/01/18, for five months of the firm's 2018/19 fiscal year.

Goodwill is recognized in the firm's consolidated financial statements and includes two additional considerations equal to 23% of the acquisition price.

3. Accounting principles and methods

3.1. Consolidation principles

3.1.1. Reporting framework

Since 04/01/05, Wavestone's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and EU regulation no. 1606/02 dated 06/19/02. These standards consist of the IFRS and IAS, and their interpretations, which had been adopted by the EU at 03/31/19.

The accounting principles used to prepare Wavestone's 2018/19 consolidated financial statements are the same as those used to prepare its consolidated financial statements at 03/31/18.

3.1.2. Changes in accounting standards

The Group has applied the IASB's IFRS and the IFRIC interpretations, as adopted by the European Union, for annual reporting periods beginning on or after 04/01/18 (available on the European Commission website: https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/european-union/). Application of these standards and interpretations had no material impact on the measurement methods or on the presentation of the financial statements.

IFRS standards, IFRIC interpretations and amendments applied by the Company as of 04/01/18

Standards, amendments and interpretations	Date of adoption by the EU	Dates of application(1): fiscal years beginning on or after
IFRS 15 "Revenue from contracts with customers"	10/29/16	01/01/18
IFRS 9 "Financial Instruments – Phase 1: classification and measurement"	11/29/16	01/01/18
Amendments: "Clarifications to IFRS 15" (2)	11/09/17	01/01/18
IFRS annual improvements (2014-2016) – IFRS 1 and IAS 28	02/08/18	01/01/18
Narrow-scope amendments to IFRS 2 "Classification and measurement of share-based payments"	02/27/18	01/01/18
IFRIC 22 "Foreign currency transactions and advance consideration"	04/03/18	01/01/18

(1) Date of EU application.
(2) Published by the IFRS Foundation.

Application of IFRS 15

IFRS 15 "Revenue from contracts with customers" is mandatory as of the fiscal year starting on 04/01/18. This standard provides for revenue recognition that reflects the consideration expected in return for the service rendered.

Wavestone applies IFRS 15 as of 04/01/18 using the simplified retrospective approach. The firm has analyzed the various types of contracts involved. Application of the new standard has no impact on the consolidated financial statements.

Application of IFRS 9

IFRS 9 "Financial instruments" is also mandatory for fiscal years commencing on or after 04/01/18.

The standard had no impact on accounting of hedging instruments.

However, presentation of the note on financial instruments (Note 15) has been revised as a result of application of the new IFRS 9 to take into account the three instrument categories defined by the standard. The new asset classes replace the previous IAS 39 classes.

The Group performed a historical analysis of impairments booked.

It has not calculated an additional provision on the basis of this comparative analysis as the impact is not material.

Accounting standards and interpretations that the Company will apply in the future

The Company has chosen not to apply the following standards and interpretations published by the IASB but not yet adopted by the European Union at 03/31/19.

Standards, amendments and interpretations	Date published by the IASB	Date of application (1): fiscal years beginning on or after
Amendments to IAS 1 and IAS 8	10/31/18	01/01/20
Amendments to IFRS 3	10/22/18	01/01/20
Amendments to IAS 28 and IFRS 10	09/11/14	Undetermined

(1) Published by the IFRS Foundation.

The IASB has published standards and interpretations, adopted by the European Union at 03/31/19, that are applicable to reporting periods beginning on or after 01/01/19. The Group has chosen not to early adopt these texts.

Standards, amendments and interpretations	Date of adoption by the EU	Dates of application (1): fiscal years beginning on or after
IFRS annual improvements (2015-2017)	03/15/19	01/01/19
Amendments to IAS 19 "Plan amendment, curtailment or settlement"	03/14/19	01/01/19
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	02/11/19	01/01/19
IFRIC 23 "Uncertainty over income tax treatments" (1)	10/24/18	01/01/19
Amendments to IFRS 9 "Prepayment features with negative compensation"	03/26/18	01/01/19
IFRS 16 "Leases"	11/09/17	01/01/19

(1) Date of EU application.

Application of IFRS 16

IFRS 16 "Leases" is mandatory for fiscal years commencing on or after 04/01/19 and has not been early-applied. The standard provides a single lessee accounting model for all leases. The Group will apply IFRS 16 using the simplified retrospective approach.

Contract analysis and quantification of the impacts of application of the new standard using a standardized tool are currently being finalized.

The expected impacts reflect our commitments under property and other leases described in Note 20. However, differences arise from the following:

- contracts with a term of 12 months or less, or contracts valued at less than USD5,000, which are excluded from the scope of the standard;
- effect of the discount rate applied to the debt;
- vehicle rental contracts whose value is not material, which are excluded from the scope of the restatement.

The impact of draft standards and interpretations currently being reviewed by the IASB has not been taken into account in these consolidated financial statements and cannot reasonably be estimated at this time.

3.1.3. Comparability of financial statements

The financial statements for the fiscal years ended 03/31/19 and 03/31/18 are comparable, except for changes in the scope of consolidation.

3.2. Consolidation methods

Wavestone is the consolidating company.

The financial statements of the companies placed under its exclusive control are fully consolidated.

Wavestone does not exert significant influence or joint control over any company. It does not directly or indirectly control any special purpose vehicle.

The financial statements of the consolidated companies are, if necessary, restated to ensure the uniform application of accounting and measurement rules.

The financial statements of the consolidated companies were all prepared as at 03/31/19.

On 03/31/19, the consolidated financial statements included all Wavestone's companies for twelve months, with the exception of the Metis group acquisitions (consolidated over five months).

3.3. Currency translation methods

Translation of financial statements denominated in foreign currencies

The balance sheets of foreign companies are translated into euros at the prevailing exchange rate at the end of the period. The income and cash flow statements are translated at the average exchange rate for the period and the Group's share of the resulting translation differences is recognized in shareholders' equity under "Translation adjustments."

		Closing exchange rate		Average exchange rate	
Currencies		**03/31/19**	**03/31/18**	**03/31/19**	**03/31/18**
Swiss Franc	CHF	0.894374	0.848969	0.874731	0.876732
Chinese Yuan	CNY	0.132631	n/a	0.128549	n/a
Pound Sterling	GBP	1.165094	1.142988	1.133603	1.134518
Hong Kong Dollar	HKD	0.113385	0.103417	0.110346	0.108642
Moroccan Dirham	MAD	0.092191	0.088320	0.091234	0.089727
US Dollar	USD	0.890076	0.811622	0.865395	0.848698

Source: Banque de France.

The average exchange rate is determined by calculating the average monthly closing rate over the period.

Recognition of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros at the exchange rate on the transaction date.

3.4. Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions concerning the measurement of certain amounts in the financial statements, notably with regard to:

- duration of asset depreciation;
- measurement of provisions and pension obligations;
- measurements used for impairment testing;
- fair value measurement of financial instruments;
- estimates of accrued income and expenses;
- measurement of share-based payments;
- performance estimates used for the additional considerations in the subsidiary acquisition prices;
- recognition of deferred tax assets;
- recognition of revenue from fixed-price contracts.

Management reviews these estimates and assessments on a regular basis to take into account past experience and other factors deemed reasonable which serve as the basis for these assessments. Future results may differ significantly under different assumptions or conditions.

3.5. Business combinations and goodwill

The integrated operating model rolled out in July 2016 across the Group has enabled Wavestone to develop synergies between all of its units, regardless of the legal form of their affiliation with the Group, to establish individual commercial interfaces with all of its clients, and to efficiently form project teams on a daily basis comprising consultants from its different units. These units are not identified by business sector, region or legal structure. This operating model will be regularly updated to better meet market needs.

Implementation of this operating model, the organization of which transcends the scopes of the companies and activities that Wavestone SA has acquired as it has grown, makes it impossible to track the individual goodwill initially associated with the different companies or activities concerned. For this reason, the Wavestone firm constitutes a single Cash Generating Unit (CGU).

Impairment tests are conducted using, first, the discounted future cash flow method and, second, the market value derived from Wavestone's market capitalization.

Cash flows are determined on the basis of projections for a five-year period and a perpetual growth rate assumption thereafter. The cash flows derived from these estimates are then discounted.

These tests are based on the following key assumptions:
- a perpetual growth rate of 2%, a level deemed reasonable in light of past performances observed in the management and IT services consulting sector;
- a discount rate of 10% after tax determined by an independent appraiser. This rate factors in a 10-year risk-free rate, a market risk premium, the beta observed for comparable listed companies (including Wavestone) and a Company-specific risk premium.

To establish market value, the Group's market capitalization is measured at the end of the fiscal year, less 2% for disposal costs.

3.6. Intangible and tangible assets

All of Wavestone's assets, with the exception of leased property, were purchased by the Company.

Software and tangible assets are measured at their acquisition cost, less total depreciation and impairment. Financial expenses are not capitalized and are therefore booked as expenses over the period.

Identified asset components are recognized and depreciated separately.

Depreciation and amortization are calculated on the basis of the straight-line method without any deduction of residual value, applied over the estimated service life of the assets. The service life of major fixed assets is reviewed at the end of every fiscal period. The initial estimated service life is extended or reduced in accordance with the actual conditions of use.

If the Company finances the purchase of a major fixed asset through a lease, the value of the asset is capitalized and depreciated using the method, and over the expected service life, described below. The corresponding debt is booked as a liability.

The depreciation periods generally applied are as follows:
- software: 3 or 5 years;
- customer relationships: 3, 4 or 9 years;
- fixtures and fittings: 5-9 years, depending on the term of the leases in question;
- passenger vehicles: 4 years;
- IT equipment: 3 or 4 years;
- office furniture: 9 years.

3.7. Impairment and recoverable value of non-current assets

In certain circumstances, intangible and tangible fixed assets may be subject to impairment tests.

Assets with an indefinite useful life (see Note 3.5 – Goodwill) are tested for impairment at least once a year and whenever there is evidence of impairment.

3.8. Guarantees and deposits

In accordance with IAS 39 "Financial instruments," non-interest-bearing deposits and guarantees with maturities of more than one year are discounted when this discount is significant.

3.9. Non-current financial assets

Non-current financial assets include loans and receivables with maturities of more than one year measured at amortized cost. Purchases and sales of financial assets are recognized on the settlement date.

3.10. Receivables

Receivables are measured at their nominal value. A provision for impairment is recognized when their recoverable value is less than their carrying value.

3.11. Cash and cash equivalents

Cash and cash equivalents booked as balance sheet assets comprise available cash, sight deposits and cash equivalents.

Cash equivalents are marketable securities that meet IAS 7 criteria. These include short-term investments which are easily convertible into a known amount of cash and do not present any great risk of changes in value.

Marketable securities are initially recognized at acquisition cost, and then measured at fair value which, for listed securities, is the market price at the balance sheet date. Any change in fair value is booked under financial income, as is net income and/or expenses from disposals.

3.12. Treasury stock

Wavestone owns treasury shares under the share buyback program authorized by the General Shareholders' Meeting.

In accordance with IAS 32-39, all treasury shares are deducted from consolidated shareholders' equity, regardless of why they were bought or held or how they are recognized in the individual financial statements of the companies that hold them. In addition, proceeds from the sale of treasury shares, along with any provisions written for their impairment, are also offset in shareholders' equity.

3.13. Employee benefits

In accordance with IAS 19 "Employee benefits", obligations resulting from and costs related to defined-benefit plans are measured on the basis of the projected unit-credit method by independent actuaries. Wavestone's obligations are limited to the payment of termination benefits to its employees in France and to employer contributions within the context of the "second pillar" of the Swiss social protection system.

The Group also has a pension and insurance benefit obligation in Belgium which was calculated as immaterial at 03/31/16 and has not been recalculated at 03/31/19.

Retirement benefits for France are based on the following assumptions:

- application of the Syntec no. 3018 collective bargaining agreement;
- staff turnover rate: 18%;
- TGHF 2005 mortality table with extension of age brackets to take into account the longer life expectancy of younger generations;
- payroll tax rate: 45%;
- salary increases: 2.00%;
- discount rate: 1.04%;
- retirement age: 65 years;
- voluntary departure.

Retirement benefits for Switzerland are based on the following assumptions:

- BVG2015 GT mortality table;
- discount rate: 0.60% for the Wavestone Advisors Switzerland plan and 0.45% for the Wavestone Consulting Switzerland plan.

In accordance with the amendment to IAS 19 "Employee benefits" of 06/16/11, applicable to reporting periods beginning on or after 01/01/13, Wavestone recognized all actuarial gains and losses directly under shareholders' equity at 03/31/19.

Certain benefits are also provided under defined-contribution plans. Contributions made to these plans are expensed when incurred.

Wavestone has no other long-term or termination benefit obligations.

3.14. Borrowings and financial debt

Financial liabilities include financial debt related to restated equipment-leasing contracts, bonds, bank borrowings and overdrafts. Financial liabilities maturing in less than one year are recognized under current financial liabilities. Financial debt is booked at amortized cost using the effective interest rate method.

3.15. Financial instruments

Wavestone has set up currency hedges (cash flow hedges) to cover the risk to which certain export sales may be exposed. The gain or loss resulting from the fair value measurement of hedging instruments is booked under "Other Comprehensive Income" (OCI). Unrealized gains and losses are written to the income statement when the hedged item is realized.

The Company has also set up cross-currency swaps and currency futures contracts to hedge some of the value of Exceed securities and foreign-currency loans and current accounts.

Lastly, the Company contracted interest rate hedges (caps) to cover the risk of an increase in the interest rate on the loans contracted to finance acquisitions.

3.16. Contingent liabilities and contingent assets

None.

3.17. Segment reporting

Wavestone specializes in the specific market segment of management and information systems consulting. Since all of these services are subject to the same risks and generate similar levels of profitability, Company revenues are not broken down by business line. The breakdown between France and international is provided in Note 1 to the consolidated financial statements.

3.18. Revenue recognition

Revenues are recognized according to the type of contracts entered into with the client:

3.18.1. Time-based services contracts

Revenues generated on time-based services contracts are recognized as and when the service is rendered. Revenue is calculated on the basis of the contracted selling price and the number of billable hours spent. Unbilled receivables and deferred income are recognized when the invoicing does not reflect the actual progress of work.

3.18.2. Fixed-price services contracts

Revenues generated on fixed-price services contracts are recognized as the work progresses based on costs incurred and future costs. A provision for loss on completion is written on a contract-by-contract basis when a loss is expected. Unbilled receivables and deferred income are recognized when the invoicing does not reflect the actual progress of work. This method is consistent with the percentage of completion method defined in IAS 11 "Construction contracts."

3.18.3. Subscription services

Revenues from subscription services are recognized on a prorated basis over the term of the contract. Unbilled receivables and deferred income are recognized when the invoicing does not reflect the prorated amounts.

3.19. R&D expenses

The Company carries out R&D activities on a regular basis. Some of these are eligible for the French research tax credit.

These R&D activities are capitalized only on an exceptional basis (see Note 11).

3.20. Deferred tax

Deferred tax is calculated on a company-by-company basis for temporary differences between the carrying value of assets and liabilities and their taxable value.

In accordance with IAS 12, tax assets are recognized, on a company-by-company basis, only when the estimated future profit is sufficient to cover these assets and when their maturity does not exceed ten years.

Deferred tax assets and liabilities are measured at the expected tax rate for the fiscal year in which the asset will be realized or the liability settled.

Tax on items recognized directly in equity is booked under shareholders' equity.

4. Scope of consolidation

Changes in the Group's scope of consolidation (acquisitions) are described in section 2 "Significant events in the fiscal year".

Wavestone's consolidated financial statements include the accounts of the following companies:

Companies	Head office	Company registration number	Legal form	Holding (%)	Nationality	Number of months consolidated
Wavestone	Tour Franklin 100/101 Terrasse Boieldieu 92042 La Défense Cedex	37755024900041	SA	Parent company	France	12
Wavestone Advisors UK	Warnford Court 29-30 (4th Floor) Cornhill London, EC3V 3NF	5896422	Limited company	100%	United Kingdom	12
Wavestone Advisors Switzerland	105 rue de Lyon 1203 Genève	CHE-109.688.302	SARL	100%	Switzerland	12
Wavestone Advisors	Tour Franklin 100/101 Terrasse Boieldieu 92042 La Défense Cedex	43322484700114	SAS	100%	France	12
Wavestone US	1330 Avenue of the Americas New York, NY10019	5905389	Incorporated company	100%	United States	12
Wavestone Luxembourg	10 rue du Château d'Eau 3364 Leudelange	B114630	SA	100%	Luxembourg	12
Wavestone Belgium	Square Stéphanie Avenue Louise 65 1050 Bruxelles	0879.426.546	SA/NV	100%	Belgium	12
Wavestone Advisors Morocco	Immeuble Racine d'Anfa 157 boulevard d'Anfa 20100 Casablanca	219375	SARL	100%	Morocco	12
Wavestone Consulting Switzerland	105 rue de Lyon 1203 Genève	CH-170.4.000.727-1	SARL	100%	Switzerland	12
Wavestone HK	21/F, On Hing Building, 1 On Hing Terrace Central, Hong Kong	66431968-000-07-16-9	Limited company	100%	Hong Kong	12
Xceed Group (Holdings) Limited	Warnford Court 29-30 Cornhill London, EC3V 3NF	10468064	Limited company	100%	United Kingdom	12
Xceed Group Limited	Warnford Court 29-30 Cornhill London, EC3V 3NF	6526750	Limited company	100%	United Kingdom	12
Wavestone Consulting UK	Warnford Court 29-30 Cornhill London, EC3V 3NF	4965100	Limited company	100%	United Kingdom	12
Xceed (2007) Inc.	1013 Centre Road, Suite 403-B Wilmington, Delaware 19805	6173240	Incorporated company	100%	United States	12
M3G	Tour Franklin 100/101 Terrasse Boieldieu 92042 La Défense Cedex	79120544600028	SASU	100%	France	5

Companies	Head office	Company registration number	Legal form	Holding (%)	Nationality	Number of months consolidated
Metis Consulting	Tour Franklin 100/101 Terrasse Boieldieu 92042 La Défense Cedex	50299920400030	SASU	100%	France	5
Metis Consulting Hong Kong	Flat 7107B, 1 Austin Road West, Kowloon, Hong Kong	2381018	Private company	100%	Hong Kong	5
Metis (Shanghai) Management Consulting	N°1045 Huai Hai Zhong Road, Xuhui District, Shanghai	91310000MA1FR9T09X	Limited company	100%	China	5

All of these companies have been fully consolidated.

5. Notes relative to certain income statement and balance sheet items

Note 1. Revenues

The majority of Wavestone's consolidated revenues are generated in France.

Revenue	03/31/19	03/31/18
France	343,976	321,706
International	47,554	38,213
Total	**391,530**	**359,919**

Average staff	03/31/19	03/31/18
France	2,538	2,361
International	302	245
Total	**2,840**	**2,606**

Note 2. Purchases

Purchases are limited exclusively to the purchase of subcontracting services.

Note 3. Payroll expenses

Personnel expenses	03/31/19	03/31/18
Salaries and benefits	187,578	176,892
Social contributions	75,411	70,661
Total	**262,989**	**247,553**

Average FTE headcount	03/31/19	03/31/18
Engineers and managers	2,792	2,565
Employees	48	41
Total	**2,840**	**2,606**

Note 4. Executive directors' compensation

Executive compensation [1]	03/31/19	03/31/18
Compensation paid to Management Board members	473	434
Compensation paid to Supervisory Board members	251	276
Total	**724**	**710**

(1) Excluding mandatory profit-sharing.

Note 5. External expenses

	03/31/19	03/31/18
Rent and other lease expenses	13,473	9,712
Professional fees	11,011	9,074
Travel, assignments	14,426	11,221
Other external expenses	12,520	10,908
Total	**51,429**	**40,914**

Most other external expenses are for non-stock equipment and supplies, maintenance and repair costs, and expenditure on advertising.

Note 6. Non-recurring operating income and expenses

The amortization of customer relationships is recognized as non-current given the non-recurring nature and the scale of the Kurt Salmon transaction.

	03/31/19	03/31/18
Other	275	677
Other operating income	**275**	**677**
Securities trading charges	(607)	(614)
Other	(192)	(1,388)
Other operating expenses	**(800)**	**(2,002)**
Net total	**(525)**	**(1,325)**

Other operating expenses at 03/31/19 included costs incurred on the New York offices in the amount of €71k, the London offices for €39k and Paris offices for €32k.

Other operating income consisted of reversals of provisions in the amount of €245k for the New York, Brussels and Paris offices.

Note 7. Financial income (loss)

	03/31/19	03/31/18
Net income from sale of cash equivalents	10	4
Interest on borrowings	(1,688)	(1,868)
Cost of net debt	**(1,678)**	**(1,864)**
Other financial income and expenses	(120)	(978)
Financial profit (loss)	**(1,799)**	**(2,842)**

Interest expense consisted mainly of €1,223k in interest on the bank loan contracted to finance the acquisition of Kurt Salmon, a €91k coupon on the Micado bond and financing for acquisitions for €217k.

Note 8. Tax charge

Net impact of profit tax

	03/31/19	03/31/18
Current tax	17,598	18,735
Deferred tax	2,263	(1,448)
Total	**19,861**	**17,286**

In accordance with the French Accounting Board (CNC) circular of 01/14/10, Wavestone opted to record the Company added-value contribution (CVAE) under income tax as of 2010. The CVAE booked under "Tax charge" totaled €4,505k.

Deferred tax

	Consolidated statement of financial position		Income statement	
	03/31/19	03/31/18	03/31/19	03/31/18
Tax loss carryforwards capitalized	3,077	3,842	902	1,693
Temporary time differences on provisions	3,424	4,502	1,287	(1,727)
Consolidation entries	2,692	2,774	60	(1,447)
Total deferred tax assets	**9,193**	**11,119**	**2,249**	**(1,481)**
Temporary time differences on provisions	54	39	14	33
Total deferred tax liabilities	**54**	**39**	**14**	**33**
Deferred tax charge			**2,263**	**(1,448)**

At 03/31/19, deferred taxes due in more than one year totaled €6,046k, compared with €5,356k at 03/31/18. All deferred taxes generated by transactions carried out over the period have been recognized.

The losses generated by the former subsidiary Audisoft Oxéa in the amount of €1,845k have not been capitalized, pending the tax administration's response to the request for approval to transfer them to Wavestone SA.

Wavestone US's losses in the amount of €4,143k have not been capitalized due to the low likelihood they will be used within the five-year horizon considered to be reasonable.

Tax rationalization

The difference between the theoretical and the effective tax expense breaks down as follows:

	03/31/19	03/31/18
Consolidated net income	30,770	26,628
Tax expense (income)	19,861	17,286
IAS 12: CVAE and other	(4,505)	(3,519)
Tax credits	(3,431)	(5,308)
Pre-tax profit/loss	42,695	35,088
Theoretical tax rate	33.33%	33.33%
Theoretical tax expense (income)	**14,230**	**11,695**
Reconciliation:		
Permanent differences	1,099	801
Activities taxed at a different rate	329	1,490
Tax credit	(302)	(218)
IAS 12: CVAE and other	4,505	3,519
Effective tax expense (income)	**19,861**	**17,287**

Note 9. Earnings per share

	03/31/19	03/31/18
Net income attributable to owners of the parent	30,770	26,628
Weighted average number of shares outstanding (1) (2)	19,953,337	20,043,868
Net undiluted earnings attributable per share	**1.54**	**1.33**
Number of shares issued at March 31 (1) (2)	19,953,337	20,043,868
Net diluted earnings attributable per share	**1.54**	**1.33**

(1) Excluding treasury shares.

(2) Following the increase in the number of shares in circulation (issuance of free shares and share splits) and in accordance with IAS 33, a retrospective restatement has been made to calculate net income per share at 03/31/18, based on the number of shares as at 03/31/19.

Note 10. Goodwill on the assets side of the balance sheet

	Net value at 03/31/18	Change in scope	Reduction in the year	Translation gains (losses)	Net value at 03/31/19
Wavestone SA	45,200	-	-	-	45,200
Wavestone Advisors UK	2,455	-	-	47	2,503
Wavestone Advisors SZ	2,597	-	-	139	2,736
Kurt Salmon	68,657	-	-	339	68,995
Xceed	-	11,037	-	182	11,219
Metis	-	9,968	-	-	9,968
Total	**118,909**	**21,005**	**-**	**707**	**140,621**

Because of its structure, Wavestone consists of only one Cash Generating Unit (CGU) as noted in section 3.5 “Accounting principles and methods”.

Calculating goodwill for new acquisitions

Goodwill for new acquisitions breaks down as follows:

	Xceed	Metis	Total
Acquisition cost			
Acquisition price	13,729	9,731	23,460
Price supplement	-	2,900	2,900
Total I	**13,729**	**12,631**	**26,360**
Assets acquired at acquisition date			
Fixed assets	102	185	286
Non-current assets	101	-	101
Current assets	5,865	6,533	12,398
Subtotal B	**6,067**	**6,718**	**12,785**
Liabilities acquired at acquisition date			
Non-current liabilities	-	344	344
Short-term provisions	16	104	120
Current liabilities	3,359	3,608	6,967
Subtotal C	**3,375**	**4,055**	**7,430**
Total II - Net assets acquired (B-C)	**2,692**	**2,663**	**5,355**
Goodwill (I-II)	**11,037**	**9,968**	**21,005**

Impairment tests

Goodwill impairment tests have confirmed the value of goodwill on the basis of the nominal assumptions used.

Sensitivity tests were also carried out and their results are presented in the table below:

	Wavestone
Difference between value in use and carrying value	> 90,000
Theoretical impairment of a 1 point reduction in growth to infinity (a)	0
Theoretical impairment of a 1 point increase in the discount rate (b)	0
Theoretical impairment of (a) + (b)	0

On the basis of these sensitivity tests, Management considers it reasonably unlikely that a change in the key assumptions used would require an impairment to be recognized.

As such, the impairment and sensitivity tests carried out confirmed no goodwill impairment over the period.

Note 11. Intangible and tangible assets

Gross value	03/31/18	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/19
Software	2,482	2,098	922	(16)	40	5,527
Clients	16,546	-	-	-	-	16,546
Intangible assets in progress	926	-	-	(926)	-	-
Total intangible assets	**19,954**	**2,098**	**922**	**(942)**	**40**	**22,073**
Other tangible assets	19,764	556	3,552	(24)	50	23,898
Other lease assets	5,010	-	-	(239)	5	4,776
Tangible assets under construction	457	-	2,519	(2,957)	-	19
Total tangible assets	**25,231**	**556**	**6,071**	**(3,220)**	**55**	**28,693**

Amortization	03/31/18	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/19
Software	1,480	833	880	(16)	27	3,204
Clients	5,583	-	2,289	-	-	7,871
Total intangible assets	**7,063**	**833**	**3,169**	**(16)**	**27**	**11,075**
Other tangible assets	5,221	289	2,362	(13)	20	7,880
Other lease assets	2,851	-	863	(219)	2	3,497
Total tangible assets	**8,072**	**289**	**3,226**	**(232)**	**22**	**11,377**

Impairment	03/31/18	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/19
Software	10	1,265	-	(385)	14	903
Total intangible assets	**10**	**1,265**	**-**	**(385)**	**14**	**903**
Other tangible assets	75	119	50	(28)	1	217
Other lease assets	-	-	-	-	-	-
Total tangible assets	**75**	**119**	**50**	**(28)**	**1**	**217**
Net total intangible assets	**12,881**	**1**	**(2,247)**	**(541)**	**-**	**10,094**
Net total tangible assets	**17,083**	**148**	**2,795**	**(2,960)**	**32**	**17,099**

None of Wavestone's intangible assets are subject to ownership restrictions.

The only tangible assets that are subject to ownership restrictions are those financed through a lease.

Decreases in fixed assets under construction consist mainly of the activation of the corresponding assets.

The change in "Payables to suppliers of fixed assets" was €1,666k at 03/31/19, versus (€129k)in the same period last year.

Note 12. Leases

Asset class	03/31/19	03/31/18
Transport equipment	54	69
Office and computer equipment	1,225	2,089
Total	**1,279**	**2,159**

Impact on income statement:

Income statement	03/31/19	03/31/18
Recognized depreciation	(857)	(936)
Financial expenses	(17)	(24)
Amount of royalties restated for the fiscal year	875	953
Total	**1**	**(7)**

Royalties:

Royalties	03/31/19	03/31/18
Original value of goods	4,776	5,010
Royalties paid:		
• in the previous years	2,738	1,298
• during the fiscal year	875	953
Total	**3,613**	**2,251**
Royalties outstanding		
• < 1 year	778	878
• 1 > 5 years	472	1,263
• > 5 years	-	-
Total royalties	**1,250**	**2,140**
o/w future financial expenses	*11*	*28*
Residual value at end of the contract	67	69

Note 13. Other assets

Financial assets consist exclusively of deposits and guarantees.

Other non-current assets consist mainly of deferred tax assets in the amount of €6,046k, compared with €5,356k at 03/31/18.

Note 14. Current assets

Trade receivables and related accounts	03/31/18	Changes in consolidation scope	Change	Translation gains (losses)	03/31/19
Client receivables	80,198	4,059	7,456	267	91,979
Invoices to be issued	45,163	1,622	(7,119)	157	39,823
Gross value	**125,361**	**5,680**	**336**	**425**	**131,802**
Impairment	**(1,440)**	**(8)**	**79**	**(12)**	**(1,381)**
Net book value	**123,920**	**5,672**	**415**	**413**	**130,420**

Wavestone analyzes its trade receivables on a case-by-case basis and recognizes impairment on an individual basis, taking into account the customer's specific situation and delays in payments. Overall, no impairment was recognized over the period.

Other receivables	03/31/18	Changes in consolidation scope	Change	Translation gains (losses)	03/31/19
Advances and downpayments	2,385	7	(1,871)	3	523
Tax receivables	21,296	1,174	(3,064)	42	19,447
Other debtors	1,849	107	(663)	19	1,312
Prepaid expenses	2,738	178	1,482	29	4,427
Gross value	**28,268**	**1,466**	**(4,117)**	**93**	**25,710**
Impairment of other receivables	(10)	-	(8)	-	(18)
Impairment	**(10)**	**-**	**(8)**	**-**	**(18)**
Net book value	**28,258**	**1,466**	**(4,125)**	**93**	**25,692**

Cash and cash equivalents	03/31/18	Changes in consolidation scope	Change	Translation gains (losses)	03/31/19
Money-market mutual funds (SICAVs) - cash equivalents	1	-	-	-	1
Liquid assets	52,055	5,345	(7,088)	396	50,708
Gross value	**52,056**	**5,345**	**(7,088)**	**396**	**50,709**
Impairment	**-**	**-**	**-**	**-**	**-**
Net book value	**52,056**	**5,345**	**(7,088)**	**396**	**50,709**

The value at historical cost of the Group's money-market mutual funds (SICAVs) was €1k at 03/31/19, unchanged from the prior year.

Note 15. Capital

At 03/31/19, the capital of the Wavestone parent company comprised 20,196,492 fully paid-up new shares at €0.025 per unit. Information on the capital increases and the 4-for-1 share split is provided under "Highlights of fiscal 2018".

At the same date, the Company owned 243,155 Wavestone's shares.

In addition, pursuant to the authorization granted to it by the General Shareholders' Meeting, the Management Board decided at its meeting on 07/02/18 to freely allocate existing and/or newly issued shares to the Company's executive directors. These free shares vest when the following two conditions are met: the beneficiary has a personal shareholding in the Company and he or she fulfills a performance criterion for certain plans, relating to the achievement of a consolidated operating income on ordinary activities target. For the OneFirm Share Plan (under which free shares were allocated to partners of the new entity in January 2016), the vesting of free shares is subject to the achievement of a performance criterion based on consolidated operating income on ordinary activities.

In addition, at that same meeting, the Wavestone Management Board decided to freely allocate existing and/or newly issued shares to salaried staff members or certain categories of employees of the Company and the Group, within the context of the Employee Savings Plan set up by the Company.

Recognition of the respective benefits awarded within the context of these plans, for which a specific provision was written, had an impact on shareholders' equity in the financial statements at 03/31/19.

Note 16. Provisions

Most of the provisions relate to retirement benefits, which were measured by an independent actuary; proceedings before the labor courts, measured based on legal counsel's estimates of the most probable risk; and, if applicable, provisions for trade disputes.

	03/31/18	Changes in consolidation scope	Increase	Reversal Used	Reversal Unused	Translation gains (losses)	03/31/19
Provisions for retirement packages	13,758	344	2,156	(180)	(1,578)	67	14,566
Total long-term provisions	**13,758**	**344**	**2,156**	**(180)**	**(1,578)**	**67**	**14,566**
Provisions for risks	4,521	120	1,660	(1,009)	(1,049)	53	4,297
Total short-term provisions	**4,521**	**120**	**1,660**	**(1,009)**	**(1,049)**	**53**	**4,297**
Total provisions	**18,279**	**464**	**3,816**	**(1,189)**	**(2,626)**	**119**	**18,862**

Changes in provisions for the fiscal year had a (€884k) impact on operating income on ordinary activities and a (€223k) impact on non-recurring operating income.

Actuarial gains and losses related to the provision for termination benefits are recognized directly in shareholders' equity. An actuarial loss of (€661k) reported at 03/31/19 stemmed primarily from changes in assumptions (discount rate, staff turnover rate, etc.).

This had an impact on shareholders' equity of (€84k), net of deferred taxes, at 03/31/18 and of positive €500k, net of deferred taxes, at 03/31/19.

The net expense recognized of €1,059k breaks down as follows:
- cost of services rendered: €1,054k;
- interest expenses for the year: €185k;
- benefits provided: (€180k).

Sensitivity tests

Tests of sensitivity to the discount rate were performed on the provision for termination benefits.

A 0.25% increase in the discount rate would represent a €695k decrease in actuarial differences (recognized in shareholders' equity) while a 0.25% decrease in the discount rate would represent a €750k increase in actuarial differences.

Note 17. Financial liabilities and net debt

	03/31/18	Changes in consolidation scope	Change	Translation gains (losses)	03/31/19
Debt > 5 years	**-**	**-**	**-**	**-**	**-**
Bank borrowings	-	-	-	-	-
Debt 1 > 5 years	**69,994**	**337**	**(4,628)**	**-**	**65,703**
Bank borrowings	68,721	337	(3,813)	-	65,245
Financial debt (leases)	1,273	-	(815)	-	458
Total non-current financial liabilities	**69,994**	**337**	**(4,628)**	**-**	**65,703**
Bonds	2,993	-	(2,993)	-	-
Bank borrowings	12,496	139	9,969	-	22,605
Financial debt (leases)	860	-	(59)	3	805
Bank overdrafts	61	889	(826)	(7)	116
Accrued interest outstanding	298	-	(104)	-	194
Total current financial liabilities (< 1 year)	**16,708**	**1,028**	**5,987**	**(4)**	**23,720**
Total financial liabilities excluding current bank overdrafts	**86,641**	**477**	**2,185**	**3**	**89,306**
Total financial liabilities	**86,702**	**1,365**	**1,359**	**(4)**	**89,422**

Breakdown of financial liabilities by interest rate:

	03/31/18		03/31/19	
Rate	**Fixed**	**Variable**	**Fixed**	**Variable**
Non-current financial liabilities	1,273	68,721	737	64,966
Current financial liabilities	3,995	12,713	1,061	22,659
Total financial liabilities	**5,268**	**81,434**	**1,798**	**87,625**

Assets pledged as collateral against these borrowings are described in Note 20 below.

The Group did not default on any of its debt repayment obligations during the period.

The characteristics of the acquisition/refinancing loan are as follows:

- nominal: €95,000k;
- rate: variable (Euribor + margin);
- maturity: 01/20/22;
- date of issue: 01/07/16.

Characteristics of the loan for acquisitions:

- nominal: €15,000k;
- rate: variable (Euribor + margin);
- maturity: 07/20/21;
- date of issue: 04/19/18.

Characteristics of the 2018 loan for acquisitions:

- nominal: €4,600k;
- rate: variable (Euribor + margin);
- maturity: 01/20/22;
- date of issue: 11/14/18.

Cash and cash equivalents	03/31/18	Changes in consolidation scope	Change	Translation gains (losses)	03/31/19
Cash equivalents at historic value	1	-	-	-	1
Liquid assets	52,055	5,345	(7,088)	396	50,708
Bank overdrafts	(61)	(889)	826	7	(116)
Total cash net of overdrafts	**51,996**	**4,456**	**(6,262)**	**403**	**50,592**
Fair value adjustment of cash equivalents	-	-	-	-	-
Consolidated cash	51,996	4,456	(6,262)	403	50,592
Financial liabilities excluding bank overdrafts	**86,641**	**477**	**2,185**	**3**	**89,306**
Net cash/debt	**(34,646)**	**3,979**	**(8,447)**	**399**	**(38,713)**

Note 18. Other liabilities

	03/31/18	Changes in consolidation scope	Change	Translation gains (losses)	03/31/19
Other non-current liabilities					
Tax and social security liabilities	162	4	4	-	170
o/w tax liabilities	*162*	*4*	*4*	-	*170*
Other debt	-	-	1,365	-	1,365
Total	**162**	**4**	**1,369**	**-**	**1,535**
Current liabilities					
Trade receivables and related accounts	18,380	993	(47)	55	19,381
Tax and social security liabilities	89,664	3,663	(12,200)	243	81,369
o/w tax liabilities	*36,592*	*1,095*	*(738)*	*78*	*37,027*
o/w social security liabilities	*53,071*	*2,568*	*(11,462)*	*165*	*44,342*
Other current financial liabilities	17,876	941	3,987	46	22,851
o/w suppliers of assets	*322*	-	*1,666*	-	*1,988*
o/w other debt	*6,404*	*92*	*2,931*	*27*	*9,454*
o/w prepaid income	*11,150*	*850*	*(610)*	*19*	*11,409*
Total	**125,920**	**5,597**	**(8,260)**	**344**	**123,601**
Total other liabilities	**126,082**	**5,601**	**(6,891)**	**344**	**125,136**

Note 19. Financial instruments

Wavestone's financial instrument portfolio is made up of:

- holdings in SICAV money-market funds, all of which are indexed to EONIA, and are thus risk-free;
- treasury stock;
- currency futures contracts;
- cross-currency swaps;
- interest rate hedges (caps).

Accounting classification and fair value of financial assets and liabilities

At 03/31/19	Instrument category						Fair value			
		Financial assets measured at fair value through					Level 1	Level 2	Level 3	
	Set with hedging	Profit	Equity	Assets financial derivatives at cost amortized	Liabilities financial at cost amortized	Value net to statement of financial position	Prices quoted on a market assets	Model in-house with parameters observable	Model in-house with parameters non observable	Fair Value
Equity instruments	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost and financial receivables	-	-	-	2,030	-	2,030	-	2,030	-	2,030
Derivative instrument assets	195	-	-	-	-	195	-	195	-	195
Current accounts	-	-	-	-	-	-	-	-	-	-
Cash equivalents	-	1	-	-	-	1	1	-	-	1
Liquid assets	-	50,708	-	-	-	50,708	50,708	-	-	50,708
Total assets	**195**	**50,709**	**-**	**2,030**	**-**	**52,934**	**50,709**	**2,225**	**-**	**52,934**
Bonds	-	-	-	-	-	-	-	-	-	-
Bank loans	-	-	-	-	88,043	88,043	-	88,043	-	88,043
Financial debt (including leases)	-	-	-	-	1,263	1,263	-	1,263	-	1,263
Bank overdrafts	-	-	-	-	116	116	116	-	-	116
Derivative instrument assets	350	-	-	-	-	350	-	350	-	350
Current accounts	-	-	-	-	-	-	-	-	-	-
Total liabilities	**350**	**-**	**-**	**-**	**89,422**	**89,772**	**116**	**89,656**	**-**	**89,772**

At 03/31/18	Instrument category						Fair value			
		Financial assets measured at fair value through					Level 1	Level 2	Level 3	
	Set with hedging	Profit	Equity	Assets financial derivatives at cost amortized	Liabilities financial at cost amortized	Value net to statement of financial position	Prices quoted on a market assets	Model in-house with parameters observable	Model in-house with parameters non observable	Fair Value
Equity instruments	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost and financial receivables	-	-	-	1,566	-	1,566	-	1,566	-	1,566
Derivative instrument assets	787	-	-	-	-	787	-	787	-	787
Current accounts	-	-	-	-	-	-	-	-	-	-
Cash equivalents	-	1	-	-	-	1	1	-	-	1
Liquid assets	-	52,055	-	-	-	52,055	52,055	-	-	52,055
Total assets	**787**	**52,056**	**-**	**1,566**	**-**	**54,408**	**52,056**	**2,352**	**-**	**54,408**
Bonds	-	-	-	-	3,074	3,074	-	3,074	-	3,074
Bank loans	-	-	-	-	81,434	81,434	-	81,434	-	81,434
Financial debt (including leases)	-	-	-	-	2,134	2,134	-	2,134	-	2,134
Bank overdrafts	-	-	-	-	61	61	61	-	-	61
Derivative instrument assets	62	-	-	-	-	62	-	62	-	62
Current accounts	-	-	-	-	-	-	-	-	-	-
Total liabilities	**62**	**-**	**-**	**-**	**86,702**	**86,763**	**61**	**86,703**	**-**	**86,763**

Note 20. Off-balance sheet commitments

	Total amount at 03/31/19	< 1 year	1 > 5 years	> 5 years
Commitments given				
Guarantees and sureties	2,088	887	-	1,201
Pledges	97,594	-	97,594	-
Finance lease agreements	44,097	7,550	29,483	7,064
Total	**143,780**	**8,438**	**127,078**	**8,264**
Commitments received				
Guarantees and sureties				
Undrawn credit lines (1)	2,796	1,751	-	1,045
Liability guarantees (1)	45,000	45,000	-	-
Financial instruments	26,373	-	26,373	-
Total	**74,169**	**46,751**	**26,373**	**1,045**

(1) O/w €1,282k in an escrow account and an insurance policy (Kurt Salmon transaction) in the amount of €15,000k.

The €97,594k in pledges concern Wavestone Advisors shares, intra-group debt held by Wavestone Advisors and its subsidiaries and any receivables arising from the exercise of liability guarantees related to this acquisition. These assets were pledged to the banks as collateral to cover the €88,380k loan and the initial confirmed lines of credit of €45,000k granted by these banks. These commitments mature in 2022.

With respect to the property rental commitments:

- the lease in the United States is covered by an unlimited guarantee from Wavestone SA which would substitute for Wavestone US should it fail to meet its commitments to its lessor;
- the lease in the United Kingdom is covered by an unlimited guarantee from Wavestone SA which would substitute for Wavestone Advisors UK should it fail to meet its commitments to its lessor;
- the lease in Luxembourg is covered by a first-demand rental guarantee from a bank in the amount of €173k granted to Wavestone Luxembourg in return for a pledge agreement in the same amount, maturing in 2024;
- the leases in Belgium are covered by a €60k rental guarantee from a bank maturing in 2023 and €28k rental guarantee maturing in 2028.

Wavestone's liability guarantees arose from the acquisitions carried out during the 2014/15, 2015/16 and 2018/19 fiscal years.

Following an assessment of the impacts of IFRS 16, for real estate leases that provide for the possibility of exit after 3, 6 or 9 years, the Firm's management assumes that this option will not be exercised. The corresponding property rental commitments, previously limited by this possible exit date, are therefore included in the above table until the end of the 9-year period. Based on the amount of these commitments, it is possible to determine the magnitude of the expected impact of application of IFRS 16 on Wavestone's financial statements (see Note 3.1.2).

Operating lease commitments at 03/31/18 would have come to €38,108k on the basis of the same assumptions.

	Total amount at 03/31/18	< 1 year	1 > 5 years	> 5 years
Commitments given				
Guarantees and sureties	789	662	-	127
Pledges	90,900	-	90,900	-
Finance lease agreements	31,815	5,876	18,442	7,497
Total	**123,505**	**6,538**	**109,342**	**7,625**
Commitments received				
Guarantees and sureties	8,344	7,217	-	1,127
Undrawn credit lines (1)	25,000	15,000	10,000	-
Liability guarantees (1)	18,496	659	17,836	-
Total	**51,840**	**22,876**	**27,836**	**1,127**

(1) O/w €437k in an escrow account and an insurance policy (Kurt Salmon transaction) in the amount of €15,000k.

Note 21. Related-party transactions

Type of transaction	Transaction amount	Name of related party	Type of relationship
Expertise in financial policy, development and external growth	0	Michel Dancoisne	Chairman of the Supervisory Board
Fees with Frenger in international development	225	Jean-Noël Mermet	Member of the Supervisory Board (1)

(1) Resignation in June 2018.

Note 22. Subsequent events

Dividend payout

Wavestone will submit a proposal for a total dividend payout of €4,587k (equivalent to €0.23 per share) for shareholder approval at the annual General Meeting called to approve the Company's financial statements for the fiscal year ended 03/31/19.

Partnership with German consulting firm Q_PERIOR

Wavestone announced a new, non-capital-holding partnership with Q_PERIOR, a German consulting firm with more than 1,100 professional staff to further its international expansion.

Founded in 2011 (from the merger of agens Consulting GmbH, paricon AG and ESPRIT Consulting AG), Q_PERIOR is a digital and management consulting firm. A leader in its home market, Q_PERIOR has a substantial international footprint that extends to Austria, Switzerland, the UK, Bosnia-Herzegovina, the United States and Canada. It reported 10% growth in revenue in 2018 to €195m.

The partnership will allow the firms to capture joint commercial opportunities by leveraging their respective geographies and will boost Wavestone's strengths in the industry market segment.

Note 23. Auditors' fees

	Mazars				Deloitte & Associés			
	Amount 18/19	Amount 17/18	% 18/19	% 17/18	Amount 18/19	Amount 17/18	% 18/19	% 17/18
Certification & limited review of the individual and consolidated financial statements on a half-yearly basis								
> Issuer	*103*	*95*	*42%*	*63%*	*128*	*118*	*100%*	*54%*
> Fully consolidated subsidiaries	*140*	*55*	*58%*	*37%*	*-*	*99*	*0%*	*46%*
Subtotal	**243**	**150**	**100%**	**100%**	**128**	**217**	**100%**	**100%**
Services other than the legal certification of financial statements (1)								
> Issuer	*-*	*-*	*0%*	*0%*	*-*	*1*	*0%*	*100%*
> Fully consolidated subsidiaries	*-*	*-*	*0%*	*0%*	*-*	*-*	*0%*	*0%*
Subtotal	**-**	**-**	**0%**	**0%**	**-**	**1**	**0%**	**100%**
Services other than the certification of financial statements requested by the entity (2)								
> Issuer	*2*	*2*	*100%*	*100%*	*2*	*2*	*100%*	*100%*
> Fully consolidated subsidiaries	*-*	*-*	*0%*	*0%*	*-*	*-*	*0%*	*0%*
Subtotal	**2**	**2**	**100%**	**100%**	**2**	**2**	**100%**	**100%**
Total	**245**	**152**	**100%**	**100%**	**130**	**220**	**100%**	**100%**

(1) The services provided relate to the issue of other legal reports as part of the extraordinary Shareholders' Meeting.
(2) The services provided relate to the issue of the certification on financial ratios.

Note 24. Risk factors

Risk factors are presented in the "Risk factors and their management" section of the Management Board Report.

Statutory Auditors' report on the consolidated financial statements - Year ended 03/31/19

This is a translation into English of the Statutory Auditors' report on the consolidated 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 European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.

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

To the Wavestone Shareholders' Meeting,

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Wavestone for the year ended March 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations of the Group for the year then ended and of its financial position and of its assets and liabilities as of March 31, 2019 in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

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 in compliance with independence rules applicable to us, for the period from April 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1, of Regulation (EU) no. 537/2014 or in the French Code of ethics (code de déontologie) for Statutory Auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill (Section 3.5 "Business combinations and goodwill" in Note 3 to the consolidated financial statements "Accounting methods and principles")

Risk identified

In recent years, the Company has continued to expand through numerous targeted acquisitions, in various countries, and across all its activities.

As described in Notes 3.5 and 5.10 to the consolidated financial statements, these acquisitions resulted in the recognition of goodwill which, under IFRS 3 "Business Combinations," is defined as the difference between (i) the aggregate of the consideration transferred, which can be increased by the amount of any non-controlling interest in the acquiree, and (ii) the net fair value of the identifiable assets acquired and the liabilities assumed.

Net goodwill on the reporting date represented nearly 37% of the Group's total assets. In accordance with IAS 36 "Impairment of assets," this goodwill is allocated, on acquisition, to Cash Generating Units (CGU) that should benefit from the synergies of business combinations at the lowest level within the Group at which the goodwill is monitored for internal management purposes.

- The Group's operating model cannot track individual goodwill items and therefore the Wavestone firm constitutes a single CGU.
- Impairment testing for goodwill and the CGU to which it is allocated are based on internal estimates carried out as part of the five-year business plan and the use of the market value derived from the Wavestone's market capitalization.
- Long-term business plans require management to exercise significant judgment with respect to the estimates used to determine the recoverable amount of the CGU.

We considered the goodwill impairment tests to be a key audit matter due to the high degree of management estimates and judgments, the sensitivity of recoverable amounts to changes in forecast assumptions, and the relative weight of these assets in the Group's consolidated financial statements.

Our response

We examined the work relating to the impairment tests carried out by the Firm and the resulting conclusions.

Our procedures primarily consisted in:

- Assessing, with respect to the IFRS in force, the methodology used by the Firm to allocate goodwill to the CGU grouping level adopted for the goodwill impairment tests.
- Assessing the reasonableness of Management's valuation of the recoverable amount of the CGU identified for the goodwill impairment tests.
- Examining the business plan of the identified CGU. This examination consisted in discussions with Management, a review of the historical data and an assessment of the reasonableness of the assumptions used for the business plan forecasts.
- Assessing the reasonableness of the financial parameters used for the impairment tests, the model used to determine the value in use, and the method used to determine the discount rate and the terminal value used in the business plan.
- Analyzing the sensitivity of the impairment tests to changes in the assumptions adopted and the financial parameters applied.

Recognition of revenue from fixed price services (Section 3.18 "Revenue recognition" in Note 3 to the consolidated financial statements "Rules and accounting methods")

Risk identified

As described in Notes 3.18, 5.14 and 5.18 to the consolidated financial statements, the Group offers various services to its customers who operate in diverse business sectors. The services provided by the Company are contracted in three ways:

- **Time-based services contracts**. Revenues generated on time-based services contracts arerecognized as and when the service is rendered. Revenue is calculated on the basis of the contracted selling price multiplied by the number of billable hours spent. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work.
- **Fixed-price services contracts.** Revenues generated on fixed-price services contracts are recognized as and when the various stages of the work are completed. These are calculated on the basis of the costs incurred and yet to be incurred. A provision for loss on completion is written on a contract-per-contract basis when a contract is expected to make a loss. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work. This method complies with the percentage of completion method defined in IAS 11 "Construction contracts."
- **Subscription services contracts.** Revenue from subscription services is recognized on a prorata temporis basis over the term of the contract. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the prorata temporis terms of the contract.

We considered the recognition of revenue from "fixed-price" contracts to be a key audit matter insofar as Management estimates and judgments are required in determining revenue and losses to completion and the financial risks expected from these contracts.

Our response

We examined the processes implemented by the Group with respect to forecast revenue and losses to completion and the percentage of completion of "fixed-price" contracts over the year. Our internal control review consisted in performing a walkthrough test, reviewing the design and implementation of key controls and verifying the operational efficiency of these controls.

For the substantive tests, the audit procedures implemented to measure revenue from fixed-price contracts consisted in selecting, based on a multi-criteria approach (business volumes or outstandings [unbilled receivables and deferred income], the age of contracts, finalization of former contracts over the year, inception of new contracts over the year, project complexity), projects for which we:

- Assessed the reasonableness of the estimates carried out by Management based on:
  - discussions held with the Projects, Sales Finance Coordination and Management Control teams, to corroborate the analysis of forecast revenue and losses to completion and the percentages of completion for projects ongoing at the year-end;
  - audit evidence collected to support the financial positions of projects (contracts, purchase orders, customer acceptance reports, data covering the tracking of time charged, payroll data);
- Implemented mathematical controls and analytical procedures to measure the revenue and net income recorded over the year.

Specific verifications

We have also verified in accordance with professional standards applicable in France, the specific verifications required by laws and regulations pertaining to the Group's information presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (*code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Wavestone by the Shareholders' Meeting held on September 30, 2001 for Deloitte & Associés and on July 11, 2014 for Mazars.

As of March 31, 2019, Deloitte & Associés was in the 18th year of total uninterrupted engagement, taking into account previous acquisitions of firms, and Mazars was in the 5th year of total uninterrupted engagement.

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 its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

These consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objective and audit approach

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 in the aggregate, 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.823-10-1 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 his 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.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Courbevoie, June 7, 2019

The Statutory Auditors

Deloitte & Associés	Mazars
Dominique Laurent Partner	Paul-Armel Junne Partner

Company financial statements at 03/31/19

Wavestone income statement

(in thousands of euros)	03/31/19	03/31/18
Revenue	**308,967**	**274,228**
Operating subsidies	1	0
Reversals on provisions, impairment and transfer of expenses	4,486	1,860
Other operating income	12,902	5,002
Total operating income	**326,357**	**281,089**
Purchases consumed	62,312	38,077
Staff expenses	157,964	149,020
Other operating expenses	43,223	31,008
Levies and taxes	6,712	6,646
Depreciation allowances, impairment and provisions	6,674	5,247
Total operating expenses	**276,885**	**229,998**
Operating profit	**49,472**	**51,091**
Financial income	2,094	1,494
Financial expenses	1,982	2,337
Financial profit (loss)	**113**	**(843)**
Profit from continuing operations	**49,584**	**50,248**
Non-recurring profit (loss)	(2,017)	(685)
Company profit	**47,568**	**49,564**
Equity interests	4,162	6,678
Income tax	11,868	12,328
Net income	**31,538**	**30,558**

Wavestone balance sheet

Assets

(in thousands of euros)	Gross	Depreciation/ Impairment	03/31/19 Net	03/31/18 Net
Intangible assets	67,128	21,642	45,486	45,965
Tangible assets	20,990	6,797	14,193	13,888
Financial assets	126,342	18	126,324	98,552
Fixed assets	**214,461**	**28,457**	**186,003**	**158,405**
Trade receivables and related accounts	112,071	86	111,985	103,426
Other receivables and accruals	30,352	8	30,344	26,759
Trading securities	8,504	0	8,504	2,089
Liquid assets	30,078	0	30,078	38,846
Current assets	**181,005**	**95**	**180,911**	**171,121**
Total assets	**395,466**	**28,552**	**366,914**	**329,526**

Liabilities

(in thousands of euros)	03/31/19	03/31/18
Capital	505	497
Additional paid-in capital	11,365	11,365
Reserves and retained earnings	121,079	94,583
Profit	31,538	30,558
Regulated provisions	0	0
Shareholders' equity	**164,487**	**137,003**
Provisions	**4,912**	**5,387**
Bonds	0	3,081
Bank borrowings	88,687	82,452
Trade receivables and related accounts	37,974	28,540
Other debt and accruals	70,854	73,061
Debt	**197,515**	**187,135**
Total liabilities	**366,914**	**329,526**

Notes to the Company financial statements

Contents

1. Overview

The fiscal year covers the 12-month period from 04/01/18 to 03/31/19.

These annual financial statements were approved by the Management Board on 05/27/19.

The financial statements are presented in thousands of euros (€k).

The following notes and tables form an integral part of the annual financial statements.

2. Significant events in the fiscal year

Acquisition of Xceed Group excluding the FIMS (Flexible Infrastructure Managed Services) business

On 04/06/18, Wavestone acquired all of the capital of Xceed Group (Holdings) Limited, a holding company with no operational activities, which itself wholly owns Xceed Consultancy Services Limited and Xceed (2007) Inc.

Established in London in 2003, Xceed Group is a consultancy that specializes in implementing IT transformation programs for major financial services players. Its primary activities include the planning and delivery of complex IT change programs.

In the fiscal year ended 11/30/17, Xceed Group recorded consolidated revenues of €15,285k (£13,346k) and an adjusted EBITDA margin of more than 20%. These figures do not include Xceed Group's FIMS activity. The firm has 60 employees in London and New York, with the vast majority located in London.

This acquisition was financed entirely in cash, through the use of credit lines already available to Wavestone.

Metis Consulting's acquisition

Wavestone acquired 100% of the share capital of Metis Consulting on 11/13/18.

Founded in 2007 and based in Paris, Metis Consulting helps clients transform their supply chain operations, from strategy definition to the implementation of the organizational structures, processes, equipment, and the technologies that underpin them.

The firm posted €8.7m in revenue for the fiscal year ended 03/31/18; EBITDA margin has been consistently higher than 15% for the past three years. Metis Consulting has 40 staff.

This acquisition was financed entirely in cash, through the use of credit lines available to Wavestone.

Wavestone share split

In accordance with the 17th resolution, the combined General Meeting of Shareholders on 07/26/18 resolved on a 4-for-1 split of the par value of the shares comprising the share capital, effective as of the trading session on 09/04/18.

The former 5,049,123 shares for a par value of €0.10 per share were replaced by 20,196,492 new shares at €0.025 each.

Capital increases

Wavestone increased its capital by €7k by issuing 284,832 new shares effective as of 06/29/18, using the reserves account.

Wavestone carried out a second capital increase of €1k by creating 44,132 new shares effective 07/20/18, using the reserves account.

The purpose of both increase rounds was the award of free shares to the beneficiaries of the two plans that expired during the fiscal year.

Financing transaction

On 10/30/18, Wavestone signed an amendment to the credit agreement concluded on 01/07/16 to draw down a further credit line earmarked for acquisitions in the amount of €50,000, under the same commercial conditions as the initial agreement. The facility consists of two tranches: €15,000k redeemable in January 2022 and €35,000k redeemable at maturity in January 2022.

3. Accounting rules and methods

3.1. Accounting standards

The financial statements at 03/31/19 were prepared in accordance with Regulation 2014-03 of the ANC (*Autorité des Normes Comptables*, the French accounting standards board) and its subsequent opinions and recommendations.

The accounting policies have been applied fairly in accordance with the principle of prudence and with the basic assumptions of:
- going concern;
- consistency of accounting methods from one fiscal year to the next; and
- periodicity.

They have also been applied in accordance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used to value the items booked in the financial statements is the historical cost method.

3.2. Intangible and tangible assets

Intangible assets are measured at acquisition cost (purchase price plus ancillary expenses, excluding fixed-asset acquisition costs).

Tangible assets (property, plant and equipment) are measured either at acquisition cost (purchase price plus ancillary expenses, excluding fixed-asset acquisition costs) or at production cost.

The depreciation periods applied to purchases are as follows:
- software: 3 or 5 years;
- fixtures and fittings: 9 years;
- IT equipment: 3 years;
- office furniture: 9 years.

Depreciation is calculated using the straight-line method.

Goodwill

The goodwill valuation is monitored over time. In the event of an other-than-temporary impairment, a provision is written for loss in value.

This item also includes merger losses (*mali de fusion*), which represent the negative goodwill (or "badwill") between the net assets received from the subsidiary whose assets and liabilities were all transferred and the book value of the investment.

Due to the legal and operational restructuring of various practices in recent years, merger losses and badwill can only be monitored as a whole and have been grouped as a single accounting entry.

The entry into force of new accounting rules introduced in Regulations 2015-06 and 2015-07 did not result in the amortization of goodwill with an indefinite useful life.

3.3. Investments, other long-term securities and marketable securities

Gross value equals acquisition cost excluding ancillary expenses. When the balance sheet value is less than the gross value, an impairment is booked for the amount of the difference.

Equity investments

Equity investments are carried at their historical cost on the balance sheet. Where applicable, they are written down to their value in use at the end of the fiscal year. Value in use is measured using a set of criteria, such as the equity share of the Company concerned, its profitability, its cash flows and its future prospects.

Securities acquisition costs are not capitalized.

Impairment tests are conducted using the discounted future cash flow method. Cash flows are determined on the basis of projections for a five-year period and a perpetual growth rate assumption thereafter. The cash flows derived from these estimates are then discounted.

These tests are based on the following key assumptions:
- a perpetual growth rate of 2%, a level deemed reasonable in light of past performances observed in the management and IT services consulting sector;
- a discount rate of 10% after tax determined by an independent appraiser. This rate factors in a 10-year risk-free rate, a market risk premium, the beta observed for comparable listed companies (including Wavestone) and a Company-specific risk premium.

Treasury stock

Treasury shares are classified as long-term securities and are used for:
- external growth operations, as payment, or for exchange purposes to finance acquisitions;
- liquidity transactions (liquidity contracts);
- free share allocation programs.

3.4. Receivables

Receivables are measured at their nominal value. An impairment is recognized when their balance sheet value is less than their carrying value.

3.5. Bond redemption premiums

None.

3.6. Foreign currency transactions

Revenues

Sales denominated in foreign currencies are translated into euros at the exchange rate on the sale date. The impact of hedging is, where applicable, recognized in the same revenue account (see Note 3.9).

Trade payables and receivables, and cash and cash equivalents

Payables, receivables, and cash and cash equivalents denominated in foreign currencies are translated at the end of the fiscal year at their closing exchange rate.

Translation differences resulting from the remeasurement of receivables and payables in foreign currencies at the closing exchange rate are recorded under "Translation adjustments" on the assets side of the balance sheet when there is an unrealized loss and under "Translation adjustments" on the liabilities side of the balance sheet when there is an unrealized gain. A provision equal to the unhedged risk is booked for translation adjustments recorded on the assets side of the balance sheet.

Translation adjustments resulting from the remeasurement of cash and cash equivalents are carried on the income statement, unless the cash and cash equivalents are part of a hedging relationship (hedged item or hedging item). If that is the case, the translation adjustments are recorded on the balance sheet and follow hedge accounting principles (see Note 3.9).

Translation adjustments for trade payables and receivables (provisioned or realized) are recognized under operating income. Translation adjustments for financial payables and receivables (provisioned or realized) are recognized under financial income.

3.7. Retirement benefits

Obligations resulting from defined-benefit plans are measured on the basis of the projected unit-credit method by independent actuaries.

These benefits are not recognized but are noted under off-balance sheet commitments.

Retirement benefits are based on the following assumptions:
- application of the collective bargaining agreement covering consulting firms (Syntec no. 3018);
- staff turnover rate: 17%;
- TGHF 2005 mortality table;
- salary increases: 2%;
- payroll tax rate: 45%;
- discount rate: 1.04%;
- retirement age: 65 years;
- voluntary departure.

3.8. Regulated provisions

None.

3.9. Financial instruments

Hedging instruments

Hedge accounting principles are applied when a hedging relationship has been identified and documented. The impacts of the financial instruments used by Wavestone SA to hedge and manage its currency and interest rate risks are matched with those of the hedged item for the purposes of recognition in the income statement.

Income from currency derivatives that hedge sales in foreign currencies and the resulting receivables is therefore:
- partially recognized when invoiced and classified in the "Revenue" line (see 3.6);
- partially recognized when collected and classified in the "Other expenses" and "Other income" lines.

Premiums/discounts on currency derivatives are recognized over the life of the hedge and classified under financial income.

Changes in the value of derivatives are not recognized on the balance sheet, except to apply the income matching principle.

Impairments and provisions for risks relating to a hedged item factor in the impacts of hedging.

If the hedged item no longer exists, the hedging instrument is treated as an open position.

3.10. Revenue recognition and partially completed transactions at the end of the fiscal year

Revenues are recognized according to the type of contract entered into with the client:

3.10.1. Time-based services contracts

Revenues generated on time-based services contracts are recognized as and when the service is rendered. Revenue is calculated on the basis of the contracted selling price and the number of billable hours spent. Unbilled receivables and deferred income are recognized when the invoicing does not reflect the actual progress of work.

3.10.2. Fixed-price services contracts

Revenues generated on fixed-price services contracts are recognized as the work progresses based on costs incurred and future costs. A provision for loss on completion is written on a contract-by-contract basis when a loss is expected. Unbilled receivables and deferred income are recognized when the invoicing does not reflect the actual progress of work.

3.10.3. Subscription services

Revenues from subscription services are recognized on a prorated basis over the term of the contract. Unbilled receivables and deferred income are recognized when the invoicing does not reflect the prorated amounts.

3.11. Change in method

None.

4. Notes relative to certain income statement and balance sheet items

Note 1. Breakdown of revenues

Wavestone specializes in the specific market segment of management and information systems consulting. Since all of these services are subject to the same risks and generate similar levels of profitability, Company revenues are not broken down by business line.

The majority of Wavestone's revenues are generated in France.

Note 2. Average workforce

	Salaried personnel
Managers	1,839
Employees, technicians and supervisors	40
Total	**1,879**

The average workforce is calculated on a full-time equivalent (FTE) basis.

The Competitiveness and Employment Tax Credit (CICE) is recognized as and when the corresponding compensation expense is incurred. Given the reliability and probability conditions required to obtain the CICE, this tax credit has not been taken into account for long-term deferred compensation.

The CICE is recognized against personnel expenses.

Recognition of the CICE in the income statement led to a €1,636k reduction in personnel costs:

- CICE impact on compensation paid between April and December 2018: €1,636k.

In keeping with the legislature's objectives, Wavestone used the CICE to step up its sales efforts (hiring of business engineers and pre-sale expenses) so that it could pursue its expansion and recruit new personnel.

Note 3. Compensation paid to management and supervisory bodies

	Compensation paid [1]
Management Board	473
Supervisory Board	251
Total	**724**

(1) Excluding mandatory profit-sharing.

The members of the above-mentioned bodies are not entitled to any pensions or similar benefits for the performance of these duties.

No loans or advances were granted by the firm's companies to the members of the Management Board and Supervisory Board.

Note 4. Non-recurring expenses and income

Non-recurring expenses	Value
Shortfall on treasury share buybacks	2,404
Other non-recurring expenses	316
Total	**2,721**

Non-recurring income	Value
Gains on treasury share buybacks	300
Other non-recurring income	405
Total	**704**

Other non-recurring expenses and income mainly relate to computer hardware leaseback transactions.

Note 5. Breakdown of taxes

	Profit before tax	Tax	Profit after tax
Current tax, after profit-sharing	45,422	(14,135)	31,287
Non-recurring			
• o/w short-term	(2,017)	694	(1,323)
• o/w long-term	0	0	0
Tax credits		1,573	1,573
Net income			**31,538**

Tax credits mainly concern the research tax credit for 2018 in the amount of €897k.

Note 6. Goodwill

Goodwill	Gross value	Net value
Items received in contribution/merger	61,958	58,784
Items acquired	1,860	1,860
Total	**63,818**	**60,644**

Goodwill, monitored as a whole, is subject to an impairment test conducted on the basis of the discounted future cash flow method. The impairment test carried out confirmed no impairment over the period.

Note 7. Fixed assets

	Gross value at start of period	Increase		Decrease	Gross value at end of period
		Mergers/ contributions	Acquisitions		
Intangible assets					
Goodwill	63,818	-	-	-	63,818
Licenses and software	2,389	-	922	-	3,310
Intangible assets in progress	926	-	-	926	-
Total	**67,133**	**-**	**922**	**926**	**67,128**
Tangible assets					
Fixtures and fittings	14,969	-	1,975	3	16,941
Transport equipment	-	-	-	-	-
Office and computer equipment, furniture	3,690	-	364	5	4,049
Tangible assets under construction	7	-	2,219	2,226	-
Total	**18,666**	**-**	**4,558**	**2,233**	**20,990**
Financial assets					
Other investments	15,835	-	26,360	-	42,195
Receivables from controlled entities	80,376	-	1,863	230	82,009
Other long-term securities	982	-	9,020	9,470	532
Loans and other financial assets	1,378	-	243	14	1,606
Total	**98,572**	**-**	**37,485**	**9,714**	**126,342**
Total fixed assets	**184,371**	**-**	**42,965**	**12,873**	**214,460**

The gross value of goodwill is detailed in Note 6.

The decreases in fixed assets under construction mainly relate to the activation of the corresponding assets.

Equity investments, monitored as a whole, are subject to an impairment test conducted on the basis of the discounted future cash flow method. The impairment test carried out confirmed no impairment over the period.

Note 8. Depreciation and amortization

	Value at start of period	Increase: Mergers/ contributions	Increase: Provisions	Decrease Write-backs	Value at end of period
Intangible assets					
Goodwill	3,174	-	-	-	3,174
Licenses and software	1,415	-	475	-	1,890
Total	**4,589**	**-**	**475**	**-**	**5,064**
Tangible assets					
Fixtures and fittings	3,263	-	1,673	-	4,936
Transport equipment	-	-	-	-	-
Office and computer equipment, furniture	1,440	-	369	1	1,808
Total	**4,703**	**-**	**2,042**	**1**	**6,744**
Total amortization	**9,292**	**-**	**2,517**	**1**	**11,807**

All fixed assets are depreciated using the straight-line method.

Note 9. Treasury stock

Taking into account the 4-for-1 share split during the fiscal year, presented in the year's significant events, the note presents all items in terms of the number of new shares.

	Number of shares: At start of fiscal year	Purchased during fiscal year	Sold during fiscal year	Transferred during fiscal year(1)	At end of fiscal year
Treasury shares	152,624	469,659	264,888	114,240	243,155

(1) O/w free share allocation for 114,240.

The gross value of treasury stock held at 03/31/19 came out at €9,035k. This breaks down into treasury shares held for:

- External growth: €0k;
- Liquidity transactions: €532k;
- Free share allocation: €8,503k.

The net value of treasury stock at 03/31/19 totaled €9,035k.

Note 10. Maturities of trade receivables and payables

Receivables	Gross value	< 1 year	> 1 year
Of fixed assets			
Other financial assets	83,615	-	83,615
Of current assets			
Trade receivables and related accounts	112,071	112,071	-
Social security receivables	261	261	-
Tax receivables	11,807	11,794	13
Firm and associates	13,164	-	13,164
Other debtors	530	530	-
Prepaid expenses	3,598	3,598	-
Total	**225,046**	**128,254**	**96,792**

Debt	Gross value	< 1 year	1 > 5 years	> 5 years
Bond-related debt (1)	-	-	-	-
Bank borrowing S < 1 year when contracted (1)	-	-	-	-
Bank borrowing S > 1 year when contracted (1)	88,687	23,230	65,457	-
Other borrowings and financial debt (1)	-	-	-	-
Trade receivables and related accounts	37,974	37,974	-	-
Social security debt	26,625	26,625	-	-
Tax liabilities	25,536	25,291	245	-
Debts on assets and related accounts	1,968	1,968	-	-
Firm and associates	-	-	-	-
Other debt	9,194	7,994	1,200	-
Deferred income	7,187	7,187	-	-
Total	**197,171**	**130,270**	**66,902**	**-**

(1) Of which borrowings contracted during the fiscal year: €19,600k.
Of which borrowings repaid during the fiscal year: €16,395k.
Borrowings guaranteed by real collateral (see Note on financial commitments).

Note 11. Items concerning associate companies

	Amount concerning companies	
	related	in which the Company has a participating interest
Items from sundry financial position statement entries		
Equity interests	42,195	-
Receivables from controlled entities	81,978	-
Trade receivables and related accounts	15,700	-
Other receivables	13,681	-
Liquid assets	-	-
Trade payables and related accounts	21,679	-
Other debt	2	-
Financial income		
Income from equity interests	-	-
Income from other financial assets	1,267	-
Other financial income	187	-
Financial expenses		
Net interest	-	-
Other financial expenses	-	-

Note 12. Accrued income

Accrued income included in the following financial position statement items	03/31/19	03/31/18
Receivables from controlled entities	70	51
Trade receivables and related accounts	35,603	40,498
Other receivables	228	1,425
Liquid assets	26	11
Total	**35,927**	**41,985**

Note 13. Accrued expenses

Accrued expenses included in the following financial position statement items	03/31/19	03/31/18
Bonds	-	81
Bank borrowings and debt	307	277
Trade payables and related accounts	21,225	16,478
Tax and social security liabilities	23,253	29,186
Other debt	6,072	5,326
Total	**50,857**	**51,349**

Note 14. Deferred income and prepaid expenses

The €7,187k in deferred income relates solely to operating income, and the €3,598k in prepaid expenses relates exclusively to operating expenses.

Note 15. Measurement differences of marketable securities

Marketable securities booked as balance sheet assets consist exclusively of mutual funds (SICAVs). A comparison of net asset value and acquisition cost yields an unrealized capital gain of €0k.

Note 16. Breakdown of share capital

Ordinary shares	Number of shares	Nominal value (in euros)	Share capital (in euros)
At 03/31/18	**4,966,882**	**0.100**	**496,688,20**
Capital increase	82,241	0.100	8,224,10
Division of the par value of the shares by 4 - old shares	-5,049,123	0.100	-504,912,30
Division of the par value of the shares by 4 - new shares	20,196,492	0.025	504,912,30
At 03/31/19	**20,196,492**	**0.025**	**504,912,30**

There were no stock option plans in place at 03/31/19.

Note 17. Change in shareholders' equity

	Capital share	Premiums	Reserves and retained earnings	Profit for the fiscal year	Total
At 03/31/18	**497**	**11,365**	**94,583**	**30,558**	**137,003**
Appropriation of profit	-	-	26,565	(26,565)	-
Dividends	-	-	(61)	(3,993)	(4,054)
Capital increase	8	-	(8)	-	-
Profit for the fiscal year	-	-	-	31,538	31,538
At 03/31/19	**505**	**11,365**	**121,079**	**31,538**	**164,487**

Note 18. Provisions and impairment

	Value at start of period	Increase: Mergers/ contributions	Increase: Provisions	Decrease Write-backs	Value at end of period
Regulated provisions	**-**	**-**	**-**	**-**	-
Provisions (1)					
Disputes	746	-	184	411	519
Fines and penalties	100	-	58	100	58
Other provisions (2)	4,542	-	4,100	4,307	4,334
Total	**5,387**	**-**	**4,342**	**4,817**	**4,912**
Depreciation					
Intangible assets	16,579	-	-	-	16,579
Tangible assets	75	-	-	22	53
Equity investments	-	-	-	-	-
Other financial assets	19	-	-	1	18
Trade receivables	146	-	75	135	86
Other depreciation	10	-	1	2	8
Total	**16,828**	**-**	**76**	**160**	**16,745**
Grand total	**22,216**	**-**	**4,418**	**4,977**	**21,656**
Of which appropriations and write-backs					
• operating			4,158	4,449	
• financial			201	404	
• non-recurring			59	124	

(1) Write-back of €1,321k provision for risks and liabilities.

(2) Mainly concerning a provision for free share allocation.

Note 19. Increases and decreases in future tax liabilities

Increase in future tax liabilities	Value (basic)
Regulated provisions	-
Other	535
Total	**535**

Relief on future tax liabilities	Value (basic)
Provisions not deductible in the year recognized	
Employee shareholding	3,737
Social welfare contributions	125
Other	
Subsidiary acquisition costs	2,192
Provisions for risks and charges	378
Impairment of receivables	80
Unrealized gains on marketable securities	-
Translation gains or losses on liabilities	344
Total	**6,857**
Deferred losses	386
Long-term capital losses	-

Note 20. Leases

	Value when set up	Theoretical depreciation charge		Net value theoretical	Royalties	
		Fiscal year	Cumulative		Fiscal year	Cumulative
Office and computer equipment	3,337	834	2,112	1,225	843	2,148

	Royalties outstanding				Residual purchase price	Effective value in fiscal year
	< 1 year	1 ≥ 5 yrs	> 5 yrs	Total		
Office and computer equipment	762	472	0	1,234	29	843

The information in the above table corresponds to ongoing leases at the end of the period.

Note 21. Hedging instruments

Interest rate hedges

Bank borrowings in the amount of €96,075k on the guarantee date are hedged by two rate caps.

		03/31/19	
	Maturity	Nominal value	Market value
Bank loans			
Interest rate option	01/21/21	32,500	5
Interest rate option	01/20/22	17,500	10

Currency risk hedges

Wavestone has entered into currency futures contracts to hedge against currency risk on business operations, and into currency swaps and currency futures contracts to hedge foreign-currency loans and current accounts.

The initial USD7,000k loan granted to Wavestone US is 50% hedged with a cross-currency swap.

The GPB11,984k Xceed securities are 50% hedged with a cross-currency swap.

			03/31/19	
	Currency	Maturity	Nominal value	Market value
Business operations				
None				
Subsidiaries' current accounts				
Long-term sales	USD/EUR	10/31/19	6,821	(182)
Long-term sales	GBP/EUR	10/31/19	583	3
Long-term sales	CHF/EUR	10/31/19	358	(3)
Subsidiaries' loans				
Cross-currency swap	USD/EUR	01/20/22	3,018	150
Subsidiaries' securities				
Cross-currency swap	GBP/EUR	07/20/21	6,884	(137)

At 03/31/19, Wavestone did not hold any derivatives not designated as hedges (no open positions).

Note 22. Off-balance sheet commitments

	Total value	≤ 1 year	1 ≥ 5 years	> 5 years
Commitments given				
Guarantees and sureties	4,732	1,016	2,622	1,094
Pledges (1)	97,594	-	97,594	-
Pension commitments	9,041	-	-	9,041
Lease commitments	1,262	772	490	-
Finance lease agreements (2)	37,098	5,921	24,294	6,883
Total	**149,728**	**7,709**	**125,000**	**17,019**
Commitments received				
Guarantees and sureties	2,650	1,650	-	1,000
Undrawn credit lines	45,000	45,000	-	-
Liability guarantees (3)	26,373	-	26,373	-
Total	**74,023**	**46,650**	**26,373**	**1,000**

(1) Pledges relate to commitments given to banks to cover loans and the opening of lines of credit. These commitments mature in 2022. They concern Wavestone Advisors shares, intra-group receivables held by Wavestone Advisors and its subsidiaries and receivables arising from the exercise of liability guarantees.

(2) Future payment commitments consist of contractual commitments on rents. The duration of leases taken into account is the shortest possible period to the expiry of the various lease contracts.

(3) Wavestone's liability guarantees arose from the acquisitions carried out during the 2014/15, 2015/16 and 2018/19 fiscal years. They consisted of escrow accounts totaling €1,282k and an insurance policy (taken out for the Kurt Salmon transaction) worth €15,000k.

Following an assessment of the impacts of IFRS 16 on the preparation of the group's consolidated financial statements, for real estate leases that provide for the possibility of exit after 3, 6 or 9 years, the Firm's management assumes that this option will not be exercised.

In the interests of consistency with the consolidated financial statements, the corresponding property rental commitments, previously limited by this possible exit date, are therefore included in the above table until the end of the 9-year period.

Commitments related to hedging instruments are disclosed in Note 21.

Note 23. Information on subsidiaries and equity interests

	Holding (%)	Capital	Other Shareholders' equity	Profit reported at the end of the fiscal year
Subsidiaries				
Wavestone Advisors Morocco Immeuble Racine d'Anfa 157 boulevard d'Anfa 20100 Casablanca, Morocco	95	203	(459)	277
Wavestone Advisors UK 29-30 (4th Floor) Cornhill EC3V 3NF, London, United Kingdom	100	1	1,321	953
Wavestone Advisors Switzerland 105 rue de Lyon 1203 Geneva, Switzerland	100	27	988	717
Wavestone Advisors Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	100	1,658	(73,098)	3,635
Xceed Group (Holdings) 29-30 (4th floor) Cornhill EC3V 3NF, London, United Kingdom	100	34	33	(25)
M3G Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	100	56	37	(205)
Equity interests				
None				

Comprehensive information	Gross value of shares	Net value of shares	Advances (1), loans and current accounts	Dividends paid
Subsidiaries				
French	19,325	19,325	79,983	-
Foreign	22,870	22,870	626	-
Equity interests				
None				

(1) Including advances made to subsidiaries within the context of the Company's centralized cash-management system.

Note 24. Related-party transactions

Type of transaction	Transaction amount	Name of related party	Type of relationship
Expertise in financial policy, development and external growth	0	Michel Dancoisne	Chairman of the Supervisory Board
Fees with Frenger in international development	225	Jean-Noël Mermet	Member of the Supervisory Board (1)

(1) Resignation in June 2018.

Note 25. Subsequent events

Dividend payout

Wavestone will submit a proposal for a total dividend payout of €4,587k (equivalent to €0.23 per share) for shareholder approval at the annual General Meeting called to approve the Company's financial statements for the fiscal year ended 03/31/19.

Partnership with German consulting firm Q_PERIOR

Wavestone announced a new, non-capital-holding partnership with Q_PERIOR, a German consulting firm with more than 1,100 professional staff to further its international expansion.

Founded in 2011 (from the merger of agens Consulting GmbH, paricon AG and ESPRIT Consulting AG), Q_PERIOR is a digital and management consulting firm. A leader in its home market, Q_PERIOR has a substantial international footprint that extends to Austria, Switzerland, the UK, Bosnia-Herzegovina, the United States and Canada. It reported 10% growth in revenue in 2018 to €195m.

The partnership will allow the firms to capture joint commercial opportunities by leveraging their respective geographies and will boost Wavestone's strengths in the industry market segment.

Statutory Auditors' report on the financial statements - Year ended 03/31/19

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 European regulation and 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.

To the Wavestone Shareholders' Meeting,

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Wavestone for the year ended March 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of March 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

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 Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from April 1, 2018 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1, of Regulation (EU) no. 537/2014 or in the French Code of Ethics for Statutory Auditors.

Justification of Assessments - Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on specific items of the financial statement.

Valuation of equity investments and receivables from controlled entities (section 3.3 "Investments and other equity interests and marketable securities" of Note 3 to the Company financial statements "Rules and accounting methods")

Risk identified

In recent years, the Company has continued to expand through numerous targeted acquisitions, in various countries, and across all its activities.

As described in Notes 3.3 and 4.7 to the Company financial statements, equity investments and receivables from controlled entities recorded in assets for a net book value of €124 million represent 34% of total assets as of March 31, 2019. They are initially recognized at acquisition cost, less any expenses relating to the acquisition.

As indicated, the carrying amount of equity investments corresponds to the value in use on the reporting date, which is assessed according to various criteria, including the equity share in the Company concerned, its profitability, cash flows and outlook.

The determination of the value in use of equity investments and receivables from controlled entities on an individual basis relies on Management assumptions and estimates.
We considered the impairment of equity investments and receivables from controlled entities to be a key audit matter, given the weight of these items in the balance sheet, the high degree of management estimates and judgments and the sensitivity of values in use to changes in forecast assumptions.

Our response

We familiarized ourselves with the work relating to the impairment tests carried out by the Company and the resulting conclusions.

Our work consisted in assessing the reasonableness of the estimated values in use of equity investments and receivables from controlled entities based on the information communicated to us. Our work primarily consisted in:

- Familiarizing ourselves with the methods used to calculated values in use, and specifically cash flow forecasts.
- Assessing and examining the reasonableness of the assumptions used for these cash flow forecasts. This examination consisted in discussions with Management, a review of the historical data and an assessment of the reasonableness of the assumptions used for the business plan forecasts.
- Verifying the reasonableness of the financial parameters used for the impairment tests, and specifically the method used to determine the discount rate and the terminal value used in the business plans, along with the market analyses and the consensus observed.
- Where this data was unavailable, ensuring that the equity retained corresponded to the accounts of the entities that were the subject of an audit or analytical procedures and verifying the mathematical calculation performed.

Recognition of revenue from fixed price services (Section 3.10 "Recognition of revenue and partially completed transactions at the end of the fiscal year" in Note 3 to the Company financial statements "Rules and accounting methods")

Risk identified

As described in Notes 3.10, 4.10 and 4.12 to the Company financial statements, the Company offers various services to its customers who operate in diverse business sectors. The services provided by the Company are contracted in three ways:

- **Time-based services contracts.** Revenues generated on time-based services contracts are recognized as and when the service is rendered. Revenue is calculated on the basis of the contracted selling price multiplied by the number of billable hours spent. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work.
- **Fixed-price services contracts.** Revenues generated on fixed-price services contracts are recognized as and when the various stages of the work are completed. These are calculated on the basis of the costs incurred and yet to be incurred. A provision for loss on completion is written on a contract-per-contract basis when a contract is expected to make a loss. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the state of progress of the work.
- **Subscription services contracts.** Revenue from subscription services is recognized on a prorata temporis basis over the term of the contract. Unbilled receivables and deferred income are recognized when invoicing is not in phase with the prorata temporis terms of the contract.

We considered the recognition of revenue from "fixed-price" contracts to be a key audit matter insofar as Management estimates and judgments are required in determining revenue and losses to completion and the financial risks expected from these contracts.

Our response

We examined the processes implemented by the Company with respect to forecast revenue and losses to completion and the percentage of completion of "fixed-price" contracts over the year. Our internal control review consisted in performing a walkthrough test, reviewing the design and implementation of key controls and verifying the operational efficiency of the controls.

For the substantive tests, the audit procedures implemented to measure revenue from fixed-price contracts consisted in selecting, based on a multi-criteria approach (business volumes or outstandings [unbilled receivables and deferred income], the age of contracts, finalization of former contracts over the year, inception of new contracts over the year, project complexity), projects for which we:

- Assessed the reasonableness of the estimates carried out by Management based on:
  - discussions held with the Projects, Sales Finance Coordination and Management Control teams, to corroborate the analysis of forecast revenue and losses to completion and the percentages of completion for projects ongoing at the year-end;
  - audit evidence collected to support the financial positions of projects (contracts, purchase orders, customer acceptance reports, data covering the tracking of time charged, payroll data);
- Implemented mathematical controls and analytical procedures to measure the revenue and net income recorded over the year.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*code de commerce*).

We attest that the non-financial statement required by Article L.225-102-1 of the French Commercial Code (*code de commerce*) is included in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained therein.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code (*code de commerce*).

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by the members of the Executive Board and of the Supervisory Board and any other commitments made in their favour, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Wavestone by the Shareholders' Meeting held on September 30, 2001 for Deloitte & Associés, and on July 11, 2014 for Mazars.

As of March 31, 2019, Deloitte & Associés was in the 18th year of total uninterrupted engagement, taking into account previous acquisitions of firms, and Mazars was in the 5th year of total uninterrupted engagement.

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

These financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objectives are to obtain reasonable assurance about whether the 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 in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the future 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 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 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 his 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Courbevoie, June 7, 2019

The Statutory Auditors

Deloitte & Associés	Mazars
Dominique Laurent	Paul-Armel Junne
Partner	Partner

Statutory Auditors' special report on regulated agreements and commitments

Shareholders' Meeting held to approve the financial statements for the year ending March 31, 2019

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the French Commercial Code and that the report does not apply to related party agreements described in IAS 24 or other equivalent accounting standards.

To the Wavestone Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments, as well as the reasons justifying their interest for the Company, brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to article R.225-58 of the French Commercial Code (*code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in article R.225-58 of the French Commercial Code (*code de commerce*) relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement.

These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

Agreements and commitments authorized during the year

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L.225-38 of the French Commercial Code.

Agreements and commitments previously approved by the Shareholders' Meeting

Agreements and commitments approved in previous financial years with continuing effect during the year

Pursuant to article R.225-57 of the French Commercial Code, we were informed that implementation of the following agreements and commitments, approved by the Shareholders' Meeting during previous financial years, continued during the previous financial year.

Mandate of Mr. Patrick Hirigoyen in order to calculate his rights resulting from his employment contract

- Person concerned: Mr. Patrick Hirigoyen
- Terms and conditions: The employment contract of Mr. Patrick Hirigoyen was suspended on April 1, 2017 and the latter was paid for the fulfillment of his mandate as member of the Executive Board. In this context, it was agreed between the Company and Mr. Patrick Hirigoyen that the period during which he exercised his mandate as member of the Executive Board – Director General – would be taken into account, in order to calculate his rights resulting from his employment contract.

Paris La Défense and Courbevoie, June 7, 2019

The Statutory Auditors

French original signed by

Deloitte & Associés	Mazars
Dominique Laurent Partner	Paul-Armel Junne Partner

LEGAL INFORMATION

04

General information on Wavestone and its share capital

1. General information on Wavestone

1.1. Timeline: main events in Wavestone's history

1990

Michel Dancoisne and Pascal Imbert found Solucom, a consulting firm specialized in networks and telecoms consulting.

1994

Internet and telecoms deregulation boost Solucom's business.

2000

Solucom floated on the French *Marché Libre*.

2001

Solucom transfers to the French *Nouveau Marché* and raises funds on the market. Mergers with Arcome and Idesys.

2005

Takeover of Dreamsoft.

2006

Takeovers of KLC and New'Arch.

2007

Solucom completes its 2004/07 business plan. Takeover of Vistali in April 2007.

2008

Takeover of Cosmosbay~Vectis in April 2008.

2011

Solucom completes its 2007/10 business plan and puts together its new "Solucom 2015" strategic plan.

2012

Launch of the "Solucom 2015" strategic plan.

Takeovers of Alturia Consulting and Eveho in April 2012, and of Stance Partners in October 2012. Creation of SLM Consulting (Solucom's Moroccan subsidiary based in Casablanca) in September 2012.

2013

Takeover of Cabinet Lumens Consultants in December 2013.

2014

Takeover of Trend Consultants in January 2014 and acquisition of Audisoft Oxéa in November 2014. Acquisition of PEA's industrial assets in October 2014.

2015

Takeover of Hudson & Yorke in February 2015. Acquisition of the assets of Hapsis in April 2015. Acquisition of the Swiss company, Arthus Technologies, in July 2015. Formation of Belgian subsidiary in October 2015.
Solucom listed on the Tech 40 index.
Solucom completes the "Solucom 2015" strategic plan and launches its new "Up 2020" strategic plan.

2016

Acquisition of Kurt Salmon's European activities (excluding retail and consumer goods) in January 2016.
Solucom changes its legal name and creates the Wavestone brand.

2017

Wavestone finalizes operational merger with the European activities of Kurt Salmon and presents the "Wavestone 2021" strategic plan.

2018

Takeover of Xceed Group in April 2018.
Takeover of Metis Consulting in November 2018.

1.2. Company name and registered office

Wavestone
Tour Franklin
100-101 terrasse Boieldieu
92042 Paris La Défense Cedex

1.3. Legal form

A public limited company (*société anonyme*) incorporated in France, with a Management Board and a Supervisory Board, governed by its Articles of Association and current laws and regulations, particularly the French Commercial Code.

1.4. Date of incorporation and lifetime

Wavestone was formed in February 1990 and registered on 04/02/90.

In accordance with Article 5 of the Articles of Association, the term of the Company is 99 years from the date of registration until 04/02/2089, unless the Company is dissolved before or its life is extended beyond this date.

1.5. Corporate purpose

In accordance with Article 2 of the Articles of Association, Wavestone's direct and indirect corporate purpose, in France and abroad, is:

- provision of IT services for third-parties using custom developed and standard programs;
- analysis, consulting, technical assistance, training, development, documentation, installation, and maintenance of IT and telecommunications systems, for information in any form and on all media, and all related services carried out by any means;
- creation, implementation and management of all networks and/or groups with a view to developing the Company's proprietary concepts and transferring expertise;
- development, ownership, management, leasing, and sale of patents and/or trademarks and the granting of licenses;
- acquisition of equity interests, by any means, in any existing or future companies and businesses that may be related, directly or indirectly, to the Company's corporate purpose;
- and, more generally, any financial, real-estate or movable property transactions that may be related, directly or indirectly, to the activities listed in the corporate purpose or which are likely to facilitate their development and expansion.

1.6. Trade and Companies Register (RCS)

Nanterre Trade and Companies Register, no.B 377 550 249.

1.7. Fiscal year

Wavestone's fiscal year runs for twelve months from April 1st of every year to March 31st of the following year (Article 35 of the Articles of Association).

1.8. Specific clauses in the Articles of Association

Allocation of earnings (Article 37 of the Articles of Association)

If the financial statements for the year approved by the annual Shareholders' Meeting show that the Group has booked a net distributable profit as defined by law, the Meeting must decide whether to allocate these distributable earnings to one or more reserve accounts (the use and appropriation of which it controls), to retained earnings, or to distribute such earnings in the form of a dividend payout.

The income statement, which summarizes income and expenditure for the year, shows the profit/(loss) for the period, after amortization, depreciation and provisions.

At least 5% is deducted from the profit for the period, less any prior year losses, to form the legal reserve.

This appropriation to the legal reserve ceases to be mandatory when the fund amounts to one-tenth of the share capital.

Distributable earnings consist of the net annual profit, less any prior year losses and allocations to the legal reserve (in accordance with law and the Articles of Association) plus any retained earnings brought forward.

The balance is divided among all of the shareholders in proportion to the number of shares they hold. The annual Shareholders' Meeting may decide to distribute the amounts allocated to the reserves it controls, by stating explicitly the reserve accounts from which the distribution should be made.

Except when there is a share capital reduction, no dividend can be distributed to shareholders if the amount of shareholders' equity is, or would in the event of said dividend payout, be lower than the value of the share capital plus the reserves that cannot be distributed under the law or the Articles of Association.

The revaluation surplus is not distributable and may be fully or partially incorporated into the share capital.

However, after deduction of appropriations to the legal reserve as required by law, the annual Shareholders' Meeting may draw the amounts it deems appropriate from the balance for allocation to all optional, ordinary or extraordinary reserves, or to retained earnings.

When the financial statements have been approved by the shareholders at the annual Shareholders' Meeting, any losses are carried forward against future earnings until they are fully offset.

Annual Shareholders' Meetings (Article 26 of the Articles of Association)

Meetings are convened in accordance with current regulations.

They are held at the Company's registered office or at any other location specified in the notice of Meeting.

Admission to Meetings - proxies (Article 28 of the Articles of Association)

1. All holders of ordinary shares are entitled to attend the annual Shareholders' Meeting, regardless of the number of ordinary shares held, provided their shares are fully paid up.

The right to attend or be represented at the Meeting is conditional upon:

- for holders of directly registered shares or administered registered shares: shares must be registered as such by midnight (Paris time) of the second business day prior to the date of the Meeting;
- for holders of bearer shares: shares must be registered as such by midnight (Paris time) of the second business day prior to the date of the Meeting. The registration or accounting entry in the bearer share register held by the authorized intermediary must be evidenced by a certificate of holding issued by the latter attached to the remote or proxy voting form or to the request for an admission card issued in the name of the shareholder;
- a certificate may also be issued to shareholders who wish to attend the annual Shareholders' Meeting in person and who have not received their admission card by midnight (Paris time) of the second working day prior to the date of the Meeting.

The Management Board may also issue personal admission cards to shareholders, if appropriate.

2. All shareholders can vote by post, in accordance with current regulations. How to obtain the postal vote form is explained in the notice of Meeting.

3. All shareholders can appoint an individual or corporate body of their choice to represent them, in accordance with legal and regulatory provisions. In this case, the authorized representative must provide proof of proxy.

4. If the Management Board decides when convening the Meeting, shareholders may also participate using videoconferencing or other means of telecommunication that enable their identity to be established in accordance with current regulations.

Shareholders' right to receive information (Article 34 of the Articles of Association)

All shareholders are entitled to receive all the information they need to make informed decisions about the management and control of the Company, in accordance with the conditions and deadlines set by law. What documents, when they are sent out or made available and under which conditions are determined by law.

Quorum-Vote (Article 30 of the Articles of Association)

1. The quorum is calculated on the basis of all shares comprising the share capital, except in the case of special Shareholders' Meetings, when it is calculated on all shares of the relevant class, less the number of shares without voting rights, as required by law.

Postal votes will only be taken into account to calculate the quorum if the Company receives the voting forms, correctly completed, at least three days before the Meeting.

Shareholders attending the Meeting by video-conferencing or other means of telecommunication that enable their identity to be established in accordance with current regulations will be included when calculating the quorum if the Management Board specifies the option to use these facilities in the notice of Meeting.

2. Voting rights attached to capital shares or dividend shares are proportional to the percentage of the capital they represent. Every share entitles the holder to one vote except in application of Article 11 paragraph 4 relating to the provisions of L.225-123 et seq. of the French Commercial Code.

3. Votes are by a show of hands, roll call or secret ballot, as decided by the Meeting committee or the shareholders. Shareholders can also vote by post.

Ordinary Shareholders' Meeting (Article 31 of the Articles of Association)

Ordinary Shareholders' Meetings make all decisions, which do not amend the Articles of Association.

Ordinary Shareholders' Meetings are convened at least once a year, within six months following the close of the Company's fiscal year, to approve the financial statements for that year. Extensions may be obtained by court ruling.

Ordinary Shareholders' Meetings may only validly conduct business, on first convening, if the shareholders present, represented by proxy or voting by post hold at least one fifth of the total shares with voting rights.

Resolutions are adopted by a majority of the votes of the shareholders present, represented by proxy or voting by post.

Extraordinary Shareholders' Meeting (Article 32 of the Articles of Association)

Extraordinary Shareholders' Meetings may amend any of the clauses of the Articles of Association, and notably decide to adopt a new civil or commercial legal form for the Company.

They cannot, however, increase the shareholders' commitments, except in the case of transactions resulting from a legally valid consolidation of shares.

The extraordinary Shareholders' Meeting may delegate the power to amend the Company's Articles of Association to comply with laws and regulations to the Supervisory Board, subject to ratification of such amendments by the next extraordinary Shareholders' Meeting.

Subject to legal derogations, extraordinary Shareholders' Meeting may only validly conduct business, if the shareholders present, represented by proxy or voting by post hold at least one quarter of the total shares with voting rights, and one fifth on second convening. In the event the second quorum is not constituted, the extraordinary Shareholders' Meeting may be adjourned to a date no later than two months after that fixed in the second notice of Meeting.

Resolutions are adopted by a two-thirds majority of the votes of the shareholders present, represented by proxy or voting by post.

In extraordinary Shareholders' Meeting of a constitutive nature called to approve capital contributions in kind or to grant specific benefits, neither the contributor nor the beneficiary have the right to vote on their own behalf or on behalf of another shareholder.

Rights and obligations attached to shares (Article 11 of the Articles of Association)

1. Each share entitles the holder to a share in the profits, as well as Company assets and liquidating dividends in proportion to the number and nominal value of the existing shares held, subject to rights granted to the shares of different classes, if any.

Each share also carries a right to vote, to be represented at annual Shareholders' Meetings, to be informed about the Company's business, and to receive corporate documents at the times and under the conditions determined by law and the Articles of Association.

2. Shareholders' liabilities are limited to the amount of their capital contributions. The rights and obligations attached to the shares transfer when the share is transferred. Ownership of shares automatically binds the owner to the Company's Articles of Association and resolutions adopted by annual Shareholders' Meeting.

3. Whenever it is necessary to hold a given number of shares to be able to exercise a right, shareholders who do not own the required number of shares must make their own arrangements to form a group and, if necessary, purchase or sell the required number of shares.

4. Holders of fully paid-up shares registered in their own name for more than two years are granted double voting rights.

In addition, double voting rights are automatically granted to registered shares awarded freely to shareholders in proportion to former shares held that already enjoyed double voting rights.

Double voting rights attached to shares automatically cease when share ownership changes, subject to exceptions provided for by law.

The system of double voting rights was adopted by decision of the extraordinary Shareholders' Meeting on 12/06/99.

The existence of the double voting rights system in the Articles of Association may delay, postpone or prevent a change in control over the Company.

5. Any individual or corporate body, acting alone or in concert, that acquires a portion of the Company's existing share capital or voting rights, as specified under Article L.233-7 of the French Commercial Code, must notify the Company of the total number of the shares held, within five trading days of exceeding the statutory threshold of the total number of shares and voting rights owned.

They must also inform the French Financial Markets regulator (AMF) within five trading days of breaking through the statutory threshold.

The same disclosure obligations apply for shareholders crossing below the statutory thresholds defined in the first paragraph.

Parties obliged to disclose the information stated in the first paragraph must communicate the number of shares giving future access to the Company's share capital and related voting rights.

In addition, they must disclose whenever they exceed or fall below the threshold of one tenth or one fifth of the Company's share capital or voting rights, and also state their objectives for the coming twelve months.

This declaration specifies whether the purchaser is acting alone or in concert, plans to cease acquisitions, make more acquisitions, gain control of the Company and seek appointment as a member of the Management Board or the Supervisory Board for themselves, a third-party or a group of persons. This declaration is sent to the Company.

6. New preference shares may be issued based on any legal procedures, terms, conditions and limits. They are governed, converted and/or redeemed in accordance with the law.

Identifiable bearer securities (Article 9, last paragraph, of the Articles of Association)

In accordance with Article L.228-2 of the French Commercial Code, the Company may, at any time, make use of all applicable laws and regulations, notably by requesting the organization responsible for third-party payments to identify the holders of securities giving immediate or future voting rights at its own annual Shareholders' Meetings, as well as the number of securities held by these shareholders and any restrictions attached thereto. In addition, if the Company believes that some shareholders, whose identities have been disclosed, hold shares on behalf of a third-party, it may also, in accordance with the law, request the identity of the third-party in question.

Members of the Management and Supervisory Boards

Powers of the Management Board (Article 17, paragraph 1, of the Articles of Association)

The Management Board is vested with extensive powers to act in all circumstances in the name of the Company, within the scope of the Company's corporate purpose and subject to the powers conferred by law and these Articles of Association to Shareholders' Meetings and the Supervisory Board.

No restriction of its powers will be enforceable against third-parties, who may take legal action against the Company, in the performance of commitments made on its behalf by the Chairman of the Management Board or a Chief Executive Officer, once their appointments have been duly published.

The members of the Management Board are assigned specific duties authorized by the Supervisory Board. On no account does this exempt the Management Board and either one of its members from their two-fold obligation to meet and discuss the most important issues concerning the management of the Company, or from exercising their joint responsibility.

The Management Board may charge one or more of its members or any other person to carry out special, permanent or temporary assignments which it determines, and delegate such person(s) the powers it deems suitable for one or more specific purposes, with or without the right to sub-delegate.

Powers of the Supervisory Board (Article 20 of the Articles of Association)

The Supervisory Board is responsible for permanent monitoring of how the Management Board manages the Company.

The Supervisory Board may conduct as many audits and controls it deems necessary, at any time during the year, and may ask the Management Board to provide any document it considers necessary to fulfill its duties.

At least once every quarter, the Management Board reports to the Supervisory Board on the key management activities or events and provides all the necessary information concerning the Company's business, as well as its interim and, where relevant, quarterly financial statements.

After the close of each fiscal year, and within the regulatory deadlines, the Management Board submits the annual and consolidated financial statements to the Supervisory Board for verification and control, and presents its report to the Shareholders' Meeting.

At the annual Shareholders' Meeting, the Supervisory Board presents its comments on the Management Board report and the full-year consolidated and annual financial statements.

The Chairman also reports on the conditions for preparing and organizing the work of the Supervisory Board, as well as on the Company's internal control procedures.

The Supervisory Board and its members may not, under any circumstances whatsoever, be directly or indirectly involved in the management of the Company while performing their supervisory duties.

Pursuant to Article L.225-68 of the French Commercial Code, the provision of security, as well as sureties, endorsements and guarantees require the Supervisory Board's approval.

The Supervisory Board may give the Management Board prior approval to conduct one or more of the above-mentioned transactions within the limit of the maximum amounts, conditions and time frame determined by the Board.

The Supervisory Board may set up Committees made up of its own members, to examine and give their opinion on issues submitted by the Supervisory Board or its Chairman for review. The Board determines the composition and powers of these Committees, which conduct their business under the Supervisory Board's responsibility.

1.9. Share buybacks

Please see the "Management Board Report - *General Report*" (chapter 1 herein) for information on the share buyback program effective during the fiscal year ended 03/31/19. Details of the share buyback program submitted for shareholder approval at the combined ordinary and extraordinary Shareholders' Meeting on 07/25/19 called to approve the Group's financial statements for the fiscal year ended 03/31/19 are given in Chapter 5.

2. General information on Wavestone's share capital

2.1. Share capital

The Company's capital totaled €504,912.30 at 03/31/19, for 20,196,492 fully paid-up shares of the same class (Article 6 of the Articles of Association).

For information on the capital increases that took place during the 2018/19 fiscal year, please refer to section 3.2 of this chapter.

For the record, a 4-for-1 stock split took place on 09/04/18.

The shares comprising the share capital have no nominal value, but have a par value of €0.025.

2.2. Potential share capital

Since all past stock option plans expired on 12/31/08.

There is no potential share capital dilution.

In the event of future grants, the Company undertakes to not issue stock options at prices that would significantly differ from its market share price.

2.3. Authorized, unissued share capital

The financial authorizations granted to the Company by the ordinary and extraordinary Shareholders' Meeting on 07/26/18 remain valid. More details on these authorizations are given in the additional notes to the Management Board Report in Chapter 1 of this report.

2.4. Pledges, guarantees and sureties

Current pledges of issuer shares held in direct registered accounts as at 03/31/19

Name of direct registered shareholder	Beneficiary	Pledge start date	Pledge expiry date	Pledge release conditions	Number of issuer's shares pledged	% of issuer's capital pledged
None	None	None	None	None	None	None
Total						

Current sureties on issuer assets as at 03/31/19 (intangible, tangible and financial assets)

Type of surety	Start date of the surety	Expiry date of the surety	Amount of pledged/assigned asset (a) (in millions of euro)	Balance sheet total (b) (in millions of euro)	(a)/(b) %	Release conditions
On intangible assets	None	None	None	45.5	n/a	None
On tangible assets	None	None	None	14.2	n/a	None
On financial assets(1)	01/07/16	01/20/22	90.9(2)	126.3	72.0%	See notes
	10/30/18	01/20/22	6.7(3)		5.3%	See notes
Total			**97.6**	**186.0**	**52.5%**	

(1) Pledges and the assignment of receivables relate to collateral put up against lines of credit granted to the Group by its bankers. These commitments mature in 2022. They concern Wavestone Advisors shares, intra-group receivables held by Wavestone Advisors and its subsidiaries and receivables arising from the exercise of liability guarantees.

(2) The amount in question corresponds to the pledge on Wavestone Advisors shares and the assignment of intra-group receivables. The pledge on receivables which might be held by Wavestone on Management Consulting Group PLC under the liability guarantee cannot be measured since these pledged assets are not, at this time, considered part of Wavestone's assets.

(3) The amount indicated corresponds to the second-rank pledge on Wavestone Advisors' shares under the amendment to the credit agreement of 01/07/16 signed on 10/30/18.

2.5. Shareholders' agreements

Provisions related to shareholders

None.

Provisions related to issuers

None.

The Company is not aware of any clause that could have an impact on the Company's assets and liabilities, business, financial situation, earnings and outlook.

3. Breakdown of share capital and voting rights

3.1. Wavestone's shareholders

The table below provides a breakdown of Wavestone's shareholders at 03/31/19:

Shareholders	Number of shares	% capital	Theoretical voting rights	% of theoretical voting rights (1)	Exercisable voting rights	% of exercisable voting rights(2)
Executives and corporate officers	9,942,433	49.23%	15,018,232	56.06%	15,018,232	56.59%
Pascal Imbert	*941,978*	*4.66%*	*1,883,956*	*7.03%*	*1,883,956*	*7.10%*
FIH (family holding company of Pascal Imbert) (3)	*4,847,158*	*24.00%*	*4,847,158*	*18.09%*	*4,847,158*	*18.26%*
Subtotal Pascal Imbert	*5,789,136*	*28.66%*	*6,731,114*	*25.13%*	*6,731,114*	*25.36%*
Michel Dancoisne	*4,022,688*	*19.92%*	*8,045,376*	*30.03%*	*8,045,376*	*30.32%*
Patrick Hirigoyen	*90,953*	*0.45%*	*167,842*	*0.63%*	*167,842*	*0.63%*
Other directors and corporate officers	*39,656*	*0.20%*	*73,900*	*0.28%*	*73,900*	*0.28%*
Shareholders with more than 5% of Company shares	1,228,400	6.08%	1,746,800	6.52%	1,746,800	6.58%
Delphine Chavelas	*1,228,400*	*6.08%*	*1,746,800*	*6.52%*	*1,746,800*	*6.58%*
Employees	1,631,835	8.08%	2,199,412	8.21%	2,199,412	8.29%
Treasury stock	249,083	1.23%	249,083	0.93%	0	0.00%
Free float	7,144,741	35.38%	7,574,071	28.27%	7,574,071	28.54%
Total	20,196,492	100.00%	26,787,598	100.00%	26,538,515	100.00%

(1) In accordance with Article 11 of the Company's Articles of Association, holders of fully paid-up shares registered in their own name for more than two years are granted double voting rights. In addition, under Article 223-11 of the General Regulation of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares, including those with no voting rights.

(2) In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights that can be exercised at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights, but does not include shares with no voting rights.

(3) Pascal Imbert retains the majority of shares and exclusive control of FIH.

Total voting rights attached to registered shares: 18,517,250 (1) for 11,926,144 shares.

Total shares with voting rights: 20,196,492.

Total bearer shares with single voting rights: 20,196,492 - 11,926,144 = 8,270,348 (2).

Total theoretical voting rights: (1) + (2) = 26,787,598.

Total shares in treasury: 249,083 (3).

Total exercisable voting rights: (1) + (2) – (3) = 26,538,515.

According to a review of identifiable registered and bearer shares on 03/31/19, approximately 60% of the shares were held by institutional funds and 40% by private shareholders on that date.

28.66% of Wavestone's shares are held by Pascal Imbert, the Chairman of the Management Board, and 19.92% by Michel Dancoisne, the Chairman of the Supervisory Board. These two shareholders, acting in concert, therefore together hold 48.58% of Wavestone's share capital and 42.73% of the valid voting rights as at 03/31/19.

The analysis of identifiable bearer shares on 03/31/19 also shows that Delphine Chavelas owns 6.08% of the share capital. To the best of the Company's knowledge, no other shareholder owns 5% or more of Wavestone's share capital and/or voting rights.

Patrick Hirigoyen is a member of the Management Board and Chief Executive Officer of Wavestone.

Other executive directors and corporate officers include Marie-Ange Verdickt (Vice-Chairwoman of the Supervisory Board), Jean-François Perret, Sarah Lamigeon, Rafaël Vivier and Benjamin Clément (members of the Supervisory Board). Note that Marie-Ange Verdickt is also the Chairwoman of the Audit Committee and that Rafaël Vivier is Chairman of the Compensation Committee.

Wavestone is controlled by its two founding shareholders. We are committed to strict corporate governance principles and have adopted a two-tier corporate structure with a Management Board and a Supervisory Board. The presence of independent directors on the Supervisory Board ensures that it carries out its supervisory function and represents

Company's shareholders. Every year, the work of the Supervisory Board includes reviewing strategy, annual action plans and budgets, as well as internal control procedures. The Supervisory Board also conducts a self-assessment survey to evaluate its work, and reviews the independent director status of the members.

3.2. Wavestone share capital: five-year overview

During the fiscal year ended 03/31/19, the Company transacted two capital increases to issue new shares under the terms of employee shareholding plans that came to maturity (see 3.2 of the General Report).

The Management Board took the decision on the first capital increase during its meeting on 06/26/18 and increased the share capital by €7,120.80, equating to 71,208 shares (284,832 shares after the 4-for-1 stock split; see section 2.5.3 of the General Report).

The second capital increase was decided by the Management Board during its meeting on 07/20/18 and increased the share capital by €1,103.30, equating to 11,033 shares (44,132 shares after the 4-for-1 stock split; see 2.5.3 of the General Report).

The most recent capital transaction was the creation on 05/26/09 of 16,220 new shares through the exercise of stock options granted during the fiscal year ended 03/31/09.

3.3. Wavestone shareholder structure: three-year table

The table below details the Company's shareholders for the past three years:

	03/31/19 (3)				04/05/18 (3)			03/31/17 (3)		
Shareholders	**Number of shares (1)**	**% capital**	**% of theoretical voting rights**	**% of exercisable voting rights**	**Number of shares**	**% of theoretical voting rights**	**% of exercisable voting rights**	**Number of shares**	**% of theoretical voting rights**	**% of exercisable voting rights**
Executive directors and corporate officers (1) (2)	9,942,433	49.23%	56.06%	56.59%	2,489,339	63.71%	64.02%	2,488,561	63.63%	64.15%
Pascal Imbert	*941,978*	*4.66%*	*7.03%*	*7.10%*	*1,447,284*	*37.06%*	*37.24%*	*1,447,284*	*37.08%*	*37.38%*
FIH (family holding company of Pascal Imbert	*4,847,158*	*24.00%*	*18.09%*	*18.26%*	*0*	*0.00%*	*0.00%*	*0*	*0.00%*	*0.00%*
Subtotal P. Imbert	*5,789,136*	*28.66%*	*25.13%*	*25.36%*	*1,447,284*	*37.06%*	*37.24%*	*1,447,284*	*37.08%*	*37.38%*
Michel Dancoisne	*4,022,688*	*19.92%*	*30.03%*	*30.32%*	*1,005,672*	*25.75%*	*25.88%*	*1,005,672*	*25.76%*	*25.97%*
Patrick Hirigoyen	*90,953*	*0.45%*	*0.63%*	*0.63%*	*24,338*	*0.62%*	*0.62%*	*24,256*	*0.62%*	*0.62%*
Other executive directors and corporate officers	*39,656*	*0.20%*	*0.28%*	*0.28%*	*12,045*	*0.27%*	*0.27%*	*11,349*	*0.17%*	*0.17%*
Shareholders owning more than 5% of the capital	1,228,400	6.08%	6.52%	6.58%	307,100	5.59%	5.62%	349,600	6.14%	6.19%
Delphine Chavelas	*1,228,400*	*6.08%*	*6.52%*	*6.58%*	*307,100*	*5.59%*	*5.62%*	*349,600*	*6.14%*	*6.19%*
Employees (4)	1,631,835	8.08%	8.21%	8.29%	296,471	5.30%	5.32%	255,988	4.57%	4.61%
Treasury stock	249,083	1.23%	0.93%	0.00%	37,551	0.48%	0.00%	62,947	0.81%	0.00%
Free float	7,144,741	35.38%	28.27%	28.54%	1,836,421	24.92%	25.04%	1,809,786	24.85%	25.06%
Total	20,196,492	100.00%	100.00%	100.00%	4,966,882	100.00%	100.00%	4,966,882	100.00%	100.00%

(1) For the record, a 4-for-1 stock split took place on 09/04/18 (see 2.5.3).

(2) Messrs Dancoisne and Imbert act in concert.

(3) Under Article 223-11 of the General Regulation of the AMF, the total number of theoretical voting rights is calculated on the basis of the total number of shares, including those with no voting rights. In accordance with AMF position-recommendation no.2014-14, the total number of voting rights that can be exercised at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights, but does not include shares with no voting rights.

(4) In accordance with Article 17 of the General Regulation of the AMF, as amended on 12/17/13, an employee subtotal was added as of 03/31/14. This employee subtotal was maintained during the fiscal year ended 03/31/19, in accordance with AMF position-recommendation no. 2014-14.

There were no significant disposals of shares by corporate officers as at 03/31/19.

It is recalled that Pascal Imbert completed an intra-group reclassification that had no impact on the control of the Company (see section 2.5.5 of the General Report).

In accordance with laws and regulations in force, the following table lists the transactions carried out on Company shares by executive directors, senior managers, and persons closely related to them, during the past fiscal year.

Executive directors	Transaction date	Type of transaction	Number of shares	Transaction share price
Sarah Lamigeon	09/27/18	Sale	489	€38.00
Sarah Lamigeon	09/27/18	Sale	500	€37.30
Sarah Lamigeon	10/01/18	Sale	338	€36.25
Sarah Lamigeon	10/03/18	Sale	1,011	€37.16
Sarah Lamigeon	10/04/18	Sale	947	€38.00
Sarah Lamigeon	10/08/18	Sale	1,262	€35.08
Sarah Lamigeon	10/14/18	Sale	223	€31.05
Sarah Lamigeon	10/17/18	Sale	474	€31.13
Sarah Lamigeon	10/19/18	Sale	476	€33.10
Sarah Lamigeon	12/05/18	Sale	676	€29.75
Sarah Lamigeon	12/07/18	Sale	584	€28.90
Sarah Lamigeon	12/07/18	Sale	650	€29.00
Sarah Lamigeon	12/10/18	Sale	1,056	€28.60
Patrick Hirigoyen	02/19/19	Sale	5,615	€27.95
Patrick Hirigoyen	02/25/19	Sale	8,500	€26.40
Patrick Hirigoyen	02/26/19	Sale	6,000	€26.70

3.4. Threshold crossing

Threshold crossing (before the 4-for-1 stock split):

By letter received on 07/23/18, Michel Dancoisne declared, for the purposes of regularization, that on 07/06/18 he had individually crossed below the threshold of 20% of the share capital of Wavestone and held, on that date, 1,005,672 Wavestone shares representing 2,011,344 voting rights, i.e. 19.96% of the share capital and 25.53% of the voting rights of the Company.

This threshold breach altered the number of shares comprising the Company's capital.

On this occasion, acting in concert, Pascal Imbert and Michel Dancoisne did not cross any thresholds and hold, on this date, 2,452,956 Wavestone shares representing 4,905,912 voting rights, i.e. 48.69% of the share capital and 62.26% of the voting rights of the Company, distributed as follows:

	Number of shares	% capital	Voting rights	% voting rights
Pascal Imbert	1,447,284	28.73%	2,894,568	36.74%
Michel Dancoisne	1,005,672	19.96%	2,011,344	25.53%
Total concert	**2,452,956**	**48.69%**	**4,905,912**	**62.26%**

3.5. Derogations

Derogation from the obligation to file a proposed public offer for Wavestone shares (Articles 234-8, 234-9(6), 234-9(7) and 234-10 of the General Regulation of the AMF)

As a result of the intra-group reclassification operations detailed in paragraph 2.5.5 above, (i) FIH, acting in concert, crossed the 30% thresholds for Wavestone's share capital and voting rights and, (ii) Mr. Michel Dancoisne, acting alone, crossed the 30% threshold for Wavestone's voting rights, thus obliging each of the parties to file a proposed public offer for the entire share capital of Wavestone in accordance with Article 234-2 of the AMF's General Regulations.

Accordingly, Mr. Michel Dancoisne and FIH applied to the AMF for an exemption from the obligation to file a proposed public offer for all of Wavestone's shares, on the basis of Article 234-9(6) of the General Regulation for Mr. Michel Dancoisne and on the basis of Article 234-9(7) for FIH.

At its meeting of 03/19/19, the AMF reviewed the request to be exempted from the obligation to file a proposed public offer for all of Wavestone's shares, which would alter the shareholder structure.

Whereas (i) the crossing of the 30% thresholds for Wavestone's share capital and voting rights by FIH, which is controlled by Mr. Pascal Imbert, arose from a transfer of Wavestone shares by Mr. Pascal Imbert to FIH, thus falling into the category of a reclassification between persons of the same group with no impact on the control of Wavestone, and (ii) the crossing of the 30% threshold for Wavestone's voting rights by Mr. Michel Dancoisne arose in the context of a partnership that held a majority of the voting rights prior to the proposed transactions, the AMF granted the requested exemptions, on the basis of Articles 234-9(7) and (6) of the General Regulation, respectively.

4. Issuer as a member of a group

Wavestone does not belong to any group.

5. Dividends

5.1. Statute of limitations

Unclaimed dividends expire after five years and are paid to the French government, in accordance with the law.

5.2. Dividend distribution

Wavestone has paid a dividend since the fiscal year ended 03/31/95.

Dividends paid in the past three fiscal years:

Fiscal year	Number of shares eligible for dividend payment (1)	Dividend per share (2)	Portion of the dividend eligible for the 40% tax rebate (3)
03/31/18	5,004,501	€0.81	100%
03/31/17	4,929,431	€0.61	100%
03/31/16	4,912,936	€0.41	100%

(1) The Company's treasury shares are not eligible for the dividend. This is the number of shares before the 4-for-1 stock split.
(2) Before deduction of taxes and social charges.
(3) All of the dividends paid by the Company are eligible for the rebate.

5.3. Dividend payout in respect of the fiscal year ended 03/31/19

The annual General Meeting of Shareholders convened to approve the financial statements for the year ended 03/31/19, will be asked to approve a dividend distribution of €4,587,904 to be drawn from the Company's reported earnings for the 2018/19 fiscal year.

Treasury shares owned by the Company as part of the share buyback program are not eligible for the dividend. The difference between the estimated amount of the dividend payout mentioned above and the amount actually disbursed will be booked to retained earnings.

5.4. Future dividend policy

The Company's dividend policy is explained in the "Management Board Report - *General Report*" (see Chapter 1).

6. Market for the Wavestone share

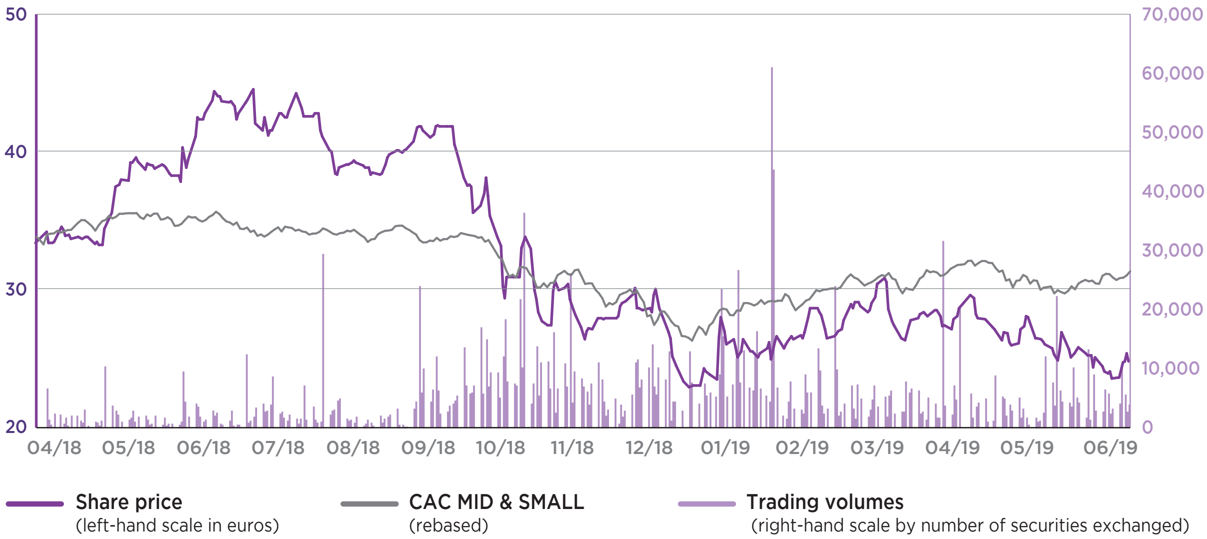
The Company is listed in compartment B of Euronext Paris.

Share price chart from 04/01/18 to 06/28/19

Date	Highest price	Lowest price	Last listed price	Total volume	Volume of traded capital
04/18	€36.65	€33.30	€35.70	181,924	€6,022,223
05/18	€43.50	€35.90	€39.00	175,024	€6,869,646
06/18	€45.15	€39.10	€42.25	201,664	€8,674,933
07/18	€44.75	€39.85	€40.20	356,292	€15,007,507
08/18	€40.50	€37.90	€40.30	155,160	€6,085,474
09/18	€42.75	€35.40	€35.70	152,230	€6,185,703
10/18	€38.25	€25.40	€30.00	271,612	€8,703,700
11/18	€31.45	€25.55	€29.25	145,982	€4,167,229
12/18	€30.50	€22.25	€23.15	151,987	€4,197,051
01/19	€29.55	€23.45	€26.30	310,724	€8,021,938
02/19	€29.30	€25.80	€27.25	126,367	€3,438,860
03/19	€31.10	€26.10	€27.85	98,459	€2,805,913
04/19	€29.80	€26.90	€27.80	119,454	€3,348,052
05/19	€28.40	€23.55	€27.00	107,219	€2,785,962
06/19	€26.80	€23.40	€24.85	106,015	€2,645,946

Source : Euronext

Trends in the Wavestone share price from 04/01/18 to 06/28/19



Source : Euronext

7. Legal organization chart at 03/31/19

At 03/31/19, Wavestone was comprised of the parent company, Wavestone SA, and 6 direct subsidiaries:

- Wavestone Advisors Morocco Sarl, 95.5% owned;
- Wavestone Advisors UK Limited, wholly owned;
- Wavestone Advisors Switzerland Sarl, wholly owned;
- Wavestone Advisors SAS, wholly owned;
- Xceed Group (Holdings) Limited, wholly owned;
- M3G SAS, wholly owned.

Wavestone SA also had indirect stakes in 11 subsidiaries at 03/31/19:

- Wavestone US Incorporated, wholly owned by Wavestone Advisors SAS;
- Wavestone Luxembourg SA, wholly owned by Wavestone Advisors SAS;
- Wavestone Belgium SA/NV, 99.84% owned by Wavestone Advisors SAS;
- Wavestone Consulting Switzerland Sàrl, wholly owned by Wavestone Advisors SAS;
- Wavestone HK limited, wholly owned by Wavestone Advisors SAS;
- Xceed Group Limited, wholly owned by Xceed Group (Holdings) Ltd;
- Wavestone Consultancy UK Limited (formerly Xceed Consultancy Services Limited), 94.2% owned by Xceed Group Limited;
- Xceed (2007) Incorporated, wholly owned by Xceed Group Limited;
- Metis Consulting SAS, wholly owned by M3G SAS;
- Metis Consulting HK Limited, wholly owned by M3G SAS;
- Metis (Shanghai) Management Consulting Co. Limited, wholly owned by Metis Consulting HK Limited.

For more information on the key figures in each subsidiary's income statement at 03/31/19, see the Management Board Report in Chapter 1 of this registration document.

The Wavestone parent company holds most of the assets required for the firm's operations. Wavestone subsidiaries pay royalties to the parent company for the right to use its assets (premises and technical resources). In addition, while subsidiaries may own some assets considered necessary for them to carry out their own operations, they do not hold any assets that are strategic for the Company.

We have formed a number of partnerships to create synergies between Company subsidiaries, for the most part to run joint operations involving several Wavestone companies which are carried out by way of internal subcontracting agreements. The breakdown of the Group's internal invoicing for the fiscal year ended 03/31/19 is provided in the table below.

(in thousands of euros)	Suppliers																	
Clients	Wavestone SA	Wavestone Advisors UK Ltd	Wavestone Advisors Switzerland Sàrl	Wavestone Advisors (SAS)	Wavestone US Inc	Wavestone Luxembourg SA	Wavestone Belgium SA/NV	Wavestone Advisors Morocco (SARL)	Wavestone Consulting Switzerland Sàrl	Wavestone HK Ltd	Xceed Group (Holdings) Ltd	Xceed Group Ltd	Wavestone Consulting UK Ltd	Xceed (2007) Inc	M3G SAS	Metis Consulting SAS	Metis Consulting HK Ltd	Metis (Shanghai) Consulting Management Co Ltd
Wavestone SA		2,490	180	47,870	2,313	1,216	677	365	553	405	0		427			4		
Wavestone Advisors UK Ltd	158			0	9								549					
Wavestone Advisors Switzerland Sàrl	483	0		4		66	1		312									
Wavestone Advisors (SAS)	18,311	56	8		626	1,501	271	0	493									
Wavestone US Inc	367		0	0						12								
Wavestone Luxembourg SA	118			103			171		938									
Wavestone Belgium SA/NV	43			0														
Wavestone Advisors Morocco (SARL)	577			44		3												
Wavestone Consulting Switzerland Sàrl	219		30			134												
Wavestone HK Ltd	268																	
Xceed Group (Holdings) Ltd																		
Xceed Group Ltd																		
Wavestone Consulting UK Ltd	359	153																
Xceed (2007) Inc					29													
M3G SAS																		
Metis Consulting SAS	9																	
Metis Consulting HK Ltd																		
Metis (Shanghai) Management Consulting Co. Ltd																		

Other internal billings concern the pooling of Group-wide resources: sharing of premises and technical resources, central cash management and some support functions.

8. Investment and asset policy

Because of the nature of Wavestone's activity, investment is limited to the purchase of computer equipment, IT systems and software licenses, as well as office furniture and fittings the firm needs to carry out its day-to-day operations.

These transactions are either booked as investments, financial leases (equipment paid for on a lease-purchase basis can be acquired at the end of the lease period) or operating leases.

Investments (in thousands of euros)	03/31/17	03/31/18	03/31/19
Tangible and intangible assets	14,843*	3,379**	3,333***

* of which €1,432k in finance leases.
** of which €1,367k in finance leases.
*** of which €0k in finance leases.

9. Offices

Registered office
Tour Franklin
100-101 Terrasse Boieldieu
92042 Paris la Défense Cedex
France

Wholly-owned subsidiaries

Belgium
Square Stéphanie
Avenue Louise 65, 1050 Brussels

United States
1330 Avenue of the Americas, 9th floor
New York, NY 10019

France
81, boulevard Stalingrad
Immeuble Park Avenue – CS 30235
69100 Villeurbanne Cedex – France

Immeuble Le Virage – Bâtiment C
3 Allée Marcel Leclerc
13008 Marseille

Immeuble Le Viviani
2 rue René Viviani
Ile Beaulieu
44200 Nantes

Hong Kong

21/F On Hing Building
1 On Hing Terrace
Central
Hong Kong

Metis Consulting HK Ltd
Flat 7107b, 71/f, international commerce centre
1, Austin Road West
Kowloon
Hong Kong

China
Metis (Shanghai) Management Consulting Co. Ltd
28 F Office 2870
No 1045 Middle Huaihai Road,
Xuhui
District Shanghai, PRC

Luxembourg
10 rue du Château d'Eau
L-3364 Leudelange

Morocco
157, Bd Anfa
Immeuble Racine d'Anfa
20100 Casablanca

United Kingdom
29, Cornhill
1st & 4th floor
London
EC3V 3NF

Switzerland
105 rue de Lyon
1203 Geneva

All office premises occupied by the firm and its subsidiaries are rented from independent owners.

Exceptional events and disputes

To the Company's knowledge, there are no exceptional events or disputes liable to have a material impact on the financial position or earnings of the Company or the Group.

With the exception of disputes related to arising during the normal course of the Group's business, Wavestone has not been subject to any government, legal or arbitration proceedings during the last twelve months.

2019 COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

05

Description of the share buyback program to be submitted for the approval of the shareholders at the combined ordinary and extraordinary General Meeting on 07/25/19

This section describes the Company's share buyback program and outlines the purpose, as well as the terms and conditions of the program to be submitted for shareholder approval at the combined and extraordinary Shareholders' Meeting on 07/25/19, in accordance with Articles 241-1 to 241-5 of the General Regulation of the AMF (the French Financial Market Regulator), and Regulation (EU) no. 596/2014 of the European Parliament and of the Council dated 04/16/14.

This new program cancels and replaces the program authorized by the shareholders on 07/26/18.

1. Date of the annual General Meeting convened to authorize the share buyback program

The buyback program described below will be proposed to the ordinary and extraordinary Shareholders' Meeting on 07/25/19.

2. Breakdown by objective of the equity securities held by Wavestone at 04/30/19

At 04/30/19, Wavestone owned 253,855 shares, equivalent to 1.26% of the Company's share capital. These shares were distributed in the following manner:

- 24,139 shares were allotted to promoting the secondary market or improving the liquidity of Wavestone shares, under a liquidity contract with an investment services provider in accordance with an ethics charter approved by the AMF. It is recalled that Wavestone has entered into a liquidity agreement with Portzamparc *Société de Bourse* in accordance with applicable laws and regulations and the Code of Ethics of the French association of financial and investment firms (*Association française des marchés financiers* or "AMAFI");
- 229,716 shares were allocated to Group employees and/or corporate officers in accordance with the conditions and formalities provided by law, notably with respect to stock option plans introduced under our profit-sharing policy, such as employee savings schemes, free share grants or any other forms of share awards;
- no shares were held in treasury to finance acquisitions.

In accordance with current law and regulations, these shares do not carry voting rights and do not give entitlement to dividends.

3. Objectives of the new share buyback program

Wavestone will use the new share buyback program, authorized under resolution 16 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/25/19, for the following purposes:

- to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider, in accordance with an ethics charter recognized by the AMF;
- to honor obligations related to the issue of shares and other securities giving access to the Company's share capital;
- to allocate or sell shares to employees and/or corporate officers of the Company or of companies in the group, in accordance with the terms and conditions set by law, for profit-sharing, share ownership plans, Company and inter-company savings plans, and for the purposes of implementing and satisfying stock option and free share plans;
- to cancel all or some of the shares purchased to reduce the share capital, within the context of and subject to a valid authorization granted by the extraordinary General Meeting; and
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share buyback programs and, more generally, to carry out all operations that comply with the regulations in force with regard to these programs.

4. Maximum share of capital, maximum number and characteristics of shares that can be purchased, and maximum purchase price

Under the terms of resolution 16 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/25/19, the maximum number of shares the Management Board will be authorized to buy is equivalent to 10% of the share capital at 04/30/19, i.e. 20,196,492 shares. Given the shares held in treasury at 04/30/19, Wavestone would be able to buy back a total of 1,765,794 shares, equivalent to around 8.74% of the shares making up the Company's share capital at that date.

Stock eligible for repurchase are ordinary shares all of the same category and listed on Euronext Paris, compartment B (ISIN code FR0013357621).

The maximum purchase price is capped at:
- €70 per share (excluding acquisition costs) when shares are purchased to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider; and
- €52 per share (excluding acquisition costs) for all other authorizations granted to the Management Board under the resolution 16.

For capital transactions, in particular share splits, reverse share splits or free share grants, the amounts referred to above will be adjusted in the same proportions.

The maximum under the program is:
- €123,605,580 (1,765,794 shares x €70) for purchases to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider;
- €91,821,288 (1,765,794 shares x €52) for all other authorizations granted to the Management Board under resolution 16.

Shares may be purchased on one or more occasions and at the times the Management Board deems appropriate, other than during periods of public offerings on Company shares, in compliance with applicable regulations and market practices accepted by the AMF. Shares may be purchased on- or off-market, and through an over-the-counter block purchase. Your Management Board may also use derivative or options transactions, provided that these do not contribute in a significant way to increasing the volatility of the share price.

5. Duration of the new share buyback program proposal

Under the terms of resolution 16 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/25/19, the Management Board will be authorized to buy back Company shares for a period of eighteen months following the combined ordinary and extraordinary Shareholders' Meeting on 07/25/19. This authorization cancels the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting on 07/26/18.

Article 241-2-II of the AMF General Regulation requires any material change in the information given in sub-sections I-3, I-4 and I-5 of said article and mentioned in this description to be made public as soon as possible, in accordance with Article 221-3 therein. This includes making such changes available at Company headquarters and on the Wavestone website.

This document is available on the Wavestone Company website:www.wavestone.com.

Resolutions to be proposed to the combined extraordinary and ordinary Shareholders' Meeting of 07/25/19

1. Ordinary annual Shareholders' Meeting resolutions

Resolution 1:
Approval of the annual reports and financial statements for the fiscal year ended March 31, 2019

> **Summary of resolution 1:**
>
> Purpose:
> *Approve the Company's individual financial statements at March 31, 2019 showing net income of €31,537,512.*

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the reports of the Management Board, the Supervisory Board and the Statutory Auditors, approves the annual financial statements for the fiscal year ended March 31, 2019 showing net income of €31,537,512, as well as the transactions reflected in these financial statements and summarized in these reports.

Pursuant to Article 223 quater of the French General Tax Code, the annual Shareholders' Meeting approves the total non-tax deductible expenditure and charges referred to in Article 39-4 of said Code, which amounted to €19,371, as well as the theoretical tax for these expenses and charges, for a total of €6,670.

Resolution 2:
Approval of the consolidated annual reports and financial statements for the fiscal year ended March 31, 2019

> **Summary of resolution 2:**
>
> Purpose:
> *Approve the Company's consolidated financial statements at March 31, 2019.*

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the reports of the Management Board, the Supervisory Board and the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended March 31, 2019, as well as the transactions reflected in these financial statements and summarized in these reports.

Resolution 3:
Appropriation of earnings for the fiscal year ended March 31, 2019, setting the dividend and the dividend payment date

> **Summary of resolution 3:**
>
> Purpose:
> *Allocate income amounting to €31,537,512 and pay a dividend of €4,587,904, or €0.23 per share to eligible shareholders.*
> *Distribution policy: this dividend represents a payout ratio of 15% of the Group's share of net income, in line with previous years.*
> *Dividend payment date: August 2, 2019.*

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, on a proposal of the Management Board, resolves to allocate the profit for the fiscal year ended March 31, 2019, amounting to €31,537,512 as follows:

Legal reserve:	€822
Dividend distribution:	€4,587,904
Retained earnings account:	€26,948,786

Accordingly, the dividend per eligible share is €0.23 (please note: as at March 31, 2019, the Company held 249,083 treasury shares).

If, on the dividend payment date, the number of shares eligible for the dividend differs from the 20,196,492 shares comprising the share capital on March 31, 2019, the total dividend will be adjusted to take this difference into account. The balance credited to or debited from the retained earnings account will be calculated on the basis of the dividends actually paid.

The ex-dividend date is July 31, 2019 and dividends will be paid two days later, on August 2, 2019.

For French tax residents, this dividend is subject to a single flat-rate tax, in accordance with Article 200 A of the French General Tax Code. This single flat-rate tax of 12.8% is automatically applicable, unless the taxpayer has expressly opted for the progressive tax scale. If this option is selected, the dividend is eligible for the 40% tax rebate referred to in Article 158-3.2 of the French General Tax Code for individuals who are tax residents in France.

The following table gives the dividends paid for the last three fiscal years, as required by law:

Fiscal year	Number of shares(1)	Dividend per share(2)	Portion of the dividend eligible for the 40% tax rebate(3)
March 31, 2018	5,004,501	€0.81	100%
March 31, 2017	4,929,431	€0.61	100%
March 31, 2016	4,912,936	€0.41	100%

(1) After deduction of treasury shares, before the 4-for-1 stock split.
(2) Before deduction of taxes and social charges.
(3) All of the dividends paid by the Company are eligible for the reduction.

Resolution 4:
Related-party agreements and commitments

Summary of resolution 4:

Purpose:
Acknowledge that no new agreements and commitments were authorized, concluded or entered into during the fiscal year ended March 31, 2019.
Approve the Statutory Auditors' special report on the previously approved agreement which was still in effect during the fiscal year ended March 31, 2019 and acknowledge the information related to this agreement.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, and having reviewed the Statutory Auditors' special report, pursuant to Article L.225-88 of the French Commercial Code:

- acknowledges that no new agreements or commitments were authorized, concluded or entered into during the fiscal year ended March 31, 2019;
- acknowledges the information relating to the previously approved agreement, which remained in effect during the fiscal year ended March 31, 2019;
- acknowledges that there were no previously signed regulated commitments entered into by the Company.

Resolution 5:
Reappointment of Mr. Rafaël Vivier as a member of the Supervisory Board

Summary of resolution 5:

Purpose:
Reappointment of Mr. Rafaël Vivier as a member of the Supervisory Board.
Term of office: 4 years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2023.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, renews Mr. Rafaël Vivier's appointment as a member of the Supervisory Board for the statutory term of four years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2023.

Resolution 6:
Reappointment of Mrs. Sarah Lamigeon as a member of the Supervisory Board

Summary of resolution 6:

Purpose:
Reappointment of Mrs. Sarah Lamigeon as a member of the Supervisory Board.
Term of office: 4 years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2023.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, renews Mrs. Sarah Lamigeon's appointment as a member of the Supervisory Board for the statutory term of four years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2023.

Resolution 7:
Appointment of Mr. Christophe Aulnette as a member of the Supervisory Board

Summary of resolution 7:

Purpose:
Appointment of Mr. Christophe Aulnette as a member of the Supervisory Board.
Term of office: 4 years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2023.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, renews Mr. Christophe Aulnette's appointment as a member of the Supervisory Board for the statutory term of four years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2023.

Resolution 8:
Appointment of Auditeurs Et Conseils Associés as Statutory Auditor in replacement of Deloitte & Associés

Summary of resolution 8:

Purpose:
Appointment of Auditeurs Et Conseils Associés as Statutory Auditor in replacement of Deloitte & Associés.
Term of office: 6 years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2025.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, acknowledges that the term of office of Deloitte & Associés as Statutory Auditor has expired and asks you to appoint Auditeurs Et Conseils Associés as Statutory Auditor for a term of six fiscal years, i.e. until the ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending March 31, 2025.

Resolution 9:
Appointment of Pimpaneau & Associés as substitute Statutory Auditor in replacement of BEAS

Summary of resolution 9:

Purpose:
Appointment of Pimpaneau & Associés as substitute Statutory Auditor in replacement of BEAS.
Term of office: 6 years, until the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending March 31, 2025.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, acknowledges that the term of office of BEAS as substitute Statutory Auditor has expired and asks you to appoint Pimpaneau & Associés as substitute Statutory Auditor for a term of six fiscal years, i.e. until the ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending March 31, 2025.

Resolution 10:
Vote on the compensation and benefits-in-kind awarded or due to the Chairman of the Management Board in respect of the fiscal year ended March 31, 2019

Summary of resolution 10:

Purpose:
Approve the fixed and variable components of total compensation and other benefits paid or awarded to Mr. Pascal Imbert, in his role as Chairman of the Management Board, in respect of the fiscal year ended March 31, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance, in accordance with Article L.225-68 of the French Commercial Code, approves, pursuant to Article 225-100 II of said Code, the components of compensation and benefits-in-kinds paid or allocated in respect of the fiscal year ended March 31, 2019 to Mr. Pascal Imbert, in his role as Chairman of the Management Board, as presented in the above-mentioned report.

Resolution 11:
Vote on the compensation and benefits-in-kind awarded or due to the CEO and member of the Management Board in respect of the fiscal year ended March 31, 2019

Summary of resolution 11:

Purpose:
Approve the fixed and variable components of total compensation and other benefits paid or awarded to Mr. Patrick Hirigoyen, in his role as CEO and member of the Management Board, in respect of the fiscal year ended March 31, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance, in accordance with Article L.225-68 of the French Commercial Code, approves, pursuant to Article 225-100 II of said Code, the components of compensation and benefits-in-kind paid or allocated in respect of the fiscal year ended March 31, 2019 to Mr. Patrick Hirigoyen, in his role as CEO and member of the Management Board, as presented in the above-mentioned report.

Resolution 12:
Vote on the compensation and benefits-in-kind awarded or due to the Chairman of the Supervisory Board in respect of the fiscal year ended March 31, 2019

Summary of resolution 12:

Purpose:
Approve the fixed and variable components of total compensation and other benefits paid or awarded to Mr. Michel Dancoisne, in his role as Chairman of the Supervisory Board, in respect of the fiscal year ended March 31, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance, in accordance with Article L.225-68 of the French Commercial Code, approves, pursuant to Article 225-100 II of said Code, the components of compensation and benefits-in-kind paid or allocated in respect of the fiscal year ended March 31, 2019 to Mr. Michel Dancoisne, in his role as Chairman of the Supervisory Board, as presented in the above-mentioned report.

Resolution 13:
Vote on compensation policy for the Chairman of the Management Board in respect of the fiscal year commencing 04/01/19

Summary of resolution 13:

Purpose:
Approve the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind allocated to Mr. Pascal Imbert, in his role as Chairman of the Management Board, in respect of the fiscal year commencing 04/01/19.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance, in accordance with Article L.225-68 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind in respect of the fiscal year commencing 04/01/19, allocated to Mr. Pascal Imbert in his role as Chairman of the Management Board, as presented in the above-mentioned report.

Resolution 14:
Vote on compensation policy for the CEO and member of the Management Board in respect of the fiscal year commencing 04/01/19

Summary of resolution 14:

Purpose:
Approve the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind allocated to Mr. Patrick Hirigoyen in his role as CEO and member of the Management Board in respect of the fiscal year commencing 04/01/19.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance, in accordance with Article L.225-68 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind in respect of the fiscal year commencing 04/01/19, allocated to Mr. Patrick Hirigoyen in his role as CEO and member of the Management Board, as presented in the above-mentioned report.

Resolution 15:
Vote on compensation policy for the members and Chairman of the Supervisory Board in respect of the fiscal year commencing 04/01/19

Summary of resolution 15:

Purpose:
Approve the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind allocated to the Chairman and members of the Supervisory Board in respect of the fiscal year commencing 04/01/19.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, having reviewed the Supervisory Board's report on corporate governance, in accordance with Article L.225-68 of the French Commercial Code, approves the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind in respect of the fiscal year commencing 04/01/19, allocated to the Chairman and members of the Supervisory Board, as presented in the above-mentioned report.

Resolution 16:
Authorization delegating power to the Management Board to trade in the Company's shares

Summary of resolution 16:

Purpose:

Authorize your Management Board to buy back the Company's shares. The maximum purchase price is capped at €70 (excluding expenses) for transactions to promote the market for the Wavestone share and boost liquidity, and at €52 (excluding expenses) in other cases.

The maximum number of shares that can be bought under this authorization is 10% of the share capital, less shares already owned by the Company.

The Company may buy back its shares:

- *for cancellation by way of a share capital reduction;*
- *for allocation or, as relevant, sale to employees and/or Directors of the Company or of group companies;*
- *to promote the market for the Company's share and boost liquidity, under a liquidity contract with an investment services provider, in accordance with an ethics charter recognized by the AMF;*
- *to implement all market practices and objectives permitted by law.*

Shares may be purchased, sold or transferred by any means, on one or more occasions, notably on a stock exchange or over the counter, including, in whole or in part, in the form of a block purchase, sale or transfer, or using derivatives and any other financial instruments.

This authorization is valid for a period of 18 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary General Meetings, having reviewed the Management Board's report, grants authorization to the Management Board, with the power to delegate to any legally authorized person, to purchase the Company's shares, under the legal and regulatory terms and conditions applicable at the time of trading, and in particular pursuant to the terms and obligations imposed by Articles L.225-209 et seq. of the French Commercial Code set by the directly applicable provisions of European Commission regulation no. 596/2014 dated April 16, 2014 and the market practices accepted by the AMF.

This authorization may be used by the Management Board for the following purposes:

- to promote the market for the Wavestone share and boost liquidity, under a liquidity contract with an independent investment services provider, in accordance with an ethics charter recognized by the AMF;
- to honor obligations related to the issue of shares and other securities giving access to the Company's share capital;
- to award or sell shares to employees and/or corporate officers of the Company or of companies within the group, in accordance with the terms and conditions set by law, especially in respect of profit-sharing, share ownership plans, Company and inter-company savings plans, and for the purposes of implementing and satisfying stock option and free share plans;
- to cancel all or some of the shares purchased to reduce the share capital, within the context of, and subject to a valid authorization granted by the extraordinary General Meeting;
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share buyback programs and, more generally, to carry out all operations that comply with the regulations in force with regard to these programs.

The annual General Meeting hereby decides that:

- the purchase, sale, exchange or transfer of shares may be done by any means, on a stock exchange or over the counter, in the form of a block purchase or sale, without limiting the portion of the buyback program that may be executed by such means, or, if necessary, by way of any form of derivative instrument or option transaction provided that these do not contribute in a significant way to increasing the volatility of the share price (it being specified that block share purchases can only be carried out with a reference shareholder if the latter offers one or more forms of compensation such as a discount to the value of the purchased shares). These transactions may take place at any time, other than during periods of public offerings on the Company's shares (unless such transactionsare carried out to satisfy share delivery commitments);
- the maximum number of shares the Company may purchase under this authorization is capped at 10% of the share capital, in accordance with Article L.225-209 of the French Commercial Code. This includes treasury

shares acquired under previous share buyback authorizations granted by the annual General Meeting, it being specified that when shares are purchased under a liquidity contract, the 10% calculation mentioned above applies to the number of shares acquired, less the number sold during the term of this authorization;

- the maximum price which may be paid for a share is (i) €70 (excluding expenses) when shares are purchased to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider, and (ii) €52 (excluding expenses) for all other authorizations granted to the Management Board. Note however, that for capital transactions and, in particular, capital increases by incorporation of reserves and allocation of free shares, share splits and reverse splits, the price and number of shares referred to above will be adjusted by a factor equal to the ratio between the number of shares making up the capital before the transaction, and the number of shares comprising the capital after the transaction;
- the total amount of funds allocated for treasury share purchases is capped at €123,939,620, subject to available reserves;
- this authorization cancels the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting on 07/26/18. It is valid for 18 months as of this date.

The annual General Meeting grants all powers to the Management Board, including that of sub-delegation to any legally authorized person, to set up and implement a share buyback plan, and notably to:

- launch and implement this share buyback program;
- place, within the limits specified above, any trade orders on a stock exchange or over the counter, in compliance with applicable regulations;
- adjust the share purchase price to take into account the impact of transactions on the Company's share price;
- enter into any and all agreements to keep registers of share purchases and sales;
- ensure full traceability of transactions;
- make all declarations and carry out all formalities with the appropriate organizations, notably the French Financial Markets Authority (AMF), and file all stock purchase/sale information (or request this be filed by the securities service) in the purchase/sale registers, as required under Articles L.225-211 and R.225-160 of the French Commercial Code;
- complete all other formalities and, in general, do all that is necessary;
- ensure the Social and Economic Council is informed that this resolution has been adopted, in accordance with the provisions of Article L.225-209 (1) of the French Commercial Code;
- ensure that Company's shareholders are informed at the next annual General Meeting of the exact allocation of the shares purchased for the specific purposes indicated.

2. Extraordinary Shareholders' Meeting resolutions

Resolution 17:
Authorization delegating power to the Management Board to reduce the share capital by canceling treasury shares

Summary of resolution 17:

Purpose:
Authorize your Management Board to cancel Company shares acquired pursuant to the authorization granted under the 16th resolution, within a limit of 10% of the share capital by 24 month periods, and to reduce the share capital accordingly.
The Company may cancel treasury shares as a means to achieve various financial objectives, such as implementing an active capital management strategy, balance sheet optimization, or to offset share dilution resulting from an increase in capital.
This authorization is valid for a period of 18 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings, and having reviewed the Management Board's report and the Statutory Auditors' special report, hereby:

1. Authorizes the Management Board, in accordance with the provisions of Article L.225-209 of the French Commercial Code, to cancel, on one or more occasions, the treasury shares held or acquired by the Company in implementation of the 16th resolution or any other such resolution having the same purpose and which is subject to the same legal provisions, for up to 10% of the Company's share capital by twenty-four (24) month periods, and to reduce the share capital accordingly. This 10% ceiling applies to the amount of the Company's share capital which will be adjusted, as necessary, to reflect capital transactions subsequent to the annual Shareholders' Meeting.
2. Authorizes the Management Board to charge the difference between the redemption value of the canceled shares and their par value against the available premiums and reserves.
3. Grants all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to perform these share cancellation and capital reduction operations, notably to determine the final amount of the capital reduction, set the terms and conditions and record the completion thereof, make the corresponding amendment to the Company's Articles of Association, complete all formalities required and make all declarations to all bodies and, in general, do all that is necessary.
4. Decides that this authorization is granted for a period of eighteen (18) months from the date of this annual Shareholders' Meeting; cancels and replaces the previous authorization for the same purpose granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting on 07/26/18.

Resolution 18:
Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, with preferential subscription rights maintained

Summary of resolution 18:

Purpose:
Delegate authority to the Management Board to decide to increase the share capital, with shareholders' preferential subscription rights maintained, by issuing ordinary Company shares and any other securities of any kind whatsoever, giving access by any means, immediately and/or in the future, to Company shares or debt securities and/or securities giving access to equity securities to be issued, it being specified that this delegation may not be used from the time a third-party files a public offer for the Company's securities until the end of the offer period. Shareholders will have, in proportion to the number of their shares, an irreducible preferential subscription right and, if the Management Board decides so, a reducible right to the ordinary shares and securities that would be issued on the basis of this resolution.

Ceilings:
Capital increase: €252,456, or 50% of the current share capital.
Debt securities giving immediate or future access to the capital: €40,000,000.
The transactions will be included in the blanket ceiling set in resolution 27.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2, L.225-132, L.225-134, L.228-91 and L.228-92:

1. Terminates, with immediate effect, the delegation of authority granted by the combined ordinary and extraordinary Shareholders' Meeting of July 27, 2017, which had the same purpose.
2. Delegates its authority to the Management Board to decide, in the amounts and at any time it deems appropriate, both in France and abroad (either in euros or in any other currency), on one or more capital increases, by issuing ordinary shares of the Company and/or securities giving access by any means, immediately or in the future, to shares to be issued by the Company or to debt securities and/or securities giving access to equity securities to be issued, the subscription for which may be effected either in cash or by offsetting receivables.

   Any issuance of preference shares and securities giving access to preference shares is expressly excluded.
3. Decides to set the maximum nominal amount of the share capital increases that may be carried out immediately or in the future pursuant to this delegation at €252,456 (i.e. 50% of the share capital to date), to which shall be added, where applicable, the nominal amount of any additional shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the share capital, subject to the provisions of resolution 27.
4. Decides that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €40,000,000 or its equivalent in foreign currencies, subject to the provisions of resolution 27; this ceiling is independent of the amount of debt securities whose issue is decided or authorized by the Management Board in accordance with Article L.228-40 of the French Commercial Code (simple bonds).
5. Decides that shareholders may exercise, under the conditions provided for by law, their preferential subscription right, on an irreducible basis, to ordinary shares to be issued and to securities giving access to shares to be issued by the Company. In addition, the Management Board shall have the right to grant shareholders the right to subscribe, on a reducible basis, for a number of ordinary shares or securities giving access to shares to be issued by the Company in excess of the number they are eligible to subscribe on an irreducible basis, in proportion to the subscription rights they hold and, in any event, within the limit of their request.

   If the subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or securities as defined above, the Management Board may, at its discretion and in the order it deems appropriate, make use of the options provided under Article L.225-134 of the French Commercial Code.
6. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
7. Acknowledges that this resolution entails the waiver by shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities issued on the basis of this delegation may give entitlement.
8. Decides to grant all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular to:

- determine the terms and conditions of the capital increase(s) and/or issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium, if any, for which payment may be requested at the time of issue;
- determine the dates and terms of issue, the nature and form of the securities to be created, which may take the form of subordinated or unsubordinated securities, with or without a fixed term, and, in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their fixed or variable redemption price, with or without a premium, and the terms of redemption;
- determine the method of payment for the shares and/or securities issued;
- determine, if necessary, the terms and conditions for exercising the rights attached to the securities issued or to be issued on the basis of this resolution and, in particular, determine the date, including retroactively, from which the new shares will carry dividend rights, as well as any other terms and conditions for completing the issuance(s);
- determine the terms and conditions under which the Company may, as the case may be, purchase or exchange, at any time or during specified periods, the securities issued or to be issued;

- provide the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- determine the terms and conditions under which, where applicable, the rights of the holders of securities conferring future rights to shares of the Company will be preserved, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual provisions;
- at its sole discretion, charge the costs, fees and expenses of the capital increase(s) against the amount of the related premiums and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;
- determine the terms and conditions under which the Company may, as the case may be, purchase the subscription warrants at any time or during specified periods, with a view to cancelling them, in the event of the issuance of securities giving the right to the allocation of equity securities upon presentation of a warrant;
- in general, enter into all agreements, in particular to ensure the successful completion of the proposed transaction(s), take all measures and carry out all formalities necessary for the financial administration of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto.

9. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 19:
Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, without preferential subscription rights, in the event of a public offer

Summary of resolution 19:

Purpose:
Delegate to the Management Board the authority to decide to increase the share capital by way of a public offering, without shareholders' preferential subscription rights, by issuing ordinary shares of the Company and any other securities of any kind whatsoever, giving access by any means, immediately and/or in the future, to shares to be issued by the Company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, with a 5-day priority right granted in favor of shareholders, except in the cases provided for by law, it being specified that this delegation may not be used from the time a third-party files a public offer for the Company's securities until the end of the offer period.

Ceilings:
Capital increase: €100,982, or 20% of the current share capital.
Share issue price: at least equal to the minimum authorized by the laws and regulations in force, i.e. the price must be at least equal to the weighted average of the share price during the last three trading days preceding the day on which the price is set, which may be reduced by a maximum discount of 5%.
Debt securities giving immediate or future access to the capital: €15,000,00.
The transactions will be included in the blanket ceiling set in resolution 27.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2, L.225-134, L.225-135, L.225-136, L.228-91 and L.228-92 et seq.:

1. Terminates, with immediate effect, the delegation of authority granted by the combined ordinary and extraordinary Shareholders' Meeting of July 27, 2017, which had the same purpose.
2. Delegates its authority to the Management Board to decide, in the amounts and at any time it deems appropriate, both in France and abroad (either in euros or in any other currency), on one or more capital increases, as part of a public offering, by way of an issue, with cancellation of shareholders' preferential subscription rights, of ordinary shares of the Company and/or securities giving access by any means, immediately or in the future, to shares to be issued by the Company or to debt securities and/or securities giving access to equity securities to be issued, the subscription for which may be effected either in cash or by offsetting receivables.

   Any issuance of preference shares and securities giving access to preference shares is expressly excluded.
3. Decides that the maximum nominal amount of the share capital increases that may be carried out immediately or in the future pursuant to this delegation shall be set at €100,982 (i.e. 20% of the share capital to date), to which shall be added, where applicable, the nominal amount of any additional shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the share capital, subject to the provisions of resolution 27.
4. Decides that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €15,000,000 or its equivalent in foreign currencies, subject to the provisions of resolution 27; this ceiling is independent of the amount of debt securities whose issue is decided or authorized by the Management Board in accordance with Article L.228-40 of the French Commercial Code.
5. Decides to cancel shareholders' preferential subscription rights to ordinary shares and securities giving access to the Company's share capital, it being understood that the Management Board will be required to grant shareholders a priority subscription right (Priority Right), for a period of no less than five days. This priority subscription right will not give rise to the creation of negotiable rights, but may, if the Management Board deems it appropriate, be exercised on an irreducible or reducible basis.
6. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
7. Acknowledges that this resolution entails the waiver by shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities issued on the basis of this delegation may give entitlement.
8. Decides that, if the subscriptions carried out by shareholders or members of the public have not absorbed the entire issue of shares or securities as defined above, the Management Board may, at its discretion and in the order it deems appropriate, make use of the options provided under Article L.225-134 of the French Commercial Code.
9. Decides that the issue price of the ordinary shares shall be at least equal to the minimum price provided for by the legal and regulatory provisions in force at the time of issue.
10. Decides to set the maximum discount applicable to the capital increase at 5%; the issue price of the ordinary shares will, on the date of this Meeting, be at least equal to the weighted average of the share price during the last three trading days on the Euronext Paris regulated market preceding the day on which the subscription price of the capital increase is set, which may be reduced by a maximum discount of 5%, after correction, if necessary, of this average price in the event of a difference between the dividend dates.
11. Decides to grant all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular to:

- determine the terms and conditions of the capital increase(s) and/or issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium, if any, for which payment may be requested at the time of issue;
- determine the dates and terms of issue, the nature and form of the securities to be created, which may take the form of subordinated or unsubordinated securities, with or without a fixed term, and, in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their fixed or variable redemption price, with or without a premium, and the terms of redemption;

- determine the method of payment for the shares and/or securities issued;
- determine, if necessary, the terms and conditions for exercising the rights attached to the securities issued or to be issued and, in particular, determine the date, including retroactively, from which the new shares will carry dividend rights, as well as any other terms and conditions for completing the issuance(s);
- determine the terms and conditions under which the Company may, as the case may be, purchase or exchange, at any time or during specified periods, the securities issued or to be issued;
- provide the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- determine the terms and conditions under which, where applicable, the rights of the holders of securities conferring future rights to shares of the Company will be preserved, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual provisions;
- at its sole discretion, charge the costs, fees and expenses of the capital increase(s) against the amount of the related premiums and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;
- determine the terms and conditions under which the Company may, as the case may be, purchase the subscription warrants at any time or during specified periods, with a view to cancelling them, in the event of the issuance of securities giving the right to the allocation of equity securities upon presentation of a warrant;
- in general, enter into all agreements, in particular to ensure the successful completion of the proposed transaction(s), take all measures and carry out all formalities necessary for the financial administration of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally take all necessary measures.

12. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 20:
Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to allocate debt securities and/or securities giving access to equity securities to be issued, without preferential subscription rights, in the event of a private placement

Summary of resolution 20:

Purpose:
Delegate to the Management Board the authority to decide to increase the share capital by way of a private placement, without shareholders' preferential subscription rights, by issuing ordinary shares of the Company and any other securities of any kind whatsoever, giving access by any means, immediately and/or in the future, to shares to be issued by the Company or giving the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, without priority rights, it being specified that this delegation may not be used from the time a third-party files a public offer for the Company's securities until the end of the offer period.

Ceilings:
Capital increase: 10% of the current share capital.
Share issue price: at least equal to the minimum authorized by the laws and regulations in force, i.e. the price must be at least equal to the weighted average of the share price during the last three trading days preceding the day on which the price is set, which may be reduced by a maximum discount of 5%.
Debt securities giving immediate or future access to the capital: €15,000,000.
The transactions will be included in the ceiling set in resolution 19 and the blanket ceiling set in resolution 27.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2, L.225-129-4, L.225-135, L.225-136, L.228-91 et seq., and section II of Article L.411-2 of the French Monetary and Financial Code:

1. Delegates to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, its authority to decide to increase the share capital, in the context of an offer referred to in section II of Article L.411-2 II of the French Monetary and Financial Code per twelve-month period, on one or more occasions, in the amount and at any any time it may deem appropriate, by issuing, both in France and abroad, in euros or in foreign currencies, without preferential subscription rights for shareholders, ordinary shares of the Company and/or securities giving immediate or future access, by any means, to shares to be issued by the Company or to debt securities and/or securities giving access to equity securities to be issued, the subscription of which may be made either in cash or through the offsetting of receivables.

   Any issuance of preference shares and securities giving access to preference shares is expressly excluded.

2. Decides that the maximum nominal amount of the share capital increases that may be carried out immediately or in the future pursuant to this delegation shall not exceed 10% of the share capital as of the date hereof, to which shall be added, where applicable, the nominal amount of any additional shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the share capital. This nominal amount will be included in the ceiling set in resolution 19 within the limit of the blanket ceiling set in resolution 27.

3. Decides that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €15,000,000 or its equivalent in foreign currencies, subject to the provisions of resolutions 19 and 27; this ceiling is independent of the amount of debt securities whose issue is decided or authorized by the Management Board in accordance with Article L.27 of the French Commercial Code.

4. Decides to cancel shareholders' preferential subscription rights to ordinary shares and securities giving access to the Company's share capital.

5. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

6. Acknowledges that this resolution entails the waiver by shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities issued on the basis of this delegation may give entitlement.

7. Decides that, if the subscriptions carried out have not absorbed the entire issue of shares or securities as defined above, the Management Board may, at its discretion and in the order it deems appropriate, make use of the options provided under Article L.225-134 of the French Commercial Code.

8. Decides that the issue price of the ordinary shares shall be at least equal to the minimum price provided for by the legal and regulatory provisions in force at the time of issue.

9. Decides to set the maximum discount applicable to the capital increase at 5%; the issue price of the ordinary shares will, on the date of this Meeting, be at least equal to the weighted average of the share price during the last three trading days on the Euronext Paris regulated market preceding the day on which the subscription price of the capital increase is set, which may be reduced by a maximum discount of 5%, after correction, if necessary, of this average price in the event of a difference between the dividend dates.

10. Decides to grant all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular to:

- determine the terms and conditions of the capital increase(s) and/or issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium, if any, for which payment may be requested at the time of issue;
- determine the dates and terms of issue, the nature and form of the securities to be created, which may take the form of subordinated or unsubordinated securities, with or without a fixed term, and, in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their fixed or variable redemption price, with or without a premium, and the terms of redemption;

- determine the method of payment for the shares and/or securities issued;
- determine, if necessary, the terms and conditions for exercising the rights attached to the securities issued or to be issued and, in particular, determine the date, including retroactively, from which the new shares will carry dividend rights, as well as any other terms and conditions for completing the issuance(s);
- determine the terms and conditions under which the Company may, as the case may be, purchase or exchange, at any time or during specified periods, the securities issued or to be issued;
- provide the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- determine the terms and conditions under which, where applicable, the rights of the holders of securities conferring future rights to shares of the Company will be preserved, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual provisions;
- at its sole discretion, charge the costs, fees and expenses of the capital increase(s) against the amount of the related premiums and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;
- determine the terms and conditions under which the Company may, as the case may be, purchase the subscription warrants at any time or during specified periods, with a view to cancelling them, in the event of the issuance of securities giving the right to the allocation of equity securities upon presentation of a warrant;
- in general, enter into all agreements, in particular to ensure the successful completion of the proposed transaction(s), take all measures and carry out all formalities necessary for the financial administration of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally take all necessary measures.

11. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 21:
Delegation of powers to the Management Board to increase the number of securities to be issued in the event of excess demand upon completion of a capital increase with or without preferential subscription rights, up to a maximum of 15% of the initial issue

Summary of resolution 21:

Purpose:
Delegate authority to the Management Board to decide to increase the share capital, with or without preferential subscription rights, by issuing additional ordinary shares or any securities giving access to shares to be issued by the Company, over a period of thirty (30) days from the closing date of the subscription, within the limit of (i) 15% of the initial issue, and (ii) the ceiling provided for by the resolution pursuant to which the capital increase is decided, and at the same price as that set for the initial issue.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of authority granted by the combined ordinary and extraordinary Shareholders' Meeting of July 27, 2017, which had the same purpose.

2. Delegates authority to the Management Board to decide, in the event of an excess subscription request during a share capital increase decided pursuant to resolutions 18, 19 and 20 presented to this Meeting, to increase the number of ordinary shares and securities to be issued under the conditions set out in Article L.225-135-1 of the French Commercial Code, within thirty days of the closing date of the subscription, at the same price as that used for the initial issue and within the limit of 15% of the initial issue, subject to the ceiling provided for in the resolution pursuant to which the issue is decided and, within the limits of the ceilings referred to in the resolution 27.

3. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
4. Decides that the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, shall have the same powers as those granted under resolutions 18, 19 and 20 above, subject to the applicable legal and regulatory provisions.
5. Decides that this authorization is granted to the Management Board for a period of twenty-six (26) months as from the date hereof.

Resolution 22:
Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to allocate debt securities and/or securities giving access to equity securities to be issued up to a maximum of 10% without preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third-party companies outside a public exchange offer

Summary of resolution 22:

Purpose:
Delegate to the Management Board its authority to increase the share capital, on the basis of the report of the Contributions Auditor, in order to remunerate contributions in kind granted to the Company and consisting of ordinary shares or securities giving access to the share capital of another company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, other than in the event of a public exchange offer initiated by the Company.
The purpose of this resolution is to facilitate the Company's acquisition or merger transactions with other companies, without having to pay in cash.

Ceilings:
Capital increase: 10% of the current share capital.
Debt securities giving immediate or future access to the capital: €15,000,000.
The transactions will be included in the ceiling set in resolution 19 and the blanket ceiling set in resolution 27.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 and L.225-147:

1. Terminates, with immediate effect, the delegation of authority granted by the combined ordinary and extraordinary Shareholders' Meeting of July 27, 2017, which had the same purpose.

2. Delegates to the Management Board its authority to decide, on one or more occasions, on the basis of the report of the Contributions Auditor, to issue ordinary shares or securities giving access, by any means, immediately or in the future, to ordinary shares to be issued by the Company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, in order to remunerate contributions in kind granted to the Company and consisting of shares or securities giving access to the capital of other companies or to debt securities and/or securities giving access to equity securities to be issued, when the provisions of Article L.225-148 of the French Commercial Code are not applicable.
3. Decides that the total nominal amount of the share capital increases that may be carried out, immediately and/or in the future, pursuant to this delegation, is set at 10% of the share capital as at the date of this annual Shareholders' Meeting. This nominal amount will be included in the ceiling set in resolution 19 within the limit of the blanket ceiling set in resolution 27.
4. Decides that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €15,000,000 or the equivalent value of this amount in any other currency or unit of account on the date of the issuance decision, it being specified that this amount does not include the redemption premium(s) above par, where applicable. This nominal amount will be included in the ceiling set in resolution 19 within the limit of the blanket ceiling set in resolution 27.
5. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
6. Acknowledges, as necessary, that this delegation entails the waiver by shareholders of their preferential subscription rights to the shares or securities to which the securities issued on the basis of this delegation may give entitlement.
7. The Management Board shall have full powers, with the option of sub-delegating such powers to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, in particular to decide, on the basis of the report of the Contributions Auditor, on the valuation of the contributions and, where applicable, on the granting of special benefits to set the number of shares or securities giving access to the Company's capital and, if necessary, make any adjustment to their values, record the final completion of the capital increases carried out pursuant to this delegation, amend the Articles of Association accordingly, carry out all formalities and declarations, proceed, where necessary, with any set-off against the contribution premium account(s) and, in particular, against the cost(s) incurred in carrying out the issues, and more generally take any other appropriate action.
8. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 23:
Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to allocate debt securities and/or securities giving access to equity securities to be issued up to a maximum of 10% without preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third-party companies as part of a public exchange offer initiated by the Company

Summary of resolution 23:

Purpose:
Delegate to the Management Board its authority to increase the share capital, on the basis of the report of the Contributions Auditor, in order to remunerate contributions in kind granted to the Company and consisting of ordinary shares or securities giving access to the share capital of another company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the event of a public exchange offer initiated by the Company.

Ceilings:
Capital increase: 10% of the current share capital.
The transactions will be included in the ceiling set in resolution 19 and the blanket ceiling set in resolution 27.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 and L.225-148:

1. Delegates to the Management Board the authority to decide to issue shares of the Company, or securities giving access by any means, immediately or in the future, to existing or future shares of the Company or giving the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, as consideration for securities contributed to a public offer involving an exchange component initiated by the Company in France or (depending on local qualifications and rules) abroad, for securities of another company admitted to trading on one of the regulated markets referred to in Article L.225-148 of the French Commercial Code.
2. Decides that the maximum nominal amount of any immediate or future increases in the Company's share capital carried out pursuant to this delegation may not exceed 10% of the amount of the share capital as of the date of this annual Shareholders' Meeting. To this ceiling shall be added, where applicable, the nominal amount of the shares to be issued to protect, in accordance with applicable legal and regulatory provisions and any applicable contractual provisions providing for other cases of adjustment, the rights of the holders of securities or of other rights giving access to the Company's share capital. This nominal amount will be included in the ceiling set in resolution 19 within the limit of the blanket ceiling set in resolution 27.
3. Decides that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €15,000,000 or the equivalent value of this amount in any other currency or unit of account on the date of the issuance decision, it being specified that this amount does not include the redemption premium(s) above par, where applicable. This nominal amount will be included in the ceiling set in resolution 19 within the limit of the blanket ceiling set in resolution 27.
4. Acknowledges, as necessary, that this delegation entails the waiver by shareholders of their preferential subscription rights (i) to the shares and securities thus issued and (ii) to the shares of the Company to which the securities issued on the basis of this delegation may give entitlement.
5. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
6. Grants all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this resolution, and in particular:

- to set the terms, conditions and details of the transaction, within the limits set by the applicable legal and regulatory provisions and this resolution;
- to determine the exchange ratio as well as, where applicable, the amount of the cash balance to be paid;

- to record the number of shares contributed to the exchange;
- to determine the dates, issue conditions, in particular the price and dividend entitlement date (including retroactively), of the new shares and, where applicable, of the securities giving immediate or future access to a proportion of the Company's share capital;
- to suspend, if necessary, the exercise of the rights attached to these shares for a maximum period of three months within the limits provided by the applicable legal and regulatory provisions;
- to record under liabilities on the balance sheet, in a "contribution premium" account to which all shareholders shall have rights, the difference between the issue price of the new shares and their nominal value;
- to charge, at its sole discretion, the costs of any issue against the "contribution premium" account and to deduct from said account the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase; and
- to generally take all necessary measures, enter into all agreements (in particular with a view to ensuring the successful completion of the issue), request all authorizations, carry out all formalities and take all necessary steps to ensure the successful completion or postponement of the planned issue, and in particular to record the capital increase or increases resulting from any issue made under this delegation, amend the Company's Articles of Association accordingly, request the admission to the Euronext Paris market of any securities issued under this delegation, and ensure the financial management of the securities involved and the exercise of the rights attached thereto.

7. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 24:
Delegation of powers to the Management Board to increase the share capital of the Company by issuing ordinary shares or securities giving access to the share capital, without shareholders' preferential subscription rights, to employees participating in a Company Savings Plan and to corporate officers eligible for the Company Savings Plan

Summary of resolution 24:

Purpose:
Delegate authority to the Management Board to decide to increase the share capital of the Company in favor of employees who are members of the Company Savings Plan and corporate officers eligible for the Company Savings Plan.

Ceilings:
Capital increase: 5% of the share capital.
The transactions will be included in the blanket ceiling set in resolution 27.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.3332-1 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 to L.225-129-6 et seq. and Article L.225-138-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting of July 27, 2017, which had the same purpose.

2. Delegates its authority to the Management Board to increase the share capital, on one or more occasions, at its sole discretion, by issuing ordinary shares or securities giving access to the share capital of the Company reserved for employees or corporate officers of the Company and/or of a group company, whether French or foreign, affiliated with the Group within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, who are members of (i) a Company Savings Plan and/or (ii) a Group Savings Plan, for up to 5% of the capital on the date of implementation of this delegation and within the limit of the overall ceiling provided for in resolution 27.

To this ceiling shall be added, where applicable, the nominal value of the ordinary shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the Company's share capital.

3. Decides to cancel, in favor of the above-mentioned beneficiaries, the shareholders' preferential subscription rights to the new ordinary shares or securities to be issued and to the shares and securities to which they will give entitlement, pursuant to this resolution, and to waive any entitlement to ordinary shares and securities giving access to the Company's share capital that may be allocated under the terms of this resolution.

4. Decides that the subscription price of the new shares, set by the Management Board in accordance with the provisions of Article L.3332-19 of the French Labor Code at the time of each issue, may not be more than 30% lower than the average opening share price on the Euronext Paris market during the twenty trading days preceding the date on which the Management Board decides on the subscription opening date, it being specified that the Management Board may set a discount lower than this maximum discount of 30%.

5. Decides, pursuant to Article L.3332-21 of the French Labor Code, that the Management Board may grant, free of charge, ordinary shares or other securities giving immediate or future access to ordinary shares of the Company in respect of the employer contribution and/or, where applicable, as a substitute for the discount, it being understood that the total benefit resulting from this allocation in respect of the discount and/or contribution may not exceed the legal or regulatory limits. The Board and may also decide, in the event of the issue of new shares or securities in respect of the discount and/or the contribution, to incorporate into the share capital the reserves, retained earnings or share premiums necessary for the payment of the aforementioned shares.

6. Authorizes the Management Board, under the conditions of this delegation, to sell shares to members of an employee savings plan as provided for in Article L.3332-24 of the French Labor Code, it being specified that the sales of shares made at a discount to members of one or more employee savings plans covered by this resolution shall be included in the amount of the ceiling referred to in paragraph 2 above, in the nominal value of the shares thus sold.

7. Decides that the characteristics of issuances of securities giving access to the Company's share capital shall be determined by the Management Board under the conditions set by law.

8. The annual Shareholders' Meeting grants all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular:

- to determine and lay down the terms and conditions for the issue and allocation of free shares or securities giving access to the share capital, pursuant to this delegation;
- to determine the amount to be issued, the issue price, the terms and conditions of each issue;
- to determine the opening and closing dates of the subscription period;
- to set, within the legal limits, the period granted to subscribers for the payment of shares and, where applicable, securities giving access to the Company's share capital;
- to determine the date, including retroactively, from which the new ordinary shares and, where applicable, the securities giving access to the Company's share capital will carry dividend rights;
- to set the terms and conditions of the transactions to be carried out pursuant to this delegation and to request the admission to trading of the securities created wherever it deems fit.

9. The Management Board shall also have, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, all powers to record the completion of capital increases in the amount of the shares actually subscribed, to amend the Articles of Association accordingly, to carry out, at its sole discretion, either directly or through an agent, all transactions and formalities related to the share capital increases and, if it deems it appropriate, to charge the costs of the share capital increases against the amount of the premiums relating to these transactions and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase, and to carry out all formalities and declarations with the relevant bodies and take all other necessary measures.

10. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 25:
Authorization to be granted to the Management Board to allocate existing or future free shares to employees of the Company and some or all of its affiliated companies

Summary of resolution 25:

Purpose:
Authorize the Management Board to grant free shares of the Company to its employees and employees of the Group.

Ceilings:
Capital increase: 5% of the share capital.
The transactions will be included in the blanket ceiling set in resolution 27.
The minimum vesting period set by the Management Board, at the end of which the shares will be permanently granted to their beneficiaries, will be set at one year and the minimum holding period for the shares will be two years. The Management Board may reduce or cancel this holding period provided that the vesting period is at least equal to 2 years.
The Management Board will determine the beneficiaries of the free share grants, the number of shares to be allocated to each of them, and the allocation conditions and criteria that must fulfilled in order for the shares to be fully or partially granted.
This authorization is valid for a period of 38 months as of the annual Shareholders' Meeting on July 25, 2019.
The Company is very committed to ensuring that employee votes are cast in a manner that is truly independent of management. As such, the Company undertakes to ensure that representatives of management do not interfere with employee shareholder voting.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-197-1 to L.225-197-6 of the French Commercial Code, hereby:

1. Terminates, with immediate effect, the unused portion of the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting of July 20, 2016 in resolution 9, which had the same purpose.
2. Authorizes the Management Board to grant, on one or more occasions, to employees or certain categories of employees within the Company or to employees of affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, existing or future shares of the Company free of consideration.
3. Decides that the total number of existing or future shares that may be allocated pursuant to this authorization may not represent more than 5% of the Company's share capital on the date of the Management Board's decision. The nominal or par value of the shares allocated on the basis of this authorization will be included in the blanket ceiling set in resolution 27 below.
4. Authorizes the Management Board, alternately or cumulatively and within the limits set out in the previous paragraph, to carry out:

- allocations of existing shares resulting from share buybacks carried out by the Company under the conditions provided for in Articles L.225-208 and L.225-209 of the French Commercial Code; and/or
- allocations of shares to be issued by way of a capital increase. In this instance, the annual Shareholders' Meeting authorizes the Management Board to increase the share capital by incorporating reserves up to the maximum nominal amount or par value corresponding to the number of new shares allocated, and notes that, in accordance with the law, the allocation of shares to the beneficiaries designated by the Management Board entails, in favor of such beneficiaries, express waiver by the shareholders of their preferential subscription rights over the shares to be issued.

5. Decides to:

- set at 1 year, from the date on which the allocation rights will be granted by the Management Board, the minimum duration of the vesting period at the end of which the shares will be permanently granted to their beneficiaries, it being recalled that these rights are non-transferable until the end of this period, in accordance with the provisions of Article L.225-197-3 of the French Commercial Code; however, in the event of the beneficiary's death, his or her heirs may request the allocation of the shares within six months of the beneficiary's death; in addition and in accordance with the provisions of section I, paragraph 5 of Article L.225-197-1, the shares will be allocated before the end of this period should the beneficiary become disabled, if such disability falls within the second and third categories referred to in Article L.341-4 of the Social Security Code;

- set at 2 years, as from their permanent granting, the minimum holding period for the shares by their beneficiaries; however, the Management Board may reduce or cancel this holding period provided that the acquisition period referred to in the previous paragraph is at least equal to two years; during the holding period, the shares shall be freely transferable in the event of the death of the beneficiary, as well as in the event of disability in accordance with the regulations in force.

6. The annual Shareholders' Meeting grants full powers to the Management Board, with the option of sub-delegation under the conditions provided for by law, within the limits set above, to implement this delegation, and in particular:

- to determine the beneficiaries, or the category or categories of beneficiaries of the share allocations, it being recalled that i) no shares may be allocated to any employee or corporate officer holding more than 10% of the share capital and that ii) the free share allocation may not result in any employee or corporate officer holding more than 10% of the share capital;
- to distribute share allocation rights on one or more occasions and at such times as it deems appropriate;
- to set the conditions and criteria for the allocation of shares and, where applicable, the performance criteria;
- to determine the final duration of the acquisition period and the holding period of the shares within the limits set above by the Shareholders' Meeting;
- to establish a non-distributable reserve, allocated to the rights of the beneficiaries, for an amount equal to the total amount of the nominal value of the shares that may be issued by way of a capital increase, by deducting the necessary amounts from any reserves at the Company's free disposal;
- to make the necessary deductions from this non-distributable reserve in order to pay up the nominal value of the shares to be issued to beneficiaries, and to increase the share capital accordingly by the nominal amount of the free shares allocated;
- in the event of a capital increase, to amend the Articles of Association accordingly, and carry out all necessary acts and formalities;
- in the event of financial transactions covered by the provisions of the second paragraph of Article L.225-181 of the French Commercial Code, to implement, during the vesting period and where it deems appropriate, all appropriate measures covered by the provisions of the first paragraph of Article L.225-199, to protect and adjust the rights of the beneficiaries, under the terms and conditions provided by said article, on the understanding that any additional rights granted, where applicable, as a result of such an adjustment shall not be taken into consideration when determining the ceiling referred to in paragraph 3 of this resolution.

7. The delegation thus granted to the Management Board is valid for a period of thirty-eight (38) months, as from the date hereof.

Resolution 26:
Authorization to be granted to the Management Board to allocate existing or future free shares to corporate officers of the Company and some or all of its affiliated companies

Summary of resolution 26:

Purpose:
Authorize the Management Board to grant free shares of the Company to its corporate officers and corporate officers of the Group.

Ceilings:
Capital increase: 0.5% of the share capital.
The transactions will be included in the blanket ceiling set in resolution 27.
The minimum vesting period set by the Management Board, at the end of which the shares will be permanently granted to their beneficiaries, will be set at one year and the minimum holding period for the shares will be 2 years. The Management Board may reduce or cancel this holding period provided that the vesting period is at least equal to 2 years.
The Management Board will determine the beneficiaries of the free share grants, the number of shares to be allocated to each of them, and the allocation conditions and criteria that must fulfilled in order for the shares to be fully or partially granted.
This authorization is valid for a period of 38 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-197-1 to L.225-197-6 of the French Commercial Code, hereby:

1. Terminates, with immediate effect, the unused portion of the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting of July 20, 2016 in resolution 10, which had the same purpose.
2. Authorizes the Management Board to grant, on one or more occasions, to the Company's corporate officers or to corporate officers of affiliated companies within the meaning of Article L.225-197-2 of the French Commercial Code, existing or future shares of the Company free of consideration.
3. Decides that the total number of existing or future shares that may be allocated to the Company's corporate officers and the corporate officers of affiliated companies pursuant to this authorization, may not represent more than 0.5% of the Company's share capital on the date of the Management Board's decision. The nominal or par value of the shares allocated pursuant to this authorization will be included in the blanket ceiling set in resolution 27 below.
4. Authorizes the Management Board, alternately or cumulatively and within the limits set out in the previous paragraph, to carry out:

- allocations of existing shares resulting from share buybacks carried out by the Company under the conditions provided for in Articles L.225-208 and L.225-209 of the French Commercial Code; and/or
- allocations of shares to be issued by way of a capital increase. In this instance, the annual Shareholders' Meeting authorizes the Management Board to increase the share capital by incorporating reserves up to the maximum nominal amount or par value corresponding to the number of new shares allocated, and notes that, in accordance with the law, the allocation of shares to the beneficiaries designated by the Management Board entails, in favor of such beneficiaries, express waiver by the shareholders of their preferential subscription rights over the shares to be issued.

5. Decides to:

- set at 1 year, from the date on which the allocation rights will be granted by the Management Board, the minimum duration of the vesting period at the end of which the shares will be permanently granted to their beneficiaries, it being recalled that these rights are non-transferable until the end of this period, in accordance with the provisions of Article L.225-197-3 of the French Commercial Code; however, in the event of the beneficiary's death, his or her heirs may request the allocation of the shares within six months of the beneficiary's death; in addition and in accordance with the provisions of section I, paragraph 5 of Article L.225-197-1, the shares will be allocated before the end of this period should the beneficiary become disabled, if such disability falls within the second and third categories referred to in Article L.341-4 of the Social Security Code;
- set at 2 years, as from their permanent granting, the minimum holding period for the shares by their beneficiaries; however, the Management Board may reduce or cancel this holding period provided that the acquisition period referred to in the previous paragraph is at least equal to two years; during the holding period, the shares shall be freely transferable in the event of the death of the beneficiary, as well as in the event of disability in accordance with the regulations in force.

6. Decides that the permanent granting of shares to executive corporate officers shall be subject to the fulfilment of performance conditions determined by the Management Board.
7. The annual Shareholders' Meeting grants full powers to the Management Board, with the option of sub-delegation under the conditions provided for by law, within the limits set above, to implement this delegation, and in particular:

- to determine the beneficiaries, it being recalled that i) no shares may be allocated to any employee or corporate officer holding more than 10% of the share capital and that ii) the free share allocation may not result in any employee or corporate officer holding more than 10% of the share capital;
- to distribute share allocation rights on one or more occasions and at such times as it deems appropriate;
- to set the conditions and criteria for the allocation of shares and the related performance criteria;
- to determine the final duration of the acquisition period and the holding period of the shares within the limits set above by the Shareholders' Meeting;
- to establish a non-distributable reserve, allocated to the rights of the beneficiaries, for an amount equal to the total amount of the nominal value of the shares that may be issued by way of a capital increase, by deducting the necessary amounts from any reserves at the Company's free disposal;
- to make the necessary deductions from this non-distributable reserve in order to pay up the nominal value of the shares to be issued to beneficiaries, and to increase the share capital accordingly by the nominal amount of the free shares allocated;
- in the event of a capital increase, to amend the Articles of Association accordingly, and carry out all necessary acts and formalities;

- in the event of financial transactions covered by the provisions of the second paragraph of Article L.225-181 of the French Commercial Code, to implement, during the vesting period and where it deems appropriate, all appropriate measures covered by the provisions of the first paragraph of Article L.225-199, to protect and adjust the rights of the beneficiaries, under the terms and conditions provided by said article, on the understanding that any additional rights granted, where applicable, as a result of such an adjustment shall not be taken into consideration when determining the ceiling referred to in paragraph 3 of this resolution.

8. The delegation thus granted to the Management Board is valid for a period of thirty-eight (38) months, as from the date hereof.

Resolution 27:
Overall limitation of delegations

Summary of resolution 27:

Purpose:
Set at €252,456, or 50% of the share capital, the total amount of share capital increases that may be carried out immediately or in the future, pursuant to all the delegations and authorizations granted by resolutions 18 to 26 above. Each resolution has a sub-ceiling that is included in this overall ceiling.
Set at €40,000,000 the maximum nominal amount of debt securities that may be issued pursuant to the authorizations granted by resolutions 18 to 23 above. Each resolution has a sub-ceiling that is included in this overall ceiling.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings, and having reviewed the Management Board's report, hereby decides:

- to set the maximum cumulative nominal amount of the immediate or future share capital increases that may be carried out pursuant to the delegations and authorizations granted by resolutions 18 to 26 above at €252,456 (50% of the share capital), it being specified that to this nominal amount shall be added, where applicable, the nominal amount of additional shares to be issued to preserve, in accordance with the law, the rights of holders of rights attached to securities giving access to the share capital and to preserve the rights of holders of shares on the basis of resolutions 25 and 26;
- to set at €40,000,000 or its equivalent in foreign currencies, the maximum nominal amount of debt securities that may be issued pursuant to the delegations and authorizations granted by resolutions 18 to 23 above.

Resolution 28:
Delegation of powers to authorize the Management Board to increase the share capital by incorporating reserves, profits, issue premiums or contribution premiums

Summary of resolution 28:

Purpose:
Delegate to the Management Board the authority to increase the share capital, up to a maximum nominal amount of €400,000, by capitalizing premiums, reserves, retained earnings or other amounts that may be capitalized by law and the Articles of Association, in the form of a free allocation of shares or an increase in the nominal value of existing shares, or by using both methods in combination.
This authorization is valid for a period of 26 months as of the annual Shareholders' Meeting on July 25, 2019.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 and L.225-130, hereby:

1. Terminates, with immediate effect, the delegation of authority granted by the combined ordinary and extraordinary Shareholders' Meeting of July 27, 2017, which had the same purpose.

2. Delegates to the Management Board its authority to increase the share capital, on one or more occasions, in the proportions and at such times as it shall deem appropriate, up to a maximum nominal amount of €400,000, by the successive or simultaneous capitalization of all or part of the reserves, retained earnings or issue premiums, through the creation and free allocation of ordinary shares, the increase in the nominal or par value of capital securities or a combination of these two methods. This limit will be increased by the amount of capital necessary to preserve, in accordance with the law, the rights of holders of securities giving access to the Company's share capital, share subscription options or free shares.

The abovementioned ceiling is independent and autonomous from the ceiling referred to in resolution 27.

3. Decides that the Management Board may not, except with the prior authorization of the annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
4. The annual Shareholders' Meeting decides that fractional rights will be neither negotiable nor transferable, and that the corresponding equity securities will be sold. The proceeds from the sale thereof will be allocated to the holders of the rights within the period provided for by the regulations.
5. The annual Shareholders' Meeting grants full powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation and in particular to determine the dates and terms of the issues, make any adjustment and preserve any rights, set the prices and conditions of the issues, set the amounts to be issued, and more generally take all measures to ensure their successful completion, perform any acts and formalities to make the corresponding capital increase or increases final and amend the Articles of Association accordingly.
6. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

Resolution 29:
Approval of the amendments to the Articles of Association decided by the Supervisory Board to bring the Company's Articles of Association into line with the legal provisions in force relating to the Social and Economic Committee

Summary of resolution 29:

Purpose:
In accordance with Article L.225-165 of the French Commercial Code, you are requested to approve the amendments to the Articles of Association decided by the Supervisory Board to bring the Company's Articles of Association into line with the legal provisions in force relating to the Social and Economic Committee.

The annual Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for extraordinary Shareholders' Meetings, having reviewed the Management Board's report, hereby approves the amendments to the Articles of Association decided by the Supervisory Board with a view to bringing the Company's Articles of Association into line with the legal provisions in force relating to the Social Economic Committee.

Resolution 30:
Approval of the amendments to the Articles of Association decided by the Supervisory Board to bring the Company's Articles of Association into line with the legal provisions in force relating to compensation paid to members of the Supervisory Board

Summary of resolution 30:

Purpose:
In accordance with Article L.225-65 of the French Commercial Code, you are requested to approve the amendments to the Articles of Association decided by the Supervisory Board to bring the Company's Articles of Association into line with the new legal provisions in force relating to the compensation paid to Supervisory Board members, pursuant to Act no. 2019-486 DC of May 22, 2019 on the growth and transformation of companies which deleted the term "attendance fees".

The annual Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for extraordinary Shareholders' Meetings, having reviewed the Management

Board's report, hereby approves the amendments to the Articles of Association decided by the Supervisory Board with a view to bringing the Company's Articles of Association into line with the new legal provisions in force relating to compensation paid to members of the Supervisory Board.

Resolution 31:
Powers for formalities

Summary of resolution 31:

Purpose:
This resolution is proposed to grant the powers to carry out the formalities required following the General Meeting.

The annual General Meeting, deliberating under the quorum and majority conditions required for extraordinary General Meetings, grants full powers to the bearer of the original or copy of the minutes of this annual General Meeting to carry out all filings and other formalities as required.

ADDITIONAL INFORMATION

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Documents available to the public

The Registration Document is available at the Company's registered office:

Tour Franklin
100/101, terrasse Boieldieu
92042 Paris La Défense Cedex
France

Phone: +33 1 49 03 20 00
and on the Company's website: www.wavestone.com

During the period of validity of the present Registration Document, the following documents may be consulted at the Company's registered office:

- the Company's Articles of Association;
- all reports, letters and other documents, historical financial information, assessments and declarations issued by an expert at the Group's request, some of which are included or referred to in this document;
- Wavestone's historical financial information for each of the two fiscal years preceding the publication of the present Registration Document.

Persons responsible

Person responsible for the Registration Document

Pascal Imbert, CEO.

Statement by the person responsible for the Registration Document

"I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its scope.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all the companies included in the scope of consolidation, and that the management report on page 52 gives a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the scope of consolidation and describes the main risks and uncertainties they are facing.

I have obtained a completion letter from the Statutory Auditors stating that they have audited the information relating to the financial position and the financial statements presented in this Registration Document and in the document as a whole."

Paris, 07/09/19.

Pascal Imbert, CEO

Persons responsible for the Statutory Audit

Statutory Auditors:

Mazars, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale de Versailles*), 61, rue Henri Regnault, 92075 Paris La Défense Cedex, appointed by the annual Shareholders' Meeting of 07/11/14; mandate due to expire at the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/20. Represented by Mr. Paul-Armel Junne.

Deloitte & Associés, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale de Versailles*), 6, place de la Pyramide, 92908 Paris-La Défense, appointed by the annual Shareholders' Meeting of 09/25/13; mandate due to expire at the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/19. Represented by Mr. Dominique Laurent.

Substitute Statutory Auditors:

Fidus, 12, rue de Ponthieu, 75008 Paris, member of the Versailles Regional Statutory Auditors' Commission (*Compagnie régionale de Versailles*), appointed by the annual Shareholders' Meeting of 07/11/14; mandate due to expire at the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/20.

BEAS, 7, Villa Houssay, 92200 Neuilly-sur-Seine, mandate renewed by the annual Shareholders' Meeting of 09/25/13; mandate expires at the close of the annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/19.

Person responsible for financial information

Pascal Imbert, Chairman of the Management Board.

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Registration Document cross-reference table

In compliance with Annex 1 of European Commission Regulation (EC) no. 809/2004

na: not applicable

na: not applicable

na : non applicable

Annual Financial Report cross-reference table

Management report cross-reference table

This annual report includes all items of the Board of Directors' management report outlined in articles L.225-100 et seq. of the French Commercial Code.

Hereafter, you will find references to the extracts of this annual report that correspond with various sections of the management report as approved by Wavestone's Board of Directors.

na: not applicable

Corporate governance report cross-reference table

This annual report includes all items of the corporate governance report outlined in articles L.225-37 et seq. of the French Commercial Code.

Hereafter, you will find references to the extracts of this annual report that correspond with various sections of the corporate governance report as approved by Wavestone's Board of Directors.

PHOTO CREDITS: Tom Joye

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DESIGN, WRITING AND PRODUCTION: Aristophane and Actus

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