

WAVESTONE

Universal Registration Document
2019/20





This Universal Registration Document was filed with the French financial markets authority (AMF) on 07/23/20 under number D.20-0700 in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation.

The Universal Registration Document may be used for the purposes of a public offer of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments to the Universal Registration Document. The resulting document is then approved by the AMF in accordance with EU Regulation 2017/1129.

In accordance with Article 19 of EU Regulation 2017/1129 and Article 212-13 of the AMF's General Regulations, the following information is included for reference purposes in this Universal Registration Document:

- The Group consolidated financial statements and the Statutory Auditors' Report on consolidated financial statements for the fiscal year ended 03/31/19, as presented on pages 172 to 204 of the Annual Report filed with the AMF on 07/10/19 under number D.19-0669.
- The corporate financial statements for Wavestone and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 03/31/19, as presented on pages 205 to 227 of the Annual Report filed with the AMF on 07/10/19 under number D.19-0669.
- The review of the company's financial situation and its results for the fiscal year ended 03/31/19, as presented on pages 55 to 63 of the Annual Report filed with the AMF on 07/10/19 under number D.19-0669.
- The Group consolidated financial statements and the Statutory Auditors' Report on consolidated financial statements for the fiscal year ended 03/31/18, as presented on pages 174 to 205 of the Annual Report filed with the AMF on 07/13/18 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 03/31/18, as presented on pages 206 to 229 of the Annual Report filed with the AMF on 07/13/18 under number D.18-0681.
- The review of the company's financial situation and its results for the fiscal year ended 03/31/18, as presented on pages 71 to 78 of the Annual Report filed with the AMF on 07/13/18 under number D.18-0681.

This Universal Registration Document is available at www.wavestone.com and from the company head office.

2019/20

Wavestone

Corporate Profile

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Joint interview with Pascal Imbert & Michel Dancoisne



Pascal IMBERT
CEO

Michel DANCOISNE
CHAIRMAN OF THE SUPERVISORY
BOARD

/ The end of 2019/20 fiscal year was characterized by the health crisis brought on by the Covid-19 pandemic, an unprecedented situation for the firm you created thirty years ago. As co-founders of the firm, what is your view of how your teams reacted to the crisis?

MD: Looking around now, some months after the start of the health crisis, I can only commend the rapid adaptation, innovative capacity and commitment shown by our Wavestone teams. Crises have the ability to reveal the strength of organizations and the values of the individuals they're comprised of. I am proud to observe that the fundamental values of Wavestone, which have been the cornerstone of the firm since its creation, were very much apparent.

PI: Our corporate culture, our commitment to working together and to working as a team make Wavestone a unique player in the consulting ecosystem. These qualities were undoubtedly our strengths during this challenging period. Numerous initiatives were rolled out: initiatives aimed at better serving our clients, at maintaining strong links with our teams, and even at using our expertise to help those in need, as part of our commitment to making positive societal contributions. As co-founders of the firm, we are proud of the efforts of all Wavestone's teams.

/ All told, despite the impact of the health crisis at the end of the fiscal year, Wavestone's full-year profitability remained strong in 2019/20. How do you explain this?

PI: It should be noted that lockdown measures were introduced only during the last few weeks of our fiscal year. While these measures led to a marked slowdown in business, they only had a moderate impact on the firm's yearly performance. The successful integration of WGroup in the US, coupled with a dynamic recruitment policy throughout most of the year and the resilience of our selling prices are the main factors that supported our profitability, which remained solid and in line with our targets.

MD: In addition to profitability, it's also worth highlighting Wavestone's excellent financial performance in 2019/20. The firm generated a record operating cash flow of more than €55m last year, which enabled for

the self-funding of the WGroup acquisition for close to €25m, and a significant reduction in net financial debt. As the economic outlook becomes more uncertain, this financial strength is a real asset.

/ 2020/21 fiscal year has begun amid much deteriorated macroeconomic conditions. What are the likely consequences for the consulting market?

PI: The crisis resulting from the Covid-19 pandemic represents a considerable economic shock, one that is unprecedented in Wavestone's history. The impact on consulting demand is likely to be significant: wait-and-see approaches adopted by clients, widespread cost-cutting plans, and tough arbitrage on investment decisions.

MD: There is likely to be a major shock to worldwide economic growth, with recessions of more than 10% for many Eurozone countries. The consulting market, which is traditionally among the most volatile sectors, generally amplifies trends. As a result, in 2020, it could contract by 16% worldwide and by 18% in Europe (Source: Global Research, data from July 3, 2020), and it's likely that competition will intensify over the next few months.

/ What are Wavestone's main strengths which will allow it to ride out the crisis? What actions have you implemented to address the situation?

MD: I am confident in the firm's resilience. Wavestone will rise successfully to the challenge ahead, just as it has done many times in the past. The firm has strengths that have illustrated their effectiveness in previous crises. First among these, I would like to emphasize our commercial effectiveness, which leverages the expertise of a specialized business development team, an extensive portfolio of large accounts and proven sectoral agility. Our business model is also pivotal to our success. It is based on a co-operation between teams which enables seamless sharing of the firm's workload among the different practices, on a strong steering culture within our management teams, and on our ability to adapt to meet our clients' needs.

PI: Since April, we have been in battle mode in order to tackle the crisis. Initially, we focused our attention on commercial business. We immediately bolstered our business development teams to that they could step up the pace of prospection while simultaneously shifting their focus to the most resilient sectors.

At the same time, we worked on adjusting the scale of the firm to the new backdrop. As a result, we froze hiring from mid-March. We also rolled out a performance plan targeting €15 million in savings on external charges to lower our break-even point. Lastly, all Wavestone teams, regardless of function, practice or business unit are acting together to achieve a shared target: protecting the firm's profitability. I would like to underline that our battle plan does not include any adjustments to the firm's headcount.

/ A word on the firm's governance during the crisis. How do you feel the firm has been running during this period?

MD: We have worked hard over the past few years to strengthen and champion the professionalism of Wavestone's governance to support the change in the firm's scale. In particular, we have strengthened risk controls and internal audit procedures, as part of our international development, but also to ensure that the firm can hold up better during periods of crisis.

PI: As part of this work, the Audit Committee challenged the firm's teams on different scenarios and simulations which enabled us to be perfectly prepared for the situation we are currently facing today. By adopting a forward-looking approach, we seamlessly executed our business continuity plan from mid-March. As a result, we were able to proceed with business activity under excellent conditions, despite the circumstances.

Key figures

3,498

employees
worldwide



8

countries



422

revenue
in millions of euros

Wavestone on the global stage



Key data for 2019/20 fiscal year

Simplified consolidated income statement

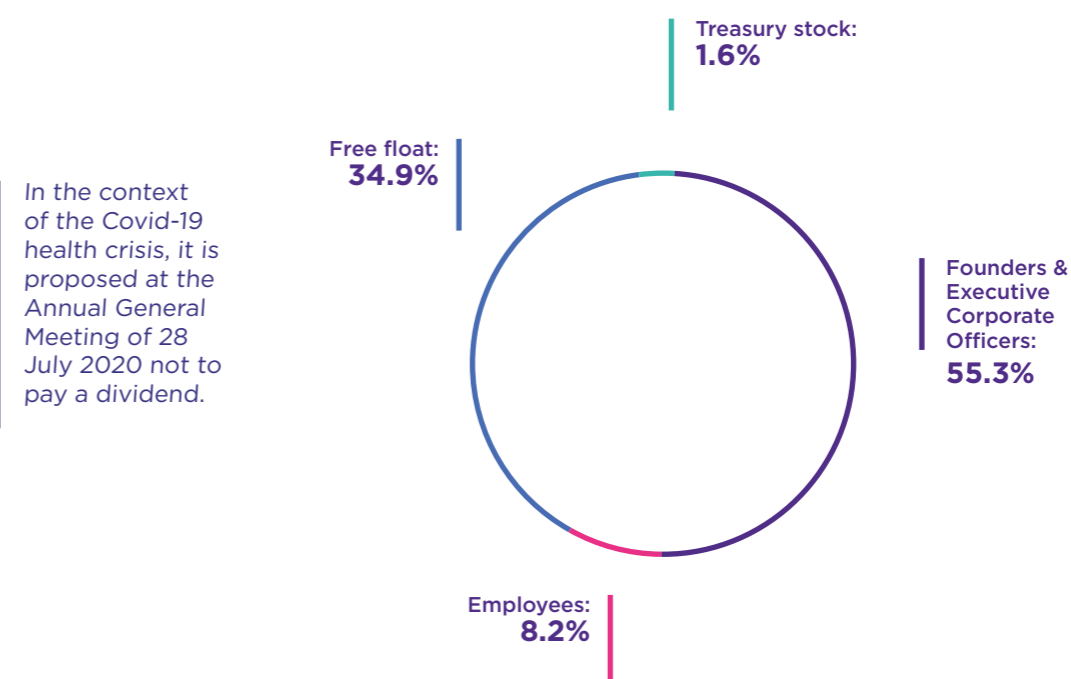
Audited consolidated figures at 03/31/2020 (in €m)	2019/20	2018/19	Change
Revenue	422.0	391.5	+8%
EBIT	55.7	55.2	+1%
EBIT margin	13.2%	14.1%	
Operating income	53.5	52.4	+2%
Group share of net income	31.1	30.8	+1%
Net margin	7.4%	7.9%	

Consolidated balance sheet

Audited consolidated figures at 03/31/2020 (in €m)	03/31/20	Audited consolidated figures at 03/31/2020 (in €m)	03/31/20
Non-current assets	232.8	Shareholders' equity	177.1
Current assets excluding cash and cash equivalents	151.7	Financial liabilities	94.3
Cash and cash equivalents	65.1	Lease liabilities	37.7
		Non-financial liabilities	140.5
Total	449.6	Total	449.6

Net debt at 03/31/2020: €29.1m compared with €38.7m at 03/31/2019

Breakdown of share capital at March 31, 2020



Financial calendar

07/27/2020: Q1 2020/21 revenue
 07/28/2020: Annual General Meeting
 10/29/2020: HY 2020/21 revenue
 12/01/2020: HY 2020/21 results
 01/28/2021: Q3 2020/21 revenue
 04/27/2021: FY 2020/21 revenue
 06/01/2021: FY 2020/21 results

Stock market data

Share price at 05/29/2020	€20.20
Number of shares	20,196,492
Market capitalization	€408m
Company value (Market capitalization at 05/29/20 + net debt at 03/31/20)	€437.1m

Share data

Market:	Euronext Paris
ISIN code:	FR0013357621
ICB:	9533 Services informatiques
Reuters:	WAVE.PA
Bloomberg:	WAVE:FP

Wavestone is listed on the Tech 40 index and is eligible for the PEA-PME* share savings plan.

*equity savings plan for the financing of SMEs and ETIs

"Yesterday's major customers will not necessarily be the future ones"

INTERVIEW WITH PATRICK HIRIGOYEN AND ANNE RÉGNIER



Patrick HIRIGOYEN

COO

/ What are the main challenges that Wavestone must face in such an extraordinary market environment?

PH: The crisis we have been experiencing for some months now has had three main consequences for our commercial activity: a sharp decline in demand since the start of introduction of lockdown measures, of around 15%-20%. In turn, this significantly impacted our business sector and particularly Wavestone, leading to uncertainty on the length of the crisis and potential future impacts.

AR: An immediate consequence of the crisis was a shift in client profiles: yesterday's major customers will not necessarily be our future major customers. Many sectors, such as the Transportation sector, were hit particularly hard. This intensified market competition.

/ How did you react to ensure business continuity?

PH: Firstly, we were incredibly responsive: we mobilized resources to restart business from mid-April, with a major recovery in prospection business. We substantially increased our commercial activities, targeting resilient business sectors, and allocating additional resources. Our sales teams were strengthened both in number and expertise, and, for the firm, business development is our top priority. Practically speaking, this means that all of our employees who can play a commercial role and are capable of making a difference are mobilized on a daily basis.

AR: The key word is agility. We have set up a steering division which meets weekly to ensure that we are present with clients who have maintained business levels, and that we are in contact with the appropriate representatives for client business. This means we are directly involved in transactions and in a position to fine-tune our initiatives and actions rapidly if necessary. Similarly, and reflecting our core values,

full client satisfaction is our guiding principle. This is all the more important in a time of crisis. As such, our clients are more motivated to continue and step up their collaboration with Wavestone.

/ Have you reviewed or revised your value proposition to meet your clients' immediate needs?

AR: Our ambition is to be as close as possible to our clients on the ground, and to adapt thanks to our broad range of expertise. Wavestone is also keen to focus its efforts on areas of business that, in principle, are more resilient. These include: the pharma industry, utilities, financial services and the public sector. At the same time, the emphasis of our service offer is increasingly on current essential challenges such as cybersecurity, IT optimization, and operational efficiency.

/ What are your priorities today? What strategy have you implemented for the months ahead?

PH: Owing to the consequences of the crisis, we are preparing to overcome a drastically deteriorated economic environment in the 2020/21 fiscal year. We have developed a battle plan to achieve this involving restarting commercial activity, as we mentioned earlier. Today, we are ready to quickly adjust our commercial priorities as the shape of the market recovery becomes more distinct.

Apart from this drive to boost commercial activity, we have taken measures to adapt to the current economic backdrop. The freeze on hiring from mid-March has been maintained. A performance plan has also been implemented to lower the Group's breakeven level. It aims to generate €15m in savings over FY2020/21, excluding furlough mechanisms and without impacting our headcount.

Lastly, all Wavestone teams, regardless of function, practice, or business unit, are acting together to achieve a shared goal: protecting the firm's profita-

bility. Wavestone's 2021 strategic plan has been put on hold in favor of short-term initiatives.

/ What have you learned from the crisis? In what way will it change your area of business?

AR: With the limited perspective we have for now, I would say that the first lesson we have learned relates to teleworking: we became aware that we are perfectly capable of completing our assignments and offering full-value services, even remotely. The crisis was a genuine opportunity to save time and boost efficiency. We must capitalize on this to find the right balance between the efficiency inherent in remote working and the necessity of human contact which is an integral part of our business.

PH: We must absolutely avoid answering this question for now, as our focus could be distracted from essential matters and we could give the impression that the crisis is already behind us. The unprecedented nature of the crisis makes it difficult to learn from the past. For now, I believe that Wavestone has stepped up to the mark, in particular thanks to its strengths that were effective during previous crises: a strong commercial culture, collective employee engagement, and rapid adaptation, which translates in particular to quality steering. Note also that our solid financials before the outbreak of the crisis allowed us to tackle the shock of initial months. Moreover, they enabled us to pursue our number one priority: to do everything necessary to protect the firm's human capital.



Anne RÉGNIER

COMMERCIAL DIRECTOR

Focus on the Philadelphia office in the United States



Jeffrey VAIL
CEO WGROUP, A WAVESTONE COMPANY

Our clients now see us in a very different and positive light since the acquisition.

/ WGroup joined Wavestone a year ago. What drove this decision?

The ideal candidate was an organization that saw our Group as a strategic asset and was able to leverage our position for its own growth. We also wanted to benefit from new skill sets and new markets. Wavestone was a perfect fit for our needs and highly professional throughout the acquisition process.

/ How is the integration process going?

Integration is gradual and steady to enable necessary changes as we switch over to the Wavestone business model. Back-office, finance and HR activities will be integrated by the end of the current fiscal year. We are now focusing on commercial synergies: we work together on around 10 clients and are proud of the initial successes.

/ What added value does this provide for clients?

WGroup has always had limits that our clients have been aware of—we were exclusively US focused, we had no cybersecurity expertise and our delivery capacity was limited by our size. These limits have now been overcome: our clients now see us in a very different and positive light since the acquisition.

/ After one year, what are the main shared successes?

We have secured new shared assignments for about half a dozen clients with much more potential untapped. We see strong trends in cybersecurity and in supply chain management, specifically with Wavestone's Supply Chain team.

/ What are the main commercial challenges you face in the US in these unprecedented times?

The biggest challenge we face is uncertainty. Whether a client successfully rides out the crisis or not, they all face an uncertain future. The first consequence of such uncertainty is the implementation of cost-cutting measures. Our expertise in sourcing means we are well positioned to support clients in the implementation of these measures, and we have set up an arsenal of dedicated offerings to assist them.

/ As things stand, what are your priorities? What strategy have you implemented for the months to come?

Our priority is to emerge from this difficult period in better shape than we were before the crisis. We rapidly implemented appropriate cost-saving measures and we are now fully focused on the future. Clients need fresh perspectives for the future. All of the work we have accomplished over the past 15 years positions us as the best market player to support clients in successfully negotiating these testing times.

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.

A CONSULTING MARKET ON THE RISE IN 2019

In France, where Wavestone generates 85% of its revenue, the consulting market grew by 6.2% in 2019 (Source Global Research), after growing by 6.9% in 2018. Clients have shown an interest in transformation projects, based on new technologies.

However, the uncertain macroeconomic and political environment, characterized by the slowdown in world growth, Brexit or the trade war, and amplified by the health and economic crisis linked to Covid-19 epidemic, is holding back business investment and weighing on the demand for advice. The firm Source Global Research estimates that the consulting market could decline by -16% worldwide and -18% in Europe (estimations as of July 3rd, 2020).

THE COMPETITIVE ENVIRONMENT

Wavestone has four major types of competitor:

- Independent management consultancies: BearingPoint, Eurogroup Consulting, Sia Partners, PA Consulting etc.
- Consulting divisions of the "Big Four" international auditing firms: Deloitte, EY, KPMG, PwC.
- The consulting divisions of major IT consultants: Accenture, Capgemini Consulting etc.
- Niche players (sector, function or country-specific): Argon Consulting, Capco, Chappuis Halder & Co, Exton Consulting, Julhiet Sterwen, LHH, Stanwell Consulting, 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 the emergence of relevant responses and processes.

Supporting the most critical transformations



At the convergence of management & digital consulting, Wavestone supports leading companies and organizations in delivering their most critical transformations.

In a world where knowing how to drive transformation is the key to success, Wavestone's mission is to inform and guide large companies and organizations in their most critical transformations, with the ambition of a positive outcome for all stakeholders. As a true driver of change, we place our energy at the service of our customers' development, innovation, efficiency and resilience by creating the conditions that make everyone want to act. That's what we call "The Positive Way."

A mindset that drives our 3,000 consultants on a daily basis, and which is driven by our taste for challenge, our ability to imagine new paths and the pleasure of succeeding together.

Wavestone offers its clients a broad palette of expertise 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;
- strong technological expertise, anchored in Wavestone's DNA, that enables the firm to provide an unparalleled range of digital, technology and cybersecurity solutions.

In each of these areas, 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.

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

Three-fold sectoral, functional and technological expertise



Enhancing our collective knowledge

Each one of our employees has a unique pool of knowledge to 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.

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 win a sale or facilitate progress on a particular client 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.

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.

These communities are much more than simple business tools, because they enable Wavestone to put in place a philosophy that makes knowledge sharing a natural reflex. The bottom line is that everyone is empowered and has access to the resources needed to value their own experience.



One person in each project team is responsible for the 'project memory' and to ensure that all the documents are correctly filed and archived.



Client satisfaction, more essential than ever when facing a crisis

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.

STRONG INCREASE OF NPS (NET PROMOTER SCORE) TO 51.2

The 4th annual satisfaction survey was conducted in April 2020, with clients among all countries in which Wavestone is present.

Despite the context of the health crisis, the level of response remains high at 24.2%, compared to 26.6% last year.

The results of the survey show that **the satisfaction of our clients is at the best level in 4 years**. Among the dissatisfied clients, the proportion of those who consider we haven't managed it well enough falls to 27% this year compared to 39% in 2019. 94% of the clients say they are generally satisfied or very satisfied, which is a significant improvement compared to last year.

In addition, Wavestone's Net Promoter Score (NPS) is increasing

very significantly in 2020, from 29.7 in 2019 to 51.2 this year.

These results confirm our commitment to pursue the firm's investments, which aim to establish a genuine culture of client satisfaction within our teams over the long term. Priority this year will be given to increased implementation of tools enabling our teams to ensure the level of satisfaction of their clients at all key moments in the customer relationship (quality assessments during assignments, satisfaction feedbacks, etc), and to a tighter management of risks and dissatisfaction in order to restore, whenever necessary, a nominal situation as soon as possible.

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, 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.

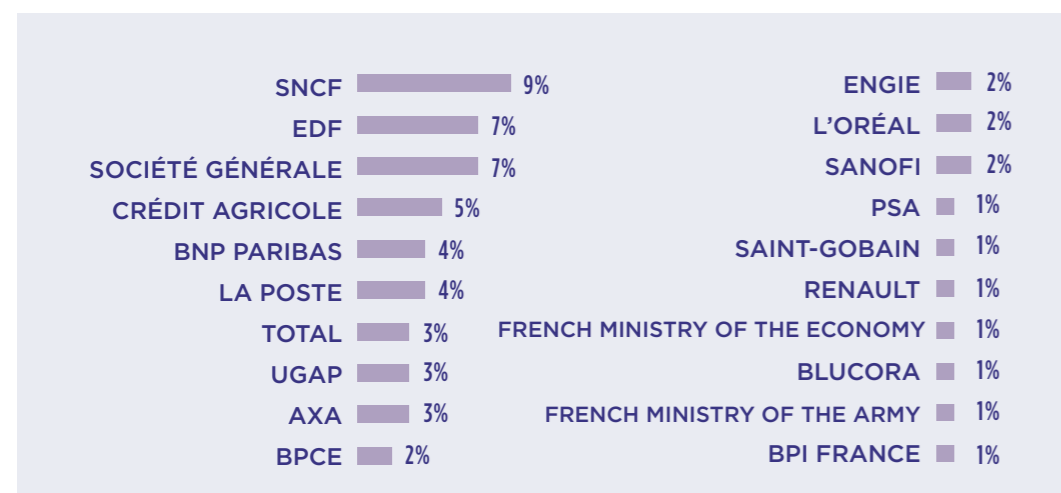
In each practice and office, client management is provided by a hybrid team of consultants and sales executives tasked with developing the full range of the Wavestone value proposition to all the clients it manages. This collaboration provides the stimulation required to guarantee that the solutions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

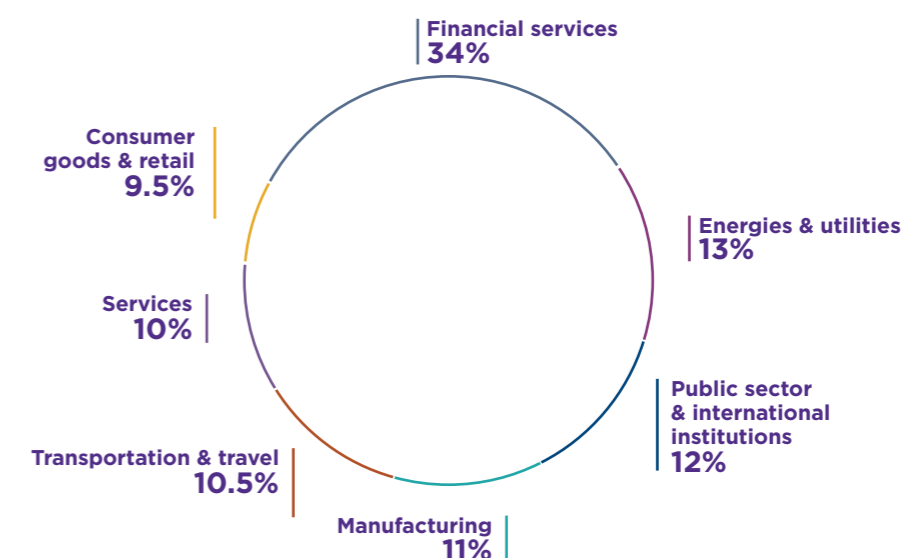
Our Top 20 clients of 2019/20:



Geographical breakdown of 2019/20 revenue:



Sectorial breakdown of 2019/20 revenue:



Maintaining client relationships and internal cohesion in times of crisis

INTERVIEW WITH FLORENCE NOIZET

Against the backdrop of the health crisis with our teams unable to physically meet, we asked ourselves what would be the best way to maintain client relationships and preserve team cohesion within the firm. Florence Noizet, partner and Digital & Emerging Technologies practice leader, answers our questions.



Florence NOIZET

**PARTNER & PRACTICE LEADER
DIGITAL & EMERGING
TECHNOLOGIES**

/ Against the backdrop of the Covid-19 health crisis, how did Wavestone manage to maintain relationships with clients despite social distancing restrictions?

Our teams naturally illustrated their agility. The international scope of our assignments under normal circumstances and the fact that our consultants must sometimes be

present at our clients' sites means that we are well-equipped to work remotely. Remote working is already a widespread practice at Wavestone and, in some ways, we were able to test the efficiency of our remote working practices during the strikes that occurred last December. In the vast majority of cases, assignments progressed without major issues.

While remote working does not hold us back in doing business, we did have to adjust and devise new practices to maintain our dialogs with client teams. Wavestone teams proved innovative and creative in organizing virtual breakfast meetings with clients, daily meetings to maintain regular contact, webinars to replace meetings which were initially meant to take place in-person, as well as remote workshops with collaborative tools such as Mural and Microsoft Teams. During this time, our teams created new ways of working to continue to meet our clients' needs. The goal was also to create moments that would mirror the important informal time usually spent with clients.

Regarding pre-sales, we were less used to working remotely in this area. In this regard, our takeaway is positive. We are becoming more efficient and making more pitches than usual. However, it is more complicated to forge relationships with a new clients who we have never met in person, only time will tell whether this will have an impact on business activity.

We discovered that maintaining and creating relationships when we are aware that the challenging backdrop is temporary is not as complicated as first thought. The real question is: is this sustainable over the long-term? The crisis could usher in cultural change and the creation of new types of client relations.

/ As practice leader, did you see any employee initiatives that promoted internal team cohesion?

This is a challenge for Wavestone. The practice that I lead is used to being divided (international context, consultants working at client sites) but our management approach ge-

nerally involves regular meetings. Fortunately, the collaborative tools available to us allowed us to remain in close contact with our teams.

The first driver of internal cohesion is to know how to mobilize all employees to engage in the business and the entrepreneurial adventure. This is all the more true during times of crisis: onboarding teams on internal projects, for instance, strengthening our commercial activity or our IT infrastructures for the Information System Division (ISD), adding to team skills via Agile or design thinking training courses to provide more value to clients, and all this happens remotely!

The second driver, this time from employees themselves, is a spirit of initiative, which is more essential now than ever. The crisis has taught us that we can innovate remotely. We did this with our clients, as mentioned above, but also internally via e-coffee, online music festivals, Name That Tune-style games, suggestion boxes to prepare for the post-lockdown period, etc. Our teams' unrivaled imagination and ingenuity was clearly apparent in the search for ways to make up for the lack of human contact. We will continue with some of these initiatives when we return to our offices.

/ Do you view Wavestone's Digital Workplace offering as a "crisis-management solution"? Have you seen a surge in demand?

Our Digital Workplace offering and, more broadly, on the New Ways of Working are a response to the need to work differently in the Digital age. It involves implementing collaborative tools, adapting work spaces, real estate policy, and the HR model and overhauling processes. What is the ideal model that combines efficiency, social cohesion, economic performance, meaning for employees as well as data security?

The crisis has accelerated the transformation of this business model. However, not all businesses are at the same level of maturity: large accounts are already well equipped and the shift to an even more efficient environment is more a budget than a crisis issue. For companies in certain sectors, such as banking and the public sector, the crisis has called into question obstacles standing in the way of fully-digital work environments. Lastly, mid-market companies have sometimes been faced with complicated situations and the crisis will undoubtedly force them to adjust their business models.

For companies, now is the time to rethink the employee experience: to modernize work environments, for example, with the implementation of new tools, new training courses offered by HR teams, etc. These areas are valuable potential performance drivers and the Covid-19 crisis accelerated uptake.

A case in point is that during lockdown, together with client Digital Workplace teams at large accounts, we managed the Covid-19 crisis activity responsible for change in the workplace and also provided remote training on collaborative tools to these companies.

However, we must remember that the business models applied to offset the consequences of the health crisis are temporary and they will have to be reinvented to remain sustainable long-term.

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.

ATTRACTING TOP CANDIDATES

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, with a real potential for development within the firm. The recruitment plan includes a high percentage of new graduates from the most prestigious French (engineering and management) graduate schools and universities. A team of around fifty employees is dedicated to recruitment, almost half of which are consultants mobilized for an internal mission. This team is 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. This mobilization completes a diversified sourcing strategy: an annual candidate referral campaign, a preemployment trainee scheme, recruitment agency partners, events dedicated for students and candidates, etc.

In order to attract the most talented people in an extremely competitive sector, Wavestone has adopted a distinctive position for its candidates. The firm makes a point of addressing each phase of recruitment as a special opportunity for interaction during which it pays special attention to the quality of the experience for each applicant, regardless of the outcome of the recruitment process. This also involves the training of recruiters: everyone involved in recruitment at Wavestone is committed to applying strict guidelines on transparency, equal opportunities and professional recruitment methods.

ENSURING EMPLOYEE LOYALTY, A KEY CHALLENGE

In order to give everyone greater visibility on their career development prospects, career paths are formalized for all of the firm's functions. For any level of responsibility in a given job, the expected skills and the remuneration are clearly defined and are the same for all.

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 supports them in this new responsibility. 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.

Particular attention is paid to the well-being of the teams. Managers are the main guarantors of this collaborative experience, through a proximity management mobilizing more than 300 Career Development Managers, supported by HR representatives (approximately 1 for every 140 employees). The firm also offers flexibility in the way work is structured with a teleworking system designed as an organizational facility. Wavestone also puts measures in place that make life simpler for employees with children-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 is convinced that attracting the best talent and making them want to stay in the firm can only be achieved through their active participation in the corporate plan of the firm.

Employees contribute to applying every aspect of Wavestone strategy (HR, recruitment, finance, communications, internal audit, etc.) including by delivering part-time or full-time internal assignments in our central services departments. Initiative is also encouraged as a way of facilitating the emergence of ideas that will shape the Wavestone of tomorrow. For example, Wavestone assets such as Creadesk and 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 everyone to put forward an idea, project or discussion topic with the potential to

change the company.

The *Global Corporate Event*, which brought together more than 3,000 employees from all over the world in Paris in June 2019, illustrates this pleasure of succeeding together. The morning was dedicated to the spirit of initiative and co-creation: everyone was able to take part in one of the 200 workshops organized by the employees themselves on the themes and formats of their choice (climate fresco, cybersecurity sensibilization, HR topics, etc). For the occasion, a temporary site had been specially created on the square in front of La Défense in Paris to encourage meetings and exchanges between employees of all backgrounds.

In the more recent context of lockdown, a *Global Talk*, bringing together employees from all offices, has been organized which allowed everyone to ask varying questions (HR, crisis management, strategic vision, business situation, etc.) to the firm's management.

HR labels and certifications

2019

Happyindex®
AtWork

2019



2020

Great Place To Work.

Embodying and sharing our own values

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

Wavestone's CSR approach is built around four priorities and seven structural commitments.



Wavestone has set a goal of placing the firm in the Top 3 in its CSR category each year. Over the last four years we have succeeded, Wavestone topped the Gaia Rating for companies in the category of firms with revenue between €150m and €500m. To read the statement of extra-financial performance, go to page 75.

CSR is at the core of our strategy. It is one of the pillars of Wavestone's 2021 strategic plan and all our employees are committed to achieving this objective. Our approach is one of progress and implementing new initiatives every year. In 2019, for example, we formed a Disability Program with the role of providing personalized support to employees affected by a disability and improve their day-to-day lives. Also, more than 120 employees have carried out some forty skill-based sponsorship missions to support associations.



Hélène CAMBOURNAC
CSR MANAGER

A dynamic team thriving in a locked-down world

Faced with the restrictions imposed by social distancing, the firm's employees adopted new approaches to maintain links and contribute to energizing working life at the firm. The Covid-19 health crisis turned out to be an unexpected opportunity to invent various original new ways of spending time together.

Shared moments

How can close ties be maintained while social distancing? Firm employees found not one but several answers to this question.

In the Digital & Emerging Technologies teams, a specialized task force rolled out a fully virtual e-festival, with a complete range of activities. "Cultural scene," "Musical scene," "Sport and Wellness scene," "Snacks and Drinks—At Bernadette's": the event included all the hallmarks of a genuine festival, except that it all took place online. This moment of sharing music and cultural activities allowed employees to end each week of remote working on a festive note. Almost everywhere, virtual break rooms popped up. Social distancing did not prevent our employees from continuing to share more informal moments and news of their daily lives, as if taking a coffee break. The idea was a big success, with an E-Café application rolled out throughout the firm. The concept: the app randomly selects another participating employee for you to share a 15-minute e-break with, the other employee may be from your own network or not.

Friendly competitions

Be they artistic, culinary or sporting, competitions were popular with many employees.

The CSE France team (staff representative committee) was particularly active in this respect. With a specially-created newsletter, it offered various challenges, including the "Children's drawings" or "Reproductions of celebrated works" competitions.

In an approach which was not concerted but nevertheless collective, the Swiss office also offered a number of challenges including the best remote working set-up photo competition as well as an Easter egg

Sporting activities

Faced with lockdown restrictions, sports enthusiasts also invented new approaches.

The New York office illustrated their prowess with the "Q2 Fitness Challenge": in less than one month, the 12 joggers who signed up reached their target of running 800 kilometers for the office as a whole. Thanks to the Nike Run Club application, each participant was informed when a

colleague went out for a run. As a result, even with social distancing measures, employees could run at the same time and motivate each other. In London, the 20 members of the Wavestone Running Club shared their weekly performance logs, photos and training program details, for running, walking and cycling activities. Meanwhile, the Luxembourg team adopted a different approach, with one employee hosting group exercise classes every Tuesday and Thursday at lunchtime. All told, either via individual or group efforts, together, all Wavestone employees rose to the challenge!

Social distancing did not prevent our employees from continuing to share more informal moments and news of their daily lives, as if taking a coffee break.

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 reality for everyone.

This operating model has been designed on the basis of three key principles:

- Ensuring appropriate implementation of the Wavestone value proposition
- Facilitating the formation of multidisciplinary teams and the international delivery of global assignments
- Maximizing synergies between units and guaranteeing a high level of operational performance

OPERATING MODEL

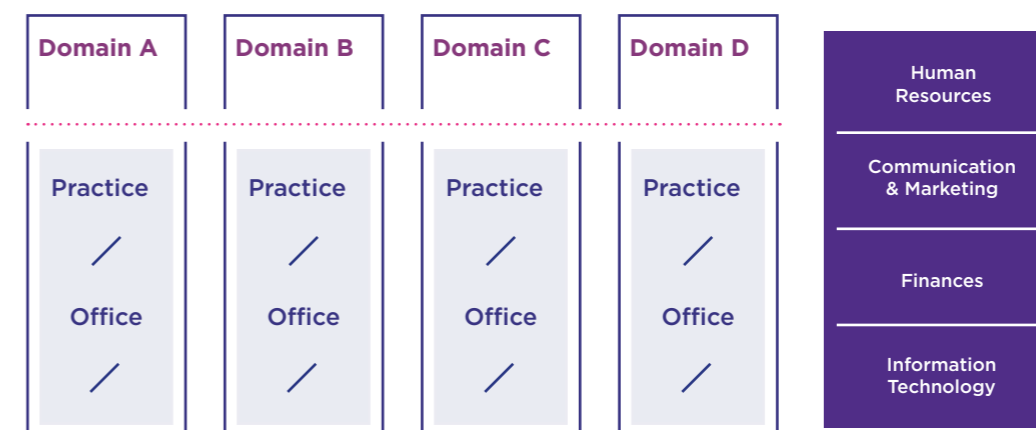
The key entity in the Wavestone operating model is the practice or office. A practice brings together those teams responsible for concentrating the expertise of Wavestone in one of its areas of excellence. Where critical mass has not been achieved in a given region, teams are brought together into an office, which then covers all the expertise associated with several areas of excellence. In June 2020, Wavestone had 22 practices and offices.

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 22 practices and offices are grouped into four domains. Since Wavestone has designed its operations at a global scale, the practices and offices within 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 14).



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.

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 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 et 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

Tiphane Bordier

Operations

Éric Baudin
Claude Bodeau
Loïc Carpentier
Guillaume Chassard
Philippe Dajean
Stéphane Denolle
Franck 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
Jeffrey Vail

Human Resources

Fanny Rouhet

Communication and marketing

Sarah Lamigeon

The members of the Management Board are:



Pascal IMBERT
CHIEF EXECUTIVE OFFICER



Patrick HIRIGOYEN
MANAGEMENT BOARD MEMBER

At 04/01/2020, the Supervisory Board had 7 members:



Michel DANCOISNE
CHAIRMAN OF THE
SUPERVISORY BOARD



Marie-Ange VERDICKT*
VICE-CHAIRMAN OF THE
SUPERVISORY BOARD



Christophe AULNETTE*
SUPERVISORY BOARD
MEMBER



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

2019/20

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MANAGEMENT REPORT

01

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Management Board report presented to the combined ordinary and extraordinary shareholders' Meeting of 07/28/20

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.

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

- "Management Board Report - *Risk factors and their 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 06/02/20, the Group's Supervisory Board approved the consolidated annual financial statements at 03/31/20, 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.

Annual growth of +8% in 2019/20

Over the 2019/20 fiscal year, Wavestone recorded a consolidated revenue of €422.0m, an increase of +8%. The impact of the lockdown measures, from mid-March onwards, affected this figure by approximately -€2m.

At constant scope and exchange rates (excluding Metis Consulting and WGroup), annual growth stood at +2%.

Almost 3,500 employees at the end of the 2019/20 fiscal year

Wavestone maintained a strong recruitment dynamic throughout the year until the decision was made, in mid-March, to freeze hiring – without, however, interrupting ongoing trial periods. Over the whole fiscal year, the Company achieved about 900 gross hires.

Staff turnover rates continued to fall, reaching 14%, compared with 18% in the previous fiscal year.

At 03/31/20, Wavestone had 3,498 employees, compared with 3,094 a year earlier.

Consultant utilization rate under pressure at the end of the fiscal year; sales prices remain strong

Consultant utilization rate for the fiscal year fell to 71%, compared with 75% in 2018/19, while absorbing a sustained rate of hiring. Utilization rate came under particular pressure in Q4, falling to 69%. This reflected a dip at the start of the calendar year and the public-health crisis introduced in the final weeks of the fiscal year.

Prices remained solid in 2019/20, benefiting, in particular, from the contribution of WGroup. The annual average daily rate rose to €878, compared with €872 a year earlier. Excluding WGroup, sales prices fell by about -1%.

At 03/31/20, the firm's order book stood at 3.5 months of work, compared with 3.6 months at 03/31/19.

EBIT margin of 13.2%, in line with the target

EBIT for the fiscal year amounted to €55.7m, compared with €55.2m for 2018/19. The EBIT margin stood at 13.2%, in line with the target set at the start of the year, and despite the fall in consultant utilization rate and the consequences of Covid-19.

The application of IFRS 16 from the start of the 2019/20 fiscal year, which required transfers between “external charges” and “depreciation and provisions”, resulted in a +€0.1m increase in EBIT.

Operating income amounted to €53.5m in 2019/20. In addition to the amortization of client relationships, this includes -€0.6m of other operating income and expenses, of which -€1.3m was linked to the acquisition of WGroup and +€1.2m resulted from the non-payment of a proportion of Metis Consulting's earnouts.

The cost of financial debt has seen a rise due to one-off charges linked to the putting in place of a new financing contract. Other financial income and expenses, including exchange rate effects and the cost of hedging instruments, stand at -€1.2m.

After taking into account taxation, group share of net income was €31.1m. As a result, the net margin stood at 7.4%, compared with 7.9% for the previous fiscal year.

Cash flow from business activities of €55.3m in 2019/20

As a result of solid profitability in the fiscal year and a controlled trade receivables position, cash flow linked to business activity amounted to €55.3m. It should be noted that this figure benefited to a level of €6.6m from the application of IFRS 16.

Investment transactions reached €29.5m over the fiscal year, of which €24.9m was related to the acquisition of WGroup. Flows related to financing consumed €11.2m; of this, €4.6m was due to the payment of dividends and €3.5m due to share buybacks.

At the end of March 2020, Wavestone signed a new financing contract with its banking partners, which replaces the previous arrangements. In addition to refinancing existing debt and extending its term, this contract has enabled the firm to acquire new lines of credit to pursue external growth and to increase the line reserved for financing its working capital needs to €30m. Against the backdrop of the Covid-19 epidemic, Wavestone made full use of this latter in late March.

Available cash and cash equivalents of €65.1m at 03/31/20

At the end of the 2019/20 fiscal year, Wavestone's consolidated equity amounted to €177.1m, for a net financial debt (excluding lease liabilities) of €29.1m, compared with €38.7m at the end of March 2019.

At 03/31/20, the firm's available cash and cash equivalents amounted to €65.1m.

It should be noted that Wavestone's cash position has not benefited from the financial support measures put in place by French government to deal with the Covid-19 epidemic. Also, the firm has chosen not to refinance its trade receivables position.

Given the current business climate and the implementation of short-time working measures, the Company's Management and Supervisory Boards will propose to the annual general shareholders' Meeting on July 28 that no dividend should be paid for the 2019/20 fiscal year.

In the same vein, the members of the Management Board will forgo receiving the variable parts of their remuneration for the 2019/20 fiscal year. In addition, the members of Wavestone's Supervisory Board have decided to reduce remuneration for their activities by 25% for the same fiscal year.

A severely degraded market for consulting in the coming months

Wavestone is preparing to face severely degraded economic conditions during the 2020/21 fiscal year, due to the consequences of the Covid-19 epidemic.

After prioritizing their immediate response to the public-health crisis, companies are now turning attention to managing the consequences of the epidemic on their business activity. This second phase has been marked by a manifest wait-and-see attitude, investment trade-offs and widespread cost-saving measures.

The market for consulting is expected to be strongly affected by these in 2020. Source Global Research estimates that demand could fall by -18% worldwide and -20% in Europe. This reduction is likely to go hand in hand with renewed pressure on prices and stiffer competition.

An update on Wavestone's business activity at the end of May

Over April and May, business activity experienced a reduction of about -15% to -20%, compared with the pre-lockdown situation.

Over June, the firm expects activity levels to be broadly similar to April and May. For the whole of Q1 2020/21, the consultant utilization rate is expected to be close to 60%.

To arrest this sharp fall, the Company is using vacation-leave measures and short-time-working arrangements (which applied to about 12% of the firm's fee-earning staff over April and May).

Despite the fall-off in activity, the firm's cash position remained robust, and was even strengthened at the end of May as a result of a good level of inflow from trade receivables.

On business development, order intake has been severely disrupted since mid-March. However, it is likely to slightly improve in June. Clarity on clients' future plans and appetite for projects has also been limited. Price effects remain moderate at present, although negotiations are more tenuous and requests to renegotiate agreements are starting to appear.

Q2 (July-September) could be marked by a further deterioration in business activity, due to low order intake since the beginning of the crisis and the effects of the cost-saving plans being developed by some clients.

A battle plan for 2020

To address the challenges of this turbulent period, Wavestone will draw on the strengths that have proved effective during previous crises: a dedicated sales force, developing a large portfolio of major accounts, the agility to focus on different sectors, and the commitment and team spirit of the Company's employees.

In this respect, from mid-April, the Company has strongly revitalized its commercial activities - by strengthening its business development teams, mobilizing additional presales consultants and accelerating prospecting activities.

Wavestone is particularly focused on pharmaceuticals, utilities, financial services and the public sector, which are likely to be the most resilient areas. At the same time, the firm is majoring on the service offerings most in line with the period's challenges - such as cybersecurity, IT optimization, and operational efficiency.

The Company is also preparing to rapidly adapt its commercial priorities as the reshaped business environment unfolds.

Beyond this intensification of commercial activity, Wavestone has put in place measures to adapt to the new economic context.

The freeze on hiring, in place since mid-March, will be maintained.

A performance plan has been implemented to lower the firm's breakeven point. It aims to generate €15m in savings over the 2020/21 fiscal year, excluding the effects of short-time working arrangements and without any workforce-adjustment measure.

All Wavestone teams, whatever their function, practice, or office base, are aligned toward a common objective: the firm's profitability.

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:

$$\frac{\text{Revenue from services provided}}{\text{Number of days billed to clients}}$$

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.

Lastly, our strategic plan, Wavestone 2021, has been suspended for the time being in order to prioritize short-term actions; the pursuit of external growth has also been suspended.

Decision not to set financial targets for 2020/21

Given the highly uncertain nature of the current business environment, Wavestone does not believe it is in a position to set financial targets for the 2020/21 fiscal year.

The methods used to calculate the order book comply with IFRS 15.

2.2. Consolidated financial statements

The consolidated financial statements at 03/31/20 comprised the financial statements of Wavestone SA, Wavestone Advisors UK, Wavestone Switzerland, Wavestone Advisors Morocco, Wavestone Advisors and its subsidiaries (Wavestone US and its subsidiaries WGroup and WGroup Consulting India, Wavestone Luxembourg, Wavestone Belgium, Wavestone Consulting Switzerland and Wavestone HK), M3G and its subsidiaries (Metis Consulting, Metis (Shanghai) Management Consulting and Metis Consulting HK), and Xceed Group (Holdings) and its subsidiaries (Xceed Group, Wavestone Consulting UK, Xceed (2007)).

At end-March 2019, 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, Wavestone HK), Xceed Group (Holdings) and its subsidiaries (Xceed Group, Wavestone Consulting UK, Xceed (2007)), and M3G and its subsidiaries (Metis Consulting, Metis (Shanghai) Management Consulting, Metis Consulting HK).

(In thousands of euros)

	2019/20	2018/19	% change
Revenue	422,042	391,530	8%
EBIT	55,700	55,243	1%
Operating profit	53,521	52,430	2%
Net income, Group share	31,140	30,770	1%

At end 2019/20, consolidated revenue amounted to €422,042k, representing an 8% increase on the 2018/19 figure of €391,530k.

Operating income on ordinary activities stood at €55,700k (after employee profit-sharing), up 1% on the previous year's figure of €55,243k.



Taking into account other non-recurring operating charges, operating income amounted to €53,521k, stable compared with the 2018/19 figure of €52,430k.

Customer-relationship intangible asset depreciation amounted to €1,553k.

Other operating charges break down as follows:

- (€1,337k) in acquisition costs;
- net cost of operations related to the management of the premises (moving...) for (€489k);
- non-payment of part of the Metis earn-out for €1,200k.

The cost of net financial debt of €2,177k over the period comprised financial income of €8k and financial expenses of €2,185k. The cost of net financial debt for the previous year amounted to €1,678k. This increase is mainly the result of the costs incurred for the March 2020 refinancing operation.

(In thousands of euros)

Non-current assets	
<i>o/w goodwill</i>	
Current assets (excluding cash)	
Cash and cash equivalents	
Shareholders' equity	
Non-current liabilities	
<i>o/w financial liabilities</i>	
Current liabilities	
<i>o/w financial liabilities</i>	
Total balance sheet	

	03/31/20	03/31/19	% change
Non-current assets	232,750	177,409	31%
<i>o/w goodwill</i>	166,482	140,621	18%
Current assets (excluding cash)	151,690	156,112	-3%
Cash and cash equivalents	65,131	50,709	28%
Shareholders' equity	177,142	150,810	17%
Non-current liabilities	101,993	81,803	25%
<i>o/w financial liabilities</i>	56,076	65,703	-15%
Current liabilities	170,435	151,618	12%
<i>o/w financial liabilities</i>	38,179	23,720	61%
Total balance sheet	449,571	384,230	17%

The consolidated Group boasted net cash of €177,142k at end-March 2020, up 17% from €150,810k at end-March 2019.

Restated for bank borrowings (overdrafts and accrued interest), net cash was up from €50,592k at end 2018/19 to €65,068k at end-March 2020.

Other financial income and expenses amounted to (€1,242k), and include in particular the net cost of financial instruments for (€1,103k). This line was (€120k) for the previous year.

Pre-tax income over the period declined by 1% compared with the previous fiscal year, from €50,631k to €50,101k.

Income tax expense in 2019/20 amounted to €18,961k, versus €19,861k the previous year.

Net income for the period rose 1% year-on-year to €31,140k, from €30,770k.

Given the absence of non-controlling interests, the Group share of net income also rose 1% in 2019/20 to €31,140k from €30,770k.

Financial liabilities totaled €94,255k at end-March 2020, versus €89,422k the previous year. Excluding bank overdrafts, financial liabilities came to €94,192k, solely related to bank loans and miscellaneous borrowings. For the record, financial liabilities before bank overdrafts totaled €89,306k at end-March 2019.

Wavestone posted net debt⁽¹⁾ of (€29,124k) at end-March 2020, versus net debt of (€38,714k) in 2018/19.

(1) Gross cash less financial liabilities.

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

(In thousands of euros)	03/31/20	03/31/19
Gross cash flow margin ⁽¹⁾	49,371	43,071
Change in working capital requirements	5,927	(10,448)
Net cash flow from operating activities	55,298	32,622
Net cash flow from investments	(29,530)	(23,314)
Net cash flow from financing operations	(11,168)	(11,114)
Change in cash and cash equivalents	14,599	(1,806)

(1) After cost of net financial debt and current tax expenses.

These mainly include:

- a gross cash flow margin of €49,371k, plus a €5,927k decrease in working capital requirements giving a net cash flow from operations of €55,298k over the period;
- cash outlays related to changes in the scope of consolidation in the amount of €26,615k;
- investments amounting to €3,062k;
- treasury shares purchases for €3,522k;
- a dividend payout of €4,572k.

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 €332,128k, representing a 7% increase on the 2018/19 figure of €308,967k.

Operating income, before employee profit-sharing, was down 8% year-on-year from €49,472k to €45,323k, resulting in an operating margin of 14%, versus 16% at end-March 2019.

The Company recorded €356k in financial income in fiscal 2019/20, compared with a financial income of €113k at end-March 2019, which can be broken down as follows: €3,034k in income from equity holdings, (€128k) from net additions to and reversals of financial provisions, (€80k) from net forex losses, €139k in interest received on cash investments, (€1,114k) from net cost of financial instruments and (€1,086k) in interest and coupon payments.

Exceptional losses totaled (€212k) over the period, of which (€157k) relating to a market penalty, (€68k) in net capital losses generated on the liquidity contract, and (€51k) corresponded to fines and penalties. The Company recorded an exceptional loss of (€2,017k) in the previous fiscal year.

Income tax came to €11,560k in 2019/20, compared with €11,868k the previous year.

Employee profit-sharing amounted to €3,896k in 2019/20, compared with €4,162k in 2018/19.

Taking all the above into consideration, net income came to €30,010k at the fiscal year-end, compared with €31,538k at end-March 2019.

Shareholders' equity totaled €189,925k at end-March 2020, an increase on the previous year's figure of €164,487k.

Factoring in the bank loan of (€95,017k), net debt at end-March 2020 was (€36,037k), compared with (€50,105k) at end-March 2019.

2.4. Trade payables and receivables

In accordance with the regulatory provisions of the French Commercial Code (Articles L.441-6-1 and D.441-4), 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.

(in euros)	Term not expired	Article D.441 I-1: invoices received unpaid on year-end date with an expired deadline					Term not expired	Article D.441 I-2: invoices issued unpaid on year-end date with an expired deadline				
	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	524					104	2,081					496
Total amount of invoices concerned, incl. tax	19,266,672	282,384	38,723	80,960	830,709	1,232,777	57,086,161	3,515,984	2,904,017	765,160	6,151,851	13,337,012
Percentage of total amount of purchases in the fiscal year, incl. tax	12.7%	0.2%	0.0%	0.1%	0.5%	0.8%	13.5%	0.8%	0.7%	0.2%	1.5%	3.2%
(B) Invoices excluded from (A) related to debt and contested or unrecognized receivables												
Number of invoices			6						57			
Total amount of invoices concerned, incl. tax (€k)			65						495			
(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 2020, accrued trade payables comprised payments due to external suppliers in the amount of €11,559k and to internal suppliers in the amount of €12,642k.

Unbilled receivables at the end of the period comprised payments owed by external suppliers in the amount of €33,231k and by internal suppliers in the amount of €10,060k.

2.5. Legal developments in 2019/20

2.5.1. Acquisition of WGroup

Founded in 2004 and headquartered in Philadelphia (Pennsylvania, United States), WGroup is an IT executive management consultancy focused on delivering IT strategy, cost optimization, and operational improvement advisory services to IT leaders in large enterprises across North America.

The Company's experience spans multiple verticals such as Healthcare and Insurance, Media & Entertainment, Global Manufacturing, Retail and Financial Services. WGroup team

is comprised of approximately 100 team members, including 50+ permanent employees. For its last calendar year (ended 12/31/18), WGroup recorded consolidated revenue of \$26.1m (approximately €23.3m), up 16%, and an adjusted EBITDA margin of circa 15%.

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

The transaction takes the form of a 100% acquisition of WGroup by Wavestone.

WGroup's leadership team is fully committed to the merger. Jeffrey Vail, its CEO, joins Wavestone's Executive Committee and is to take the lead of Wavestone's business in the US after the post-merger integration program.

The purchase price is \$22.0m in enterprise value, plus an additional consideration of up to \$8.5m conditioned by the firm's performance in 2019 and 2020. The earn-out related to the 2019 performance has already been paid in full, in the amount of \$5m.

The acquisition has been paid in cash and funded through an existing credit line negotiated with Wavestone's banks.

WGroup is consolidated in Wavestone's accounts as of 08/01/19.

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

Michel Dancoisne, Chairman of the Supervisory Board, informed Wavestone of a transaction to reclassify part of his shareholding, with no impact on control of the Company.

On 12/10/19, Michel Dancoisne transferred 2,827,509 Wavestone shares, equivalent to 14.00% of the share capital, to FDCH, a family holding company which he controls. The transfer involved selling 172,477 shares⁽¹⁾ and contributing 2,655,032 shares to FDCH, with Michel Dancoisne retaining 1,195,179 shares directly.

At the same time, on 12/10/19, Michel Dancoisne also donated FDCH shares to his daughter, Delphine Chavelas, and his grandchildren, with the specification that he retains the majority of the shares and sole control of FDCH. The transaction was performed for the purpose of organizing and managing the succession of Michel Dancoisne's shareholding in Wavestone.

Upon conclusion of these transactions, the enlarged concert, now made up of Pascal Imbert-Chairman of the Wavestone Management Board, FIH (family holding company controlled by Pascal Imbert), Michel Dancoisne, FDCH (family holding company controlled by Michel Dancoisne) and Delphine Chavelas holds 54.66% of Wavestone's capital (versus 48.58% before the transaction owing to the inclusion of Delphine Chavelas in the concert) and 57.03% of voting rights (versus 55.05% before the transaction, owing to the loss of double voting rights on the shares transferred to FDCH and also the inclusion of Delphine Chavelas in the concert).

At its Meeting of 12/03/19, the French Financial Markets authority, the *Autorité des marchés financiers*, granted FDCH, Delphine Chavelas and the enlarged concert, an exemption⁽²⁾ from the obligation to file a proposed public offering for Wavestone shares.

2.5.3. Swiss companies merger

To continue the simplification of its legal structure, the Group merged Wavestone Consulting Switzerland, a company governed by Swiss law, into the Company Wavestone Advisors Switzerland on 12/10/19.

From an accounting perspective, all merger-related costs had been booked by the absorbing company with retroactive effect from 10/01/19.

After the dissolution without liquidation of the absorbed company, its assets were transferred to Wavestone Advisors Switzerland.

Upon completion of the transaction, Wavestone Advisors Switzerland was renamed as Wavestone Switzerland on 01/30/20.

2.5.4. 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 04/27/20, 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).

2.5.5. Free share allocation

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

2.6. Post-closure events

Refer to paragraph 1. Key events and outlook.

(1) At €25.00 per share, the closing price on 12/10/19.

(2) AMF document no. 219C2568, 12/04/19.

2.7. Subsidiaries and equity holdings

Information on subsidiaries and equity holdings

12-month fiscal year ended 03/31/20 unless otherwise indicated.

(in thousands of euros) Companies	Country	Revenue	Real growth rate	Real growth rate fixed rates	Operating income	Operating margin (%)
Wavestone Advisors UK Ltd	United Kingdom	7,385	10%	9%	-247	-3%
Wavestone Switzerland Sàrl ⁽¹⁾	Switzerland	9,488	n/a	n/a	-181	-2%
Wavestone Advisors (SAS)	France	112,061	3%	3%	5,410	5%
Wavestone US Inc	United States	6,913	3%	-1%	-2,101	-30%
Wavestone Luxembourg SA	Luxembourg	5,793	-49%	-49%	-1,653	-29%
Wavestone Belgium SA	Belgium	2,126	39%	39%	146	7%
Wavestone Advisors Morocco (SARL)	Morocco	2,197	-14%	-16%	284	13%
Wavestone Consulting Switzerland Sàrl ⁽²⁾	Switzerland	1,791	n/a	n/a	-81	-5%
Wavestone HK Ltd	Hong Kong	1,714	18%	13%	629	37%
Xceed Group (Holdings) Ltd	United Kingdom	0	n/a	n/a	-6	n/a
Xceed Group Ltd	United Kingdom	0	n/a	n/a	-7	n/a
Wavestone Consulting UK Ltd	United Kingdom	8,760	-39%	-39%	190	2%
Xceed (2007) ⁽³⁾	United States	0	n/a	n/a	10	2,468%
M3G ⁽⁴⁾	France	0	n/a	n/a	-51	n/a
Metis Consulting ⁽⁴⁾	France	9,384	n/a	n/a	1,688	18%
Metis HK ⁽⁴⁾	Hong Kong	0	n/a	n/a	-20	n/a
Metis (Shanghai) Management Consulting ⁽⁴⁾⁽⁵⁾	China	0	n/a	n/a	-1	n/a
WGroup ⁽⁶⁾	United States	19,096	n/a	n/a	3,156	17%
WGroup Consulting India ⁽⁶⁾	India	0	n/a	n/a	24	n/a

(1) Merger of Wavestone Consulting Switzerland into Wavestone Advisors Switzerland on 10/01/19, change compared to the previous year not applicable.

(2) 6-month fiscal year due to the merger of Wavestone Consulting Switzerland into Wavestone Advisors Switzerland on 10/01/19, variation compared to the previous fiscal year not applicable.

(3) The Company was liquidated on 03/27/20.

(4) In view of the Company's entry into the scope of consolidation on 11/01/18 for the 2018/19 fiscal year (4-month period), the change from the previous fiscal year is not applicable.

(5) 8-month fiscal year considering the liquidation of the Company as of 11/30/19.

(6) 8-month period ended 03/31/20, due to its consolidation scope as of 08/01/19, change compared to the previous 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 paragraph 2.5.1. 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 2019/20 fiscal year, Wavestone benefited from a research tax credit in respect of 2019 in the amount of €1,472k.

Dividends paid in the past three fiscal years:

Fiscal year	Number of shares for dividend payment ⁽¹⁾	Dividend per share ⁽²⁾	Portion of the dividend eligible for the 40% relief ⁽³⁾
03/31/19	19,877,822	€0.23	100%
03/31/18	5,004,501	€0.81	100%
03/31/17	4,929,431	€0.61	100%

(1) The Company's treasury shares are not eligible for the dividend. As a reminder, a division by 4 of the par value of the share was carried out on 09/04/18.

(2) Before deduction of taxes and social charges.

(3) All of the dividends paid by the Company are eligible for the deduction.

2.10. Debt policy

On 03/26/20, Wavestone renegotiated its financing contract with partner banks to extend the maturity of its debt, lower the cost and increase available credit lines. As a result, existing debt of €83.7 million was refinanced with €18.7 million in equity and by a new credit line for €65 million. This refinancing also enabled the implementation of (i) a €65 million credit line to fund future external growth transactions, and (ii) a €30 million

2.9. 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.

Due to the uncertain context in which the year 2020 will unfold, the Management Board has decided not to submit to the Shareholders' Meeting of 07/28/20 the distribution of a dividend in respect of fiscal year 2019/20.

credit line to fund the firm's working capital requirements (WCR). Also, an additional unconfirmed credit line for €60 million was included to fund future external growth transactions.

At end-March 2020 and in light of the Covid-19 crisis, the firm decided, as a precautionary measure, to draw down its entire WCR credit line.

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 03/31/20:

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	11,163,433	55.27%	13,923,223	58.04%	13,923,223	58.83%
<i>Pascal Imbert</i>	941,978	4.66%	1,883,956	7.85%	1,883,956	7.96%
<i>FIH (family holding company of Pascal Imbert)⁽³⁾</i>	4,847,158	24.00%	4,847,158	20.21%	4,847,158	20.48%
Subtotal Pascal Imbert	5,789,136	28.66%	6,731,114	28.06%	6,731,114	28.44%
<i>Michel Dancoisne</i>	1,195,179	5.92%	2,390,358	9.96%	2,390,358	10.10%
<i>FDCH (family holding company of Michel Dancoisne)⁽⁴⁾</i>	2,827,509	14.00%	2,827,509	11.79%	2,827,509	11.95%
Subtotal Michel Dancoisne	4,022,688	19.92%	5,217,867	21.75%	5,217,867	22.05%
<i>Delphine Chavelas</i>	1,228,400	6.08%	1,746,800	7.28%	1,746,800	7.38%
Subtotal Dancoisne - Chavelas family	5,251,088	26.00%	6,964,667	29.03%	6,964,667	29.43%
Patrick Hirigoyen	86,453	0.43%	159,170	0.66%	159,170	0.67%
Other directors and corporate officers	36,756	0.18%	68,272	0.28%	68,272	0.29%
Employees	1,655,746	8.20%	2,317,948	9.66%	2,317,948	9.79%
Treasury stock	323,968	1.60%	323,968	1.35%	0	0.00%
Free float	7,053,345	34.92%	7,424,551	30.95%	7,424,551	31.37%
Total	20,196,492	100.00%	23,989,690	100.00%	23,665,722	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.

(4) Michel Dancoisne retains the majority of shares and exclusive control of FDCH.

Total voting rights attached to registered shares: 16,424,872 (1) for 12,631,674 shares.

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

Total bearer shares with single voting rights: 20,196,492 - 12,631,674 = 7,564,818 (2).

Total theoretical voting rights: (1) + (2) = 23,989,690.

Total shares in treasury: 323,968 (3).

Total exercisable voting rights: (1) + (2) - (3) = 23,665,722.

According to a review of identifiable registered and bearer shares on 03/31/20, approximately 62% of the shares were held by institutional funds and 38% 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 26.00% by the Dancoisne - Chavelas family. Acting in concert, these shareholders jointly own 54.66% of the Company's capital and 57.87% of the exercisable voting rights at 03/31/20.

The analysis of identifiable bearer shares on 03/31/20 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 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, Benjamin Clément and Christophe Aulnette (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 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:

Shareholders	03/31/20 ⁽³⁾				03/31/19 ⁽³⁾				03/31/18 ⁽³⁾			
	Number of shares ⁽¹⁾	% capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% capital	% of theoretical voting rights	% of exercisable voting rights
Executive and corporate officers⁽²⁾	11,163,433	55.27%	58.04%	58.83%	11,170,833	55.31%	62.59%	63.17%	2,796,439	56.30%	69.30%	69.64%
<i>Pascal Imbert</i>	941,978	4.66%	7.85%	7.96%	941,978	4.66%	7.03%	7.10%	1,447,284	29.14%	37.06%	37.24%
<i>FIH (family holding company of Pascal Imbert)</i>	4,847,158	24.00%	20.21%	20.48%	4,847,158	24.00%	18.09%	18.26%	-	-	-	-
Subtotal P. Imbert	5,789,136	28.66%	28.06%	28.44%	5,789,136	28.66%	25.13%	25.36%	1,447,284	29.14%	37.06%	37.24%
<i>Michel Dancoisne</i>	1,195,179	5.92%	9.96%	10.10%	4,022,688	19.92%	30.03%	30.32%	1,005,672	20.25%	25.75%	25.88%
<i>FDCH (family holding company of Michel Dancoisne)</i>	2,827,509	14.00%	11.79%	11.95%	-	-	-	-	-	-	-	-
Subtotal M. Dancoisne	4,022,688	19.92%	21.75%	22.05%	4,022,688	19.92%	30.03%	30.32%	1,005,672	20.25%	25.75%	25.88%
<i>Delphine Chavelas</i>	1,228,400	6.08%	7.28%	7.38%	1,228,400	6.08%	6.52%	6.58%	307,100	6.18%	5.59%	5.62%
Subtotal Dancoisne - Chavelas family	5,251,088	26.00%	29.03%	29.43%	5,251,088	26.00%	36.55%	36.90%	1,312,772	26.43%	31.34%	31.50%
Patrick Hirigoyen	86,453	0.43%	0.66%	0.67%	90,953	0.45%	0.63%	0.63%	24,338	0.49%	0.62%	0.62%
Other directors and corporate officers	36,756	0.18%	0.28%	0.29%	39,656	0.20%	0.28%	0.28%	12,045	0.24%	0.27%	0.27%
Employees	1,655,746	8.20%	9.66%	9.79%	1,631,835	8.08%	8.21%	8.29%	296,471	5.97%	5.30%	5.32%
Treasury stock	323,968	1.60%	1.35%	0.00%	249,083	1.23%	0.93%	0.00%	37,551	0.76%	0.48%	0.00%
Free float	7,053,345	34.92%	30.95%	31.37%	7,144,741	35.38%	28.27%	28.54%	1,836,421	36.97%	24.92%	25.04%
Total	20,196,492	100.00%	100.00%	100.00%	20,196,492	100.00%	100.00%	100.00%	4,966,882	100.00%	100.00%	100.00%

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

(2) Messrs Dancoisne and Imbert as well as Mrs. Delphine Chavelas are acting 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.

There were no significant disposals of shares by corporate officers as at 03/31/20.

To recap, Michel Dancoisne completed this year an intra-group reclassification that had no impact on control of the Company (see 2.5.2.).

3.1.2. Crossing shareholding thresholds and declarations of intent

Crossing shareholding thresholds and declarations of intent on 04/03/19

In a letter received on 04/03/19, the FIH⁽¹⁾ company, acting together with Messrs Pascal Imbert and Michel Dancoisne declared having crossed above the 5%, 10%, 15%, 20%, 25%, 30%, and 1/3 shareholding and voting rights thresholds and the 50% threshold for voting rights of the Wavestone group. Together, they declared that they held 9,811,824 Wavestone shares representing 14,776,490 voting rights, i.e. 48.58% of the share capital and 55.16% of the Firm's voting rights⁽²⁾.

At that time, (i) Mr. Michel Dancoisne declared having individually crossed above the 30% threshold for voting rights in the firm as a result of the reduction in Wavestone voting rights, (ii) FIH⁽¹⁾ declared having individually crossed above the 5%, 10% and 15% thresholds for shares and voting rights and the 20% threshold for shares in the Firm, and (iii) Mr. Pascal Imbert declared that he had broken below the 30% threshold for voting rights and the 25%, 20%, 15% and 10% threshold for shares and voting rights, and below the 5% threshold for shares in the Firm.

In the same letter, the FIH⁽¹⁾ group, acting alone and jointly declared its intentions.

The crossing of the 30% shareholding and voting rights threshold for Wavestone by FIH⁽¹⁾ as well as the crossing of the 30% voting rights threshold in Wavestone by Mr. Michel Dancoisne were subject to a special exemption from the requirement to file a proposed public offer confirmed by the D&I 219C0493 decision of 03/20/19.

Crossing threshold declaration of 08/07/19

By letter received on 08/07/19, Mr. Michel Dancoisne declared, that on 08/05/19, he had individually crossed below the threshold of 30% of Wavestone's share capital. On that specific date, he held 4,022,688 Wavestone shares, representing 8,045,376 voting rights, i.e. 19.92% of the share capital and 29.95% of the Firm's voting rights⁽³⁾.

The crossing of this threshold arose from an increase in the voting rights of Wavestone.

On this occasion, the concert formed by FIH⁽¹⁾, Pascal Imbert and Michel Dancoisne did not cross any threshold and holds, 9,811,824 Wavestone shares representing 14,776,490 voting rights, i.e. 48.58% of the share capital and 55.00% of the Firm's voting rights⁽³⁾.

Declarations of crossing shareholding thresholds and declarations of intent on 12/17/19

By letter received on 12/12/19, and a further letter on 12/16/19, the French Financial Markets authority (AMF) was notified of the crossing of the following thresholds, effective on 12/10/19:

- Mr. Michel Dancoisne declared the following: he had individually crossed below the 25% and 20% thresholds for voting rights and the 15% and 10% thresholds for shares and voting rights and he individually held 1,195,179 Wavestone shares representing 2,390,358 Wavestone voting rights, i.e. 5.92% of the share capital and 9.95% of the Firm's voting rights⁽⁴⁾;
- FDCH⁽⁵⁾ declared having individually crossed above the 5% and 10% thresholds for shares and voting rights in Wavestone and individually holds 2,827,509 shares. This represents an equivalent amount of voting rights, i.e. 14.00% of the share capital and 11.77% of the Firm's voting rights⁽⁴⁾;
- Mr. Michel Dancoisne declared that he had directly and indirectly, via FDCH⁽⁵⁾, crossed below the 25% threshold for voting rights. Moreover, he directly and indirectly held 4,022,688 Wavestone shares representing 5,217,867 voting rights, i.e. 19.92% of the share capital and 21.73% of the Firm's voting rights⁽⁴⁾;
- Mrs. Delphine Chavelas, Mr. Michel Dancoisne and FDCH⁽⁵⁾, acting in concert, declared having crossed above the 5%, 10%, 15%, 20% and 25% thresholds for shares and voting rights of the Wavestone group. Together, they declared that they held 5,251,088 shares representing 6,964,667 voting rights, i.e. 26.00% of the share capital and 29.00% of the Firm's voting rights⁽⁴⁾;
- FDCH⁽⁵⁾, acting in concert with Mr. Pascal Imbert, FIH⁽¹⁾, Mr. Michel Dancoisne and Mrs. Delphine Chavelas, declared having crossed above the 5%, 10%, 15%, 20%, 25%, 1/3 and 50% thresholds for shares and voting rights in Wavestone. Together, they declared that they held 11,040,224 Wavestone shares representing 13,695,781 voting rights, i.e. 54.66% of the share capital and 57.03% of the Firm's voting rights⁽⁴⁾;

(1) Non-commercial company, domiciled at 90 rue Michel Ange, 75016 Paris, France, controlled by Mr. Pascal Imbert.

(2) Based on capital of 20,196,492 shares representing 26,790,744 voting rights.

(3) Based on capital of 20,196,492 shares representing 26,864,566 voting rights.

(4) Based on capital of 20,196,492 shares representing 24,014,536 voting rights.

(5) Non-commercial company, domiciled at 6 place de la Madeleine, 75008 Paris, France controlled by Mr. Michel Dancoisne.

- Mrs. Delphine Chavelas acting in concert with Mr. Pascal Imbert, FIH⁽¹⁾, Mr. Michel Dancoisne and FDCH⁽⁵⁾, declared having crossed above the 5%, 10%, 15%, 20%, 25%, 1/3 and 50% thresholds for shares and voting rights in Wavestone. Together, they declared that they held 11,040,224 Wavestone shares representing 13,695,781 voting rights, i.e. 54.66% of the share capital and 57.03% of the voting rights of the Firm's voting rights⁽⁴⁾;
- FIH⁽¹⁾ declared having individually crossed above the 20% thresholds for voting rights in Wavestone and individually holds 4,847,158 shares. The latter represents an equivalent amount of voting rights, i.e. 24.00% of the share capital and 20.18% of the Firm's voting rights⁽⁴⁾;
- Mrs. Delphine Chavelas, Mr. Michel Dancoisne and FIH⁽¹⁾ and FDCH⁽⁵⁾, acting in concert, declared having crossed above the 50% threshold for shares of the Wavestone group. Together, they declared that they held 11,040,224 Wavestone shares and 13,695,781 voting rights, i.e. 54.66% of the share capital and 57.03% of the Firm's voting rights⁽⁴⁾.

The crossing of these thresholds stems from⁽⁶⁾ (i) the transfer by Mr. Michel Dancoisne of 2,827,509 Wavestone shares, i.e. 14% of the share capital, to FDCH⁽⁵⁾, via (a) the completion of a contribution to FDCH⁽⁵⁾ of 2,655,032 Wavestone shares, i.e. 13.15% of the Firm's capital and (b) by the sale to FDCH⁽⁵⁾, of 172,477 Wavestone shares, i.e. 0.85% of the Firm's share capital, and (ii) a donation from Mr. Michel Dancoisne of shares in FDCH⁽⁵⁾ in favor of Mrs. Delphine Chavelas (who joins the "Michel Dancoisne sub-concert"), as well as her children.

In the same letters, Mr. Pascal Imbert, both personally and via FIH⁽¹⁾ which he controls; Mr. Michel Dancoisne, both personally and via FDCH⁽⁵⁾ which he controls, as well as via the sub-concert made up of FDCH⁽⁵⁾ and Mrs. Delphine Chavelas; Mrs. Delphine Chavelas, personally and via the sub-concert made up of FDCH⁽⁵⁾ and Mr. Michel Dancoisne; FDCH⁽⁵⁾, both individually and via the sub-concert made up of Mr. Michel Dancoisne and Mrs. Delphine Chavelas; and FIH⁽¹⁾ individually, declared their intentions.

It should be noted that: (i) the crossing above, in concert, the 30% capital and voting rights threshold in Wavestone by FDCH⁽⁵⁾, (ii) the crossing above, in concert, the 30% threshold for capital and voting rights in Wavestone by Mrs. Delphine Chavelas, and (iii) the increase in the capital held by the concert made up of Mr. Pascal Imbert, FIH⁽¹⁾, Mr. Michel Dancoisne, FDCH⁽⁵⁾ and Mrs. Delphine Chavelas, initially between 30% and 50%, by more than 1% over less than 12 consecutive months were exempt from the requirement to launch a public offer, as confirmed by the D&I decision 219C2568 of 12/04/19.

3.1.3. Change in share capital

As a record, during fiscal year 2018/19, the Company transacted two capital increases to issue new shares under the terms of employee shareholding plans that came to maturity:

- 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 284,832 shares;
- 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 44,132 shares.

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.

3.1.4. Collective lock-up undertakings

During the past fiscal year ended 03/31/20, Wavestone was informed of three collective lock-up undertakings relating to the Group's securities.

On 12/10/19, FDCH, Michel Dancoisne, Pascal Imbert, Delphine Chavelas - the daughter of Michel Dancoisne - and Patrick Hirigoyen, Chief Executive Officer and member of Wavestone's Management Board, signed three collective lock-up agreements, in accordance with the provisions of Article 787 B of the French General Tax Code. The signatories of this lock-up undertaking are committed to holding:

(1) Non-commercial company, domiciled at 90 rue Michel Ange, 75016 Paris, France, controlled by Mr. Pascal Imbert.

(2) Based on capital of 20,196,492 shares representing 26,790,744 voting rights.

(3) Based on capital of 20,196,492 shares representing 26,864,566 voting rights.

(4) Based on capital of 20,196,492 shares representing 24,014,536 voting rights.

(5) Non-commercial company, domiciled at 6 place de la Madeleine, 75008 Paris, France, controlled by Mr. Michel Dancoisne.

(6) It is specified that the individual crossing of the threshold of 10% of Wavestone's voting rights by FIH results from the decrease in the total number of Wavestone's voting rights as a result of the abovementioned transactions.

- 4,766,392 shares representing 23.60% of the share capital and 25.71% of voting rights⁽¹⁾, for a two-year period;
- 4,766,392 shares representing 23.60% of the share capital and 25.71% of voting rights⁽¹⁾, for a two-year period, with tacit renewal for an indefinite period, until terminated by one of the parties;
- 4,514,068 shares representing 22.35% of the share capital and 25.09% of voting rights⁽¹⁾, for a two-year period, with tacit renewal for an indefinite period, until terminated by one of the parties.

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:

On 03/29/19, FIH, Pascal Imbert, Patrick Hirigoyen, Chief Executive Officer and member of Wavestone's Management 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. 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 27.00% of the share capital and 22.62% of the voting rights (based on Wavestone's share capital and voting rights at 03/29/19).

Collective lock-up undertaking IV. The collective undertaking to hold securities (Article 885 I Bis of the French General Tax Code) entered into on 01/11/17 is null and void.

Collective lock-up undertaking V. The collective undertaking to hold securities (Article 885 I Bis of the French General Tax Code) entered into on 01/11/17 is null and void.

Collective lock-up undertaking VI. The collective undertaking to hold securities (Article 787 B of the French General Tax Code) entered into on 01/11/17 is null and void.

For the record, the collective lock-up undertakings (pursuant to 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.

3.1.5. Trends in the Wavestone share-price performance

The Wavestone share price was €28.00 on 04/01/19 at the beginning of the fiscal year and €17.08 on 03/31/20, a decline of 39%.

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

3.1.6. Treasury stock: share buyback program

In compliance with the authorizations mentioned in paragraph 4.1.8. "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 07/10/19 with the AMF under number D.19-0669 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 2020 are disclosed in the notes to the Company's financial statements and summarized in paragraph 4.1.8.: "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 4.1.8. 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 03/31/20, 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 548,399 Wavestone shares (equivalent to 2.72% of the share capital at that date) in a company mutual fund invested in Wavestone shares.

In addition, the Wavestone's employees directly hold approximately 5.48% of Wavestone's share capital.

(1) Based on Wavestone's share capital and voting rights at 12/10/19.

Employee profit-sharing

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

Free share plan

At end-March 2020, the Wavestone group had several free share plans.

During the 2019/20 fiscal year, Wavestone granted the following free shares:

Definitive granting of shares under the 07/03/17 plan: "Employee Plan no. 12"

For the record, on 07/03/17, 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. 12".

This plan had a vesting period of twenty-four (24) months and expired on 07/03/19.

The initial number of shares granted was limited to a maximum of 69,752 shares. In accordance with the conditions of the plan, 54,296 shares were granted to 710 employees at the end of the vesting period.

The shares delivered under "Employee Plan no. 12" are existing shares previously acquired by the Company under a share buyback program.

Initial granting of shares under the 07/02/19 plan: "Employee Plan no. 14"

On 07/02/19, 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. 14"-, within the context of the Group's employee savings plan. "Employee Plan no. 14" 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 1,126 employee beneficiaries and the number of shares to be awarded was 68,613, subject to their definitive granting at the end of the 24-month vesting period on 07/02/21.

Initial granting of shares under the 07/02/19 plan: "Key People Plan no. 14"

On 07/02/19, 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 - "Key People Plan no. 14". The plan concerns the firm's key people, designated as such by the Management Board, on the recommendation of the Compensation Committee.

Note that, at the initial grant date, Wavestone allocated 72,960 shares to 15 employee beneficiaries, subject to their definitive granting at the end of the 36-month vesting period as of 07/02/22.

Principle of non-interference by Management Board 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 07/28/20 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 03/31/20, as presented to you, showing a net profit for the year of €30,010,469.

In view of the uncertain context in which the year 2020 will unfold and the recourse to State financial support measures in respect of part-time activity, the Management Board proposes that no dividend be distributed for the fiscal year ending 03/31/20.

Profit for the year ended 03/31/20 is allocated as follows:

Net income	€30,010,469
Retained earnings account	€130,031,617
Net distributable profit	€160,042,086
Dividend	€0
Balance allocated in full to the retained earnings account	€160,042,086

Details of dividends distributed by the Company in the past three fiscal years are given above in 2.9. "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 €19,937, making for a tax charge of €6,864.

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 03/31/20, as presented to you, showing consolidated net income for the year of €31,140,377.

4.1.2. Related-party agreements (4th resolution)

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

1/ acknowledge that no new agreements were authorized, concluded or entered into during the fiscal year ended 03/31/20;

2/ acknowledge the information relating to the previously approved agreement and which continued in effect during the fiscal year ended 03/31/20.

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 resolution)

In the 5th resolution, the Management Board seeks your approval to renew Mrs. Marie-Ange Verdickt'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 03/31/24.

4.1.4. Statutory Auditors' engagements (6th resolution)

In the 6th resolution, your Management Board proposes that you acknowledge that the term of office of Mazars as Statutory Auditors and of Fidus as substitute Statutory Auditors have expired and asks you to reappoint Mazars 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 03/31/26.

4.1.5. Approval of compensation paid or granted during the fiscal year to end-March 2020 to each corporate officer (7th resolution)

The Management Board, in resolution 7, requests approval, in application of the new provisions of Article L.225-100 II of the French Commercial Code amended by Law no. 2019-1234 of 11/27/19, relative to the compensation of corporate officers paid or granted during the fiscal year to end-March 2020 to corporate officers mentioned in Article L.225-37-3, I. of the French Commercial Code, and presented in paragraph 2.3. of the Supervisory Board Report.

4.1.6. Approval of implementation of compensation policy in respect of the 2019/20 fiscal year (8th, 9th and 10th resolutions)

Under the terms of the 10th, 11th and 12th resolutions, the General Meeting of shareholders on 09/16/19 approved the compensation policy for the members of the Supervisory Board and the members of the Management Board (in an ex-ante vote).

In accordance with Article L.225-100 III. 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 for the fiscal year ended 03/31/20 (in an ex-post vote).

Your Supervisory Board is proposing three resolutions to fulfill this requirement, for the Chairman of the Management Board (8th resolution), for the second member of the Management Board and General Director (9th resolution), and for the Chairman of the Supervisory Board (10th 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 Chairman of the Supervisory Board and the members of the Management Board requires the approval of same by the annual General Meeting.

The 8th and 9th 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 General Director, in respect of the fiscal year ended 03/31/20.

The 10th 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 03/31/20.

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 fiscal year ended 03/31/20 are set out in the Supervisory Board's report on corporate governance in section 3.1. of the Corporate governance report.

4.1.7. Approval of the compensation policy of corporate officers for the fiscal year beginning 04/01/20 (11th, 12th and 13th resolutions)

In accordance with Article L.225-82-2 of the French Commercial Code, the compensation policy of the members of the Supervisory Board and of the Management Board is submitted in a resolution for a vote of the annual General Meeting at least once a year (in an ex-ante vote). This policy is 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 (11th resolution), the second member of the Management Board and General Director (12th resolution), and the Chairman and members of the Supervisory Board (13th resolution).

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

The compensation policy for corporate officers submitted for approval to the annual General Meeting is in keeping with the policy regarding Pascal Imbert - Chairman of the Management Board - and Patrick Hirigoyen - Management Board member and the members of the Supervisory Board and its Chairman. Wavestone's Chairman and Chief Executive Officer are 99.95%- and 99.94%-approved respectively by the annual General Meeting of 09/16/19.

Note that the payment in 2021 of the variable, and where relevant, the exceptional component for the fiscal year ended 03/31/21 compensation is subject to approval by the General Meeting to be held in 2021, in accordance with the conditions specified under Article L.225-100 of the French Commercial Code.

The 11th and 12th resolutions ask you to approve the policy compensation for Mr. Pascal Imbert, Chairman of the Management Board, and Mr. Patrick Hirigoyen, member of the Management Board and General Director.

The 13th resolution ask you to approve the policy compensation for the members of the Supervisory Board and its Chairman, Michel Dancoisne.

A more detailed breakdown of compensation of the Company's Supervisory Board members and its Chairman is given in this report in section 3.2. of the Corporate governance report.

4.1.8. Share buyback program (14th resolution)

Current share buyback program

The combined ordinary and extraordinary shareholders Meeting on 09/16/19 authorized the Management Board, under the 16th 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 07/26/18.

As required by law, we inform you that, at 03/31/20, the key features pertaining to the two programs launched one after the other during the 2019/20 fiscal year were as follows:

- 217,484 shares were purchased during the period at a total acquisition cost of €5,595,828.38, giving an average purchase price of €25.73 per share;
- 82,375 treasury shares were sold during the period at a total sale price of €2,141,152.92, giving an average selling price of €25.99 per share;
- trading fees incurred by the Company totaled €17,505.74 in fiscal 2019/20;
- 60,224 free shares were granted to employees during the period, worth €2,089,912.59 measured at acquisition cost, giving an average selling price of €34.70 per share;
- 323,968 treasury shares were on the balance sheet at 03/31/20 for a total market value of €5,533,373.44, calculated at the closing price of €17.08 on 03/31/20; their nominal value was €0.025 per share.

Treasury shares represented 1.60% 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 03/31/19	19,367	-	229,716	-
Purchases	91,367	-	126,117	-
Sales	-82,375	-		-
Reallocations	-	-		-
Redemptions	-	-	-60,224	-
Situation at 03/31/20	28,359	-	295,609	-
Gross carrying value ⁽¹⁾ (in €)	484,372	-	9,724,567	-
% of share capital at 03/31/20	0.14%	0.00%	1.46%	-

(1) The gross book value of shares is calculated based on acquisition cost.

New share buyback program proposal

Your Management Board asks you to grant a new authorization in principle, based on the main conditions described below.

In view of the uncertain economic backdrop, and in line with the resolution relative to the decision not to pay out dividends and furloughing measures implemented, contrary to previous fiscal years, the proposal was made to remove the buyback target considering the cancellation of the new share buyback program. As a result of this proposal, no authorization to reduce the share capital via cancellation of shares will be submitted for your approval this year.

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 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

Unit prices are calculated using the same formula as in previous years.

Maximum purchase price per share: €51 (excluding expenses) for transactions to promote the market for the Wavestone share and boost liquidity, and €38 (excluding expenses) in other cases.

Period of validity

Valid as of the combined ordinary and extraordinary Shareholders Meeting convened on 07/28/20 until the next annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/21 and for a maximum of 18 months, it being understood that the combined ordinary and extraordinary Shareholders Meeting on 07/28/20 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 07/28/20 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 2019/20 Universal Registration Document.

4.2. Extraordinary General Meeting resolutions

4.2.1. Amendments to the Articles of Association (15th, 16th, 17th, 18th and 19th resolutions)

Harmonization of Article 18 III of the Articles of Association concerning the procedures for appointing employee representative members of the Supervisory Board in line with new provisions of the Pacte Law (15th resolution)

To harmonize the Articles of Association with the new provisions of Article L.225-79-2 of the French Commercial Code resulting from the Pacte Law of 05/22/19, we request you approve the amendment of Article 18 III of the Articles of Association of the Firm concerning the procedures for appointing employee representative members of the Supervisory Board as follows:

Former text	New text
<p>“ARTICLE 18: COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD</p> <p>.../...</p> <p>III - EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD</p> <p><i>The Supervisory Board includes, pursuant to Article L.225-79-2 of the French Commercial Code, one or two employee representatives appointed by the Firm’s Social and Economic Committee.</i></p> <ul style="list-style-type: none"> • <i>If, at the time of the appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting is equal to or less than twelve, one employee representative is appointed.</i> • <i>If, at the time of appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting of Shareholders is greater than twelve, two employee representatives are appointed.</i> <p>.../...”</p>	<p>“ARTICLE 18: COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD</p> <p>.../...</p> <p>III - EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD</p> <p><i>The Supervisory Board includes, pursuant to Article L.225-79-2 of the French Commercial Code, one or two employee representatives appointed by the Firm’s Social and Economic Committee.</i></p> <ul style="list-style-type: none"> • <i>If, at the time of the appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting of Shareholders is equal to or less than eight, one employee representative is appointed.</i> • <i>If, at the time of appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting is greater than eight, two employee representatives are appointed.</i> <p>.../...”</p>

The rest of Article 18 III remains unchanged.



Amendment of the Articles of Association in order to authorize the Supervisory Board to take certain decisions by written consultation and related amendment of Article 19 of the Articles of Association (16th resolution)

To harmonize the Articles of Association with the new provisions of Article L.225-82 of the French Commercial Code stemming from the Soilihi Law of 07/19/19, and authorizing the approval of Supervisory Board, by written agreement, of Board member appointments, authorization of guarantees and confirmations, and compliance of the Articles of Association with the legal and regulatory provisions relative to the calling of annual General Meetings and the transfer of the headquarters to the same French department, we request you amend Article 19 of the Articles of Association of the Firm relative to the organization and decision-making of the Supervisory Board thus:

“ARTICLE 19 - ORGANIZATION AND DELIBERATIONS OF THE SUPERVISORY BOARD

Addition to 11th paragraph as follows:

The Supervisory Board may make decisions by written consultation of its members pursuant to the conditions provided for by current law.

.../...”

The rest of Article 19 remains unchanged.

Harmonization of the Articles of Association in line with new provisions of the Soilihi Law and resulting amendment of Article 20 of the Articles of Association relative to the powers of the Supervisory Board (17th resolution)

To harmonize the Articles of Association with the new provisions of Article L.225-68 of the French Commercial Code resulting from the Soilihi Law of 07/19/19, we request you approve the amendment of Article 20 of the Articles of Association of the Firm concerning the procedures for appointing employee representative members of the Supervisory Board as follows:

Former text	New text
<p>“ARTICLE 20 - POWERS OF THE SUPERVISORY BOARD</p> <p><i>Paragraphs 6 and 7</i></p> <p><i>Pursuant to Article L.225-68 of the French Commercial Code, sureties, endorsements and guarantees require the Supervisory Board’s approval.</i></p> <p><i>The Supervisory Board may give the Management Board prior approval to conduct one or more of the abovementioned transactions within the limit of the determined maximum amounts, conditions and timeframe.</i></p>	<p>“ARTICLE 20 - POWERS OF THE SUPERVISORY BOARD</p> <p><i>Paragraph 6 and deletion of paragraph 7</i></p> <p><i>The provision of security, as well as sureties and guarantees by the Firm to guarantee third-party commitments is authorized by the Supervisory Board pursuant to conditions laid down by current law.</i></p> <p><i>The Supervisory Board may give the Management Board prior approval to conduct one or more of the abovementioned transactions within the limit of the determined maximum amounts, conditions and timeframe.</i></p> <p><i>.../...”</i></p>

The rest of Article 20 remains unchanged.

Amendment of Article 24 of the Articles of Association concerning the rules for appointing Statutory Auditors (18th resolution)

To remove the reference to Statutory Auditors and substitute Statutory Auditors in the Firm’s Articles of Association, we request your approval to amend Article 24 of the Firm’s Articles of Association as follows:

Former text	New text
<p>“ARTICLE 24 - THE STATUTORY AUDITORS</p> <p><i>The approval of the Firm’s accounts is carried out by one or more Statutory Auditor or substitute, pursuant to the conditions set by current law.”</i></p>	<p>“ARTICLE 24 - THE STATUTORY AUDITORS</p> <p><i>The approval of the Firm’s accounts is carried out by one or more Statutory Auditors, pursuant to the conditions set by current law.”</i></p>

Amendment of Article 16 of the Articles of Association concerning the procedures for holding Management Board meetings (19th resolution)

To enable (i) Management Board members to be represented and (ii) to authorize Management Board meetings via all telecommunication or videoconferencing, we request you approve the following amendment of Article 16 of the Firm’s Articles of Association:

Former text	New text
<p>“ARTICLE 16 - DELIBERATIONS OF THE MANAGEMENT BOARD</p> <p><i>Paragraphs 3 and 4</i></p> <p><i>Meetings take place at Wavestone’s registered office or at any other location specified in the notice of Meeting.</i></p> <p><i>The Management Board’s deliberations are valid only where at least one half of its members are present. Decisions are made by majority vote of the members present or represented.</i></p> <p><i>.../...”</i></p>	<p>“ARTICLE 16 - DELIBERATIONS OF THE MANAGEMENT BOARD</p> <p><i>Paragraphs 3 and 4</i></p> <p><i>Meetings take place at Wavestone’s registered office or at any other location specified in the notice of Meeting. The Management Board may also convene meetings using telecommunication or videoconferencing, enabling the identification and guaranteeing effective participation of members.</i></p> <p><i>The Management Board can only deliberate validly if at least half of its members are present or represented or participate in the meeting using telecommunication or videoconferencing. A Management Board member may be represented at a meeting by another Management Board member who cannot hold more than one mandate. Decisions are made by majority vote of the members present or represented or participating through telecommunication or videoconferencing.</i></p> <p><i>.../...”</i></p>

The rest of Article 16 remains unchanged.

4.2.2. Powers for formalities (20th 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 opinion by the Works Council

5.1. Social report

As required by law, Wavestone drew up a social report, which was reviewed by the Works Council on 05/29/20.

The social report and the opinion of the Economic and Social Committee are included in the materials provided to the shareholders in accordance with Article L.2312-32 of the French Labor Code. Certain elements in the social report pertaining to the Statutory Auditors’ assignment are reviewed in the Statutory Auditors report.

5.2. Opinion of the Economic and Social Committee on the social report, in accordance with the provisions of Article L.2312-28 of the French Labor Code

Favorable.

The Management Board

06/02/20



2019/20 Management Board Report

- Risk factors and their management

Wavestone conducted a review of risks which are presented hereafter. These risks could impact business, results and the firm's financial position or outlook, as was the case with the completed annual review of the firm's risk roadmap and the background of the Covid-19 health crisis. The risks in each category are ranked by probability of occurrence and the estimated extent of their potential negative impact. This ranking also takes account of measures implemented by the firm to mitigate such risks, in particular via internal audit and internal control measures (see 6.).

Risks considered specific in view of the current situation and the firm's risk roadmap are identified with an asterisk.

1. Operating risks

Economic risk linked to the Covid-19 pandemic*

The economic consequences of the Covid-19 pandemic are likely to have a significant impact on fiscal year 2020/21.

The Covid-19 pandemic had the almost immediate effect of suspending or halting current assignments, and preventing the start of planned assignments.

More broadly and on a more medium-term view, the crisis is likely to lead to a dramatic collapse in demand for consulting services. The research firm, Source Global Research, in its 05/22/20 report on the impact of the Covid-19 pandemic forecasts that the consulting market could contract by 18% in 2020 worldwide, and by 20% in Europe.

Initial signs appear to confirm this forecast. One by one, major industrial groups are announcing far-reaching cost-saving plans, including abandoning certain investments and limiting recourse to external consulting.

For Wavestone, even if the level of uncertainty remains very high on the market backdrop in 2020, the collapse in demand could lead to a decline in business over a number of quarters, together with a decline in average daily rates owing to further pressure exerted by clients on prices and a pick-up in competition.

Health risk linked to the Covid-19 pandemic*

Wavestone employees are exposed to the Covid-19 pandemic at all the firm's locations.

At end-May, around one hundred Group employees had contracted the virus. At present, almost all of them have recovered.

Wavestone teams all transitioned to remote working practices amid the lockdown measures implemented in the firm's various locations.

The risk of contamination for Wavestone employees during their professional activities has increased with the gradual easing of lockdown measures. Some client assignments will indeed require employees returning to Wavestone offices or to client locations. These situations could expose Wavestone employees and clients to risk of infection. Wavestone could be held responsible in the event that safety protocols turn out to be insufficient or insufficiently applied.

To mitigate this risk, Wavestone is implementing a gradual post-lockdown period. The Group has adopted protective measures targeted at minimizing risk situations, imposing safety standards and enacting change so that these measures are complied with.

Furthermore, uncertainty surrounding the Covid-19 pandemic is leading to the threat of developed psychosocial risks. The latter result from extensive use of remote working practices and are linked to the stress caused by the pandemic and the dramatically deteriorated economic backdrop for businesses.

To address such risks, we have set up a staff support unit and put together other initiatives to identify and monitor employees who are at risk and train management in how to prevent and tackle psychosocial risks.

Client dependency risk*

At 03/31/20, the Company's top five and top ten clients accounted for 31% and 46% 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.

As a result of this concentration, the loss of a major client or the fall in activity of one of them can represent a significant loss of turnover for the firm.

It should be noted that the firm's client portfolio is diversified by sector, which mitigates the impact of industry cycles on Wavestone's activity. At 03/31/20, the banking and insurance sector accounted for 34% of Company revenues, the energy and utilities sector for 13%, the public sector and international institutions for 12%, the manufacturing sector for 10%, and the transportation and travel sector for 10%.

Risk of fraud and corruption

Wavestone operates a very decentralized business model. Each year, a significant number of people make commitments in the firm's name, via sales proposals, contract signings or steering assignment execution.

The firm is exposed to fraud risks as part of these operations. These include the risk of non-compliance with the firm's commitment rules, non-compliance with revenue recognition rules, non-compliance with commitments made with clients and specific set client rules, and non-compliance with regulations governing the services provided by the firm.

To mitigate this risk, the firm has defined commitment rules, permanent controls and internal audit activities.

Furthermore, as part of its business activity, the firm could be faced with:

- involvement of Wavestone employees in situations of active or passive corruption;
- involvement of third parties (suppliers, service providers, clients) in situations of active or passive corruption.

To reduce the possibility of such situations arising and to increase employee awareness of the risk, Wavestone has adopted and made available to employees the Middlednext anti-corruption code of conduct, instructions on how to apply it and mandatory e-learning. Wavestone also has an internal warning system to flag any behavior that is in breach of its code of conduct. For further information, please see paragraph 6.7. on procedures related to operating activities.

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.

There is also the risk of loss of value of an acquired company if a significant portion of key staff leave the firm before its consolidation is fully finalized and the expertise and client relationships have been shared in line with rules governing operating procedures within Wavestone.

To mitigate this risk, Wavestone adopts the following procedures:

- systematic approval of the management of the acquired company of the common corporate project and involvement of directors and key employees in steering Wavestone operations;
- rapid integration in Wavestone's business model (within 12 to 18 months);
- revenue synergies unlocked, by focusing on applying the acquired company's know-how to Wavestone's existing clients;
- rapid roll out of management tools to the new entity so that the Company can have a clear picture of its operations as quickly as possible.

Risk linked to assignment execution

Risk linked to assignment execution can stem from quality issues and/or a drift in fixed-price services.

In consulting, client loyalty is key as winning new clients represents significant investment that can take 6 to 18 months, and unit volumes sold are weak. Selling new assignments to clients is therefore essential to monetize the initial commercial investment.

As a result, quality issues in services leading to client dissatisfaction can have major consequences. In extreme cases, quality issues can lead to client losses and damage a firm's reputation.

To mitigate this risk, 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.

In addition, each year, the firm completes a client satisfaction survey and publishes the main results in its Universal Registration Document.

Fixed-price services accounted for 59% of the firm's revenue in fiscal 2019/20.

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 2019/20 was in fact negative at -1.2%.

Cybersecurity risk

A major security incident involving client data could represent a substantial financial risk for Wavestone and lead to the loss of the client.

As a result, protecting data entrusted by clients is Wavestone's top cybersecurity priority.

Apart from protecting client data, a number of additional objectives are being pursued to safeguard information systems, notably the protection of Wavestone's expertise and its brand reputation, compliance with laws and regulations. A case in point is the firm's compliance with European data protection regulations in 2018 with the appointment of a data protection officer - DPO and the preservation of financial and strategic information.

It is particularly difficult to implement cybersecurity, in light of the wide range of threats and speed with which they change.

To mitigate the nature and the extent of risk exposure, Wavestone has implemented an internal security organization mandated to implement the technical and operating investments necessary to enforce the levels of security required for the firm's business activities. Wavestone's Chief Information Security Officer, who is a member of the Risk Steering Committee, reports directly to Wavestone management teams every quarter and to the Audit Committee every six months.

The 2019/20 plan provided the opportunity to define a new cybersecurity awareness program, called TRUST, sponsored by General Management directly taking part in the created video content.

Appropriate application of these policies is monitored by the firm's Audit Committee and the PASSI RGS/LPM team for Wavestone's cybersecurity offering, certified ISO 27001.

In the event of a cyber-attack, Wavestone can rely on its CERT expertise and has a cybersecurity insurance policy which addresses the consequences of such risk.

Reputational risk

As employees are called upon regularly to promote Wavestone's reputation, the firm is exposed to risk of inappropriate communication (either in the written press or via Internet), involving incorrect or inaccurate information, or information that we are not authorized to release or that could potentially be damaging for a client. Such a situation could seriously impact Wavestone's image, sparking negative comments on social media and other Internet sites.

The firm could also be the target of attacks on the Wavestone brand via fake news sites (cybersquatting) fake news releases, etc.

As a result, Wavestone has implemented validation processes for all external communication. The firm also provides its spokespeople with media training and ensures all employees adopt communication best practices for all media.

In addition, the firm has set up a permanent monitoring system to protect its brand.

Wavestone is also supported by brand protection and crisis management consultants.

Risk related to human resources (excluding Covid-19)

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.

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.

For fiscal year 2020/21, given the hiring freeze and the economic situation, the risk of recruitment and staff turnover can be considered to be very largely mitigated in comparison with Wavestone's usual fiscal years.

2. Legal risks

Risk linked to contractual commitments

When signing contracts, Wavestone is exposed to the possibility of disagreements resulting from failure to comply with confidentiality and/or contractual commitments.

The firm has created a client and supplier contract review checklist, to ensure that all contractual clauses meet the firm's standards.

In addition, the firm regularly conducts campaigns to raise awareness among its employees on the respect of confidentiality. The firm is also covered by professional liability insurance (see below for more details) and has recourse to a lawyer in case of suspected litigation.

As part of its contractual commitments, the firm is also exposed to the risk of civil liability for injury to a third-party.

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").

3. Treasury risks

Liquidity risk*

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

At 03/31/20, the Group had gross cash, net of overdrafts, of €65.1 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 03/26/20, the firm also refinanced its debt for a total amount of €160 million, broken down as follows:

- a €65.0 million credit line to refinance loan made available on the day the new loan agreement is signed;
 - 30% of this loan will be repaid on maturity in March 2026;
- a €65.0 million credit line for future external growth transactions;
- a €30.0 million credit line to finance working capital requirements.

In addition, the loan agreement also provides for an unconfirmed second line of external growth of €60.0 million.

At 03/31/20, financial liabilities comprised €94.2 million in bank loans and other financial debt excluding overdrafts, mainly comprising the bank loan contracted on 03/26/20 in the amount of €93.9 million, net of borrowing costs, booked in the consolidated financial statements as a deduction from the value of the loan (€30.0 million of which was drawn down on the working capital requirement financing line).

At 03/31/20, the Company posted net debt of €29.1 million.

In addition, the readily available cash, excluding external growth credit line, totaling €75.6 million at 03/31/20, and breaks down as follows:

- €65.1 million in cash (cash and cash equivalents and marketable securities, net of overdrafts);
- €10.5 million in potential overdraft facilities.

This available cash largely enables the firm to meet its repayment obligations over the coming year, which represent a total of €8.3 million.

Breakdown of the Company's financial debt

	Main features of borrowings	Rate	Amounts remaining due at 03/31/20	Maturity	Hedges
Loan agreement	€65.0m refinancing loan in two tranches (A & B) repayable semi-annually over 6 years (Tranche A for €45.5m) and at maturity in March 2026 (Tranche B for €19.5m)	Variable (3-month EURIBOR-Telerate plus a margin of 0.85% to 1.70% depending on the tranche and leverage ratio)	€65.0m	Tranche A 09/26/25	Rate agreement: Notional minimum of 50% of the refinancing loan for a period of 3 years The cover has not yet been taken out by the firm
	Tranche B 03/26/26				
	€65.0m external growth credit line with a repayment schedule running to 2026		€0.0m	03/26/27	
	Revolving €30.0m credit line		€30.0m (fully used)	03/26/25 with the possibility of two 1-year extensions or no later than 03/26/27	
	€60.0m non-confirmed acquisition loan		N/A	03/26/27	

The bank loan of March 2020 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 03/31/20, the Group was in full compliance with this ratio.

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 or mid-cap companies (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 03/31/20, impaired trade receivables made up 1.3% of gross trade receivables (see note 14 to the 2019/20 consolidated financial statements).

In light of the Covid-19 pandemic, measures to ramp up collection of client receivables have been rolled out. The firm has introduced weekly reviews of client default risk with a view to cross checking:

- the level of client outstanding, as in the total amount of invoices issued and not paid together with invoices to be issued;
- the firm's audit of default risk of these same clients based on their area of business, potential corporate reporting and on their financial strength.

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.

Following the March 2020 refinancing, the firm is required, during the four months following the signature of the borrowing agreement, to subscribe to a rate guarantee contract. The latter covers a notional minimum amount equivalent to 50% of the refinanced loan. The firm is reviewing the most appropriate hedging strategy to apply and will subscribe to coverage early in fiscal year 2020/21. Furthermore, with respect to its previous loan, the firm subscribed to a rate hedging contract at 0.4% of the notional amount of €17.5 million, maturing on 01/20/22. This hedging instrument will be adjusted in line with the strategy approved as part of the new refinancing.

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

At 03/31/20 (in thousands of euros)	Rate	Total	< 1 year	1-5 years	> 5 years
Financial liabilities	Fixed	253	101	152	-
	Floating	93,373	38,079	55,294	-
Financial assets ⁽¹⁾	Fixed	65,131	65,131	-	-
	Floating	-	-	-	-
Net position before hedging	Fixed	64,878	65,030	(152)	-
	Floating	(93,373)	(38,079)	(55,294)	-
Hedging instruments	Fixed	-	-	-	-
	Floating	-	-	-	-
Net position after hedging	Fixed	64,878	65,030	(152)	-
	Floating	(93,373)	(38,079)	(55,294)	-

(1) Cash and cash equivalents.

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 Switzerland, Wavestone US, Wavestone HK, Wavestone Consulting UK and WGroup) accounted for 13% of revenues at 03/31/20, from 9% at 03/31/19. Wavestone has a currency hedging policy to cover the main 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 significant currency transaction shows signs of being a potential source of risk for the firm. In fiscal year 2019/20, Wavestone therefore contracted forward currency sales (Swiss franc, pound sterling, US dollar) and set up a currency swap.

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.

The annual coverage ceilings are as follows:

Type of coverage	Guaranteed amount
Operations third-party liability <ul style="list-style-type: none"> • Personal injury • Consequential property/indirect damage 	€15.0m per claim €15.0m per claim
Professional liability <ul style="list-style-type: none"> • Consequential or non-consequential property/indirect damage • Directors' and officers' liability 	€80.0m per year €50.0m per year
Comprehensive premises and equipment insurance <ul style="list-style-type: none"> • Contents of the premises • IT equipment 	€30.0m per claim €30.0m per claim
Cyber risks	€15.0m per year
Fraud	€5.0m per year

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".

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;
- cyber risk insurance;
- fraud insurance.

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

The premiums per risk category paid by the Group in 2019/20 are as follows:

Type of coverage	Premiums
Third-party liability	€351k
Officer's liability	€78k
Comprehensive premises and equipment insurance	€157k
Fraud insurance	€34k
Cyber risk insurance	€60k
Transport insurance	€44k
Repatriation insurance	€6k
Retirement capital insurance	€8k
Death insurance	€5k
Workers' compensation insurance	€13k

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 06/02/20.

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 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 HK (governed by Hong Kong law, wholly owned by Wavestone Advisors);
 - Xceed Group (governed by English law, wholly owned by Xceed Group (Holdings));
 - 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);
 - WGroup (governed by US law, wholly owned by Wavestone US);
 - WGroup Consulting India (governed by Indian law, 99.9% owned by WGroup).

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

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 in early 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 the partners in charge of the entities composing the firm. 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, the 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.

Ethics Officers

Ethics Officers are the representatives to contact in terms of anti-corruption, conflicts of interest and influence peddling within the firm. They represent all Wavestone employees.

Their role is to:

- ensure compliance with the rules defined in the Middenext code of conduct;
- address questions from employees or third parties in terms of corruption and influence peddling to guide their decisions based on applying the code of conduct;
- assess the relevance of warnings communicated by internal audit teams;
- carry out checks to verify facts;
- communicate warnings to General Management and/or Human Resources in the event of confirmed cases of corruption;
- ensure compliance with benchmark documents relative to the Sapin II (anti-corruption) Law such as the code of conduct, the application guide and the corruption risk roadmap as well as related updates.

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 their 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. The 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 respectively examined and 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 anti-corruption system.

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/ 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 and Luxembourg)

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.

Collection

A dedicated collection 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.

Internal warning procedure in the fight against corruption

This procedure describes the internal warning process and how warnings are processed, including the main steps described below.

The Internal Audit team is responsible for dealing with internal warnings and assigning them to one or more Ethics Officers. In the event of a conflict of interest, the relevant Ethics Officer will be excluded from processing the warning.

The Ethics Officer is responsible for reviewing the appropriateness of the warning, and, if necessary, launching an investigation of the facts. If the warning is valid, the Ethics Officer informs General Management and/or the Human Resources officer to initiate disciplinary and/or legal proceedings.

Furthermore, the Ethics Officer keeps the whistleblower informed of the validity of the alert, and, as appropriate, the conclusions of the investigation.

2019/20 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:

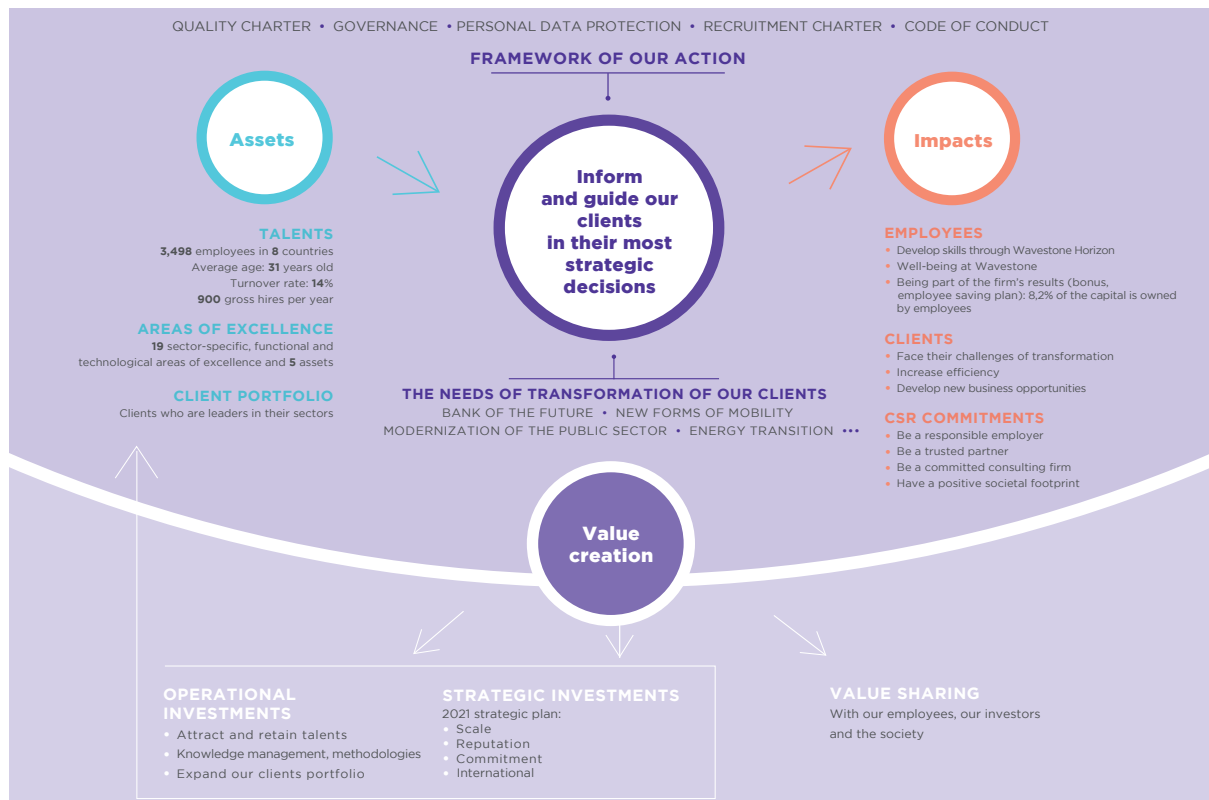
1. Presentation of the Company's business model.
2. Presentation of the Company's general CSR strategy and its principal non-financial risks.
3. Information on how Wavestone incorporates the social, societal and environmental consequences of its activities, as well as the effects of these activities 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 2019/20 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.

Additional information on the firm's CSR strategy can be found in chapter 1 of Wavestone's Universal Registration Document and on the Company's website: www.wavestone.com - "About Us" - "Corporate Social Responsibility" section.

The 2019/20 fiscal year was Wavestone's fourth 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.



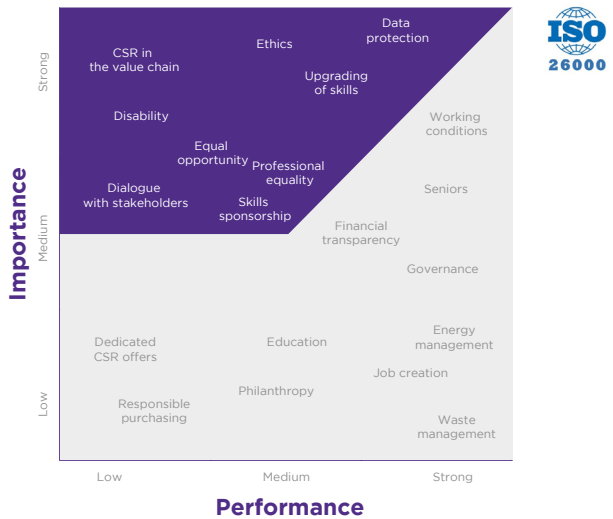
2. Wavestone's general CSR approach and strategy

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 Gaia-Index every year over the period.

We engaged a specialist consulting firm to carry out a CSR audit in 2017/18 and draw up the "performance/importance" matrix based on ISO 26000 below.



This analysis highlighted the most strategic issues for Wavestone in view of its activity. Combined with a consultation of the employees (more than 25% participation worldwide), it led the firm to redefine its CSR strategy according to 4 axes and 7 commitments.

NEW CSR APPROACH

- BE A RESPONSIBLE EMPLOYER** (Background: Silhouettes of people against a sunset)
 - ACT FOR THE A VARIETY OF PROFILES AND EQUALITY OF TREATMENT FOR OUR EMPLOYEES AND CANDIDATES
 - ENSURE THE DEVELOPMENT OF OUR EMPLOYEES
- BE A TRUSTED PARTNER** (Background: A person carrying a child on their back)
 - EMAINTEIN A RESPONSIBLE RELATIONSHIP WITH OUR SUPPLIERS
 - ENSURE THE RESPECT FOR TRANSPARENCY RULES, ETHICS AND DATA PROTECTION ACROSS THE WHOLE VALUE CHAIN
- BE A COMMITTED CONSULTING FIRM** (Background: A person in a cape against a sunset)
 - INTEGRATE CSR ISSUES INTO OUR CONSULTING PRACTICES
- HAVE A POSITIVE SOCIAL FOOTPRINT** (Background: A person walking on a beach)
 - LIMIT THE ENVIRONMENTAL EFFECTS OF OUR FIRM
 - SUPPORT PROJECTS THAT CREATE SOCIAL VALUE AND PUT OUR SKILLS AT THEIR SERVICE

Alongside the “Wavestone 2021” strategic plan, the Company has decided to base its action plan on 8 main objectives:

2021 objectives	Performance at 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	30% and 41%, respectively	28% and 38%, respectively	30% and 36%, respectively
Achieve 30% representation of women on the Executive Committee	15%	15%	17%
Triple the number of employees with disabilities (objective 33)	22 at 12/31/19	15 at 12/31/18	11 at 12/31/17
Have trained 100% of employees ⁽¹⁾ in business ethics	79% of employees trained in the fight against corruption	Training being developed	No training
Have trained 100% of employees ⁽¹⁾ in data protection	100% of new hires 86% of employees	86.4% of new hires 71% of employees	70% of new hires 13% of employees
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	Policy being drafted	Policy being drafted	No policy
Draw up a responsible consulting charter and train all employees in how to follow it	Charter and training being drafted	Charter being drafted	No charter
Devote 1% of the firm's time to supporting social organizations	0.53%	0.24%	Approximately 0.16% ⁽²⁾

(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 Head of Recruitment, the Head of CSR and the holders of each axis.

This Committee, which meets twice a year, monitors the firm's social, societal, environmental and economic performance, the progress of current projects and the achievement of objectives.

Operational organization

Wavestone's CSR strategy is implemented operationally by a five-strong team dedicated to CSR, headed up by the CSR manager who reports to the HR Development Department.

The manager is in charge of coordinating projects in different areas (social, societal, environmental, economic), as well as employee awareness actions, and the production of non-

financial reporting and the response to the various CSR performance questionnaires.

Since September 2018, the CSR team has been supported by four pairs of operational staff (one per area) whose role is to steer the action plan for each area, with the support of employee volunteers.

In addition, CSR ambassadors at each site and per department are in charge of implementing the action plan locally and relaying communication.

CSR strategy monitoring

Once a year, the firm's CSR policy is shared with the Supervisory Board.

2.2. CSR awards and labels

In 2019/20, 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 action to non-financial transparency and sustainable development performance (CSR policy, HR management, management



of environmental impact, etc.). In October 2019, Wavestone topped the Gaïa-Rating for companies in our segment (firms with revenues of between €150m and €500m) for the third 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 2019, Wavestone was once again awarded a **“Gold” rating from Ecovadis, with a score of 73/100.**
- **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 fourth year taking part, Wavestone ranked in **4th place** of the best companies in France with more than 500 employees. 83% 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 France's sixth consecutive year to be awarded the Happy Trainees label, with an overall rating of 4.05/5 and a **recommendation rate of 86.8%.**
- **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 2019/20, 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.
- **LGBT+ Commitment Charter:** on 09/27/19, Wavestone signed the LGBT+ Commitment Charter of *l'Autre Cercle*, together with 130 other companies. The charter aims to ensure the inclusion of lesbian, gay, bisexual and transgender people in their workplace.

- **Handicap charter:** on 11/13/19, Wavestone signed a handicap charter together with around 100 French companies aimed at enhancing inclusion of handicapped employees in their workplace.
- **Consulting group's responsible manager Charter:** against the unprecedented backdrop of the Covid-19 crisis, in early April 2020, Wavestone took part in and signed the Charter drawn up in collaboration with Syntec Conseil. It sets out the commitments and responsibilities of consulting firm managers.

We also work with a range of different organizations that address key concerns for the firm, such as *Elles Bougent*, *Femmes@numérique*, *AFMD*, *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 risk.

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 2019/20 reporting scope includes all of the Company's subsidiaries.

3.1. Social information

We are committed to be a socially responsible and engaged employer. We make two commitments under the CSR strategy:

- promote diversity and equal treatment of employees and job applicants;
- promote the development and self-fulfillment of all our employees.

Compliance with these commitments is the responsibility of the HR Development Department. To achieve these goals, 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.

How the HR Development Department is organized

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;
- a personnel management team, in charge of pay and administrative management operations.

For the record, Wavestone's HR strategy is presented in the corporate part of the Company's Universal Registration Document.

3.2. Employment

1) Total workforce

At 03/31/20, Wavestone's total workforce stood at 3,498 employees, up 13% on the previous year (3,094).

The Company's workforce breaks down as follows:

- 66.2% of employees are under 30 years of age;
- 40.8% of employees are women;
- 88.1% of employees are based in France;
- 80.8% of employees are based in the Paris region (Wavestone head office);
- 3,408 permanent employment contracts, which represents 97.4% of the total workforce; of these, 88.3% are in France;
- 90 non-permanent employment contracts, of which 15 are fixed-term contracts and 75 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 03/31/20	At 03/31/19	At 03/31/18
Men	59.2%	61.4%	63.6%
Women	40.8%	38.6%	36.4%

Breakdown for consultants

Men	62.8%	65.2%	67.4%
Women	37.2%	34.8%	32.6%

For more details, see 3.2.6. "Equal opportunities".

Breakdown by age

The average age of Wavestone's workforce at 03/31/20 was stable at 31. The following table gives a breakdown of the Company's workforce by age:

(% of total workforce)	At 03/31/20	At 03/31/19	At 03/31/18
18-25 years	17.3%	15.9%	13.5%
25-30 years	48.9%	48.3%	48.0%
30-50 years	27.0%	29.2%	32.1%
>50 years	6.8%	6.6%	6.4%
o/w over 55 years	3.7%	3.3%	2.7%

Average length of service

The average length of service at 03/31/20 for all positions was stable year-on-year to 4.2 years.

	2019/20	2018/19	2017/18
Total Group	4.2 years	4.3 years	4.5 years
Consultants	4 years	4.1 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 ten offices abroad: Casablanca (Morocco), London and Edinburgh (UK), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York, Philadelphia (United-States), New Delhi (India) and Hong Kong.

(% of total workforce)	At 03/31/20	At 03/31/19	At 03/31/18
Paris region	80.8%	82.0%	82.7%
Regional offices	7.3%	7.7%	7.8%
International	11.9%	10.3%	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 03/31/20	At 03/31/19	At 03/31/18
Consultants	88.1%	89.0%	89.0%
Sales teams	3.5%	3.0%	3.0%
Back office staff	8.4%	8.0%	8.0%

At 03/31/20, Wavestone employs 3,080 consultants, of which 50 on skills-acquisition or work-study contracts.

3) Hiring 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 400 trainees every year (in the form of sabbaticals and end-of-studies internships) and trainee positions. For example, in 2019/20, 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

Details of new hires and departures (excluding internships)

New hires and departures during the 2019/20 fiscal year are shown below:

Recruitment

Total external recruitment

(excluding internal mobility transfers)

o/w permanent employment contracts

o/w temporary employment contracts

- *o/w fixed-term*

- *o/w skills-acquisition and work-study contracts*

	2019/20		2018/19	
	Number	%	Number	%
Total external recruitment	1,132	100%	965	100%
<i>o/w permanent employment contracts</i>	1,037	91.6%	890	92.2%
<i>o/w temporary employment contracts</i>	95	8.4%	75	7.8%
- <i>o/w fixed-term</i>	30		10	
- <i>o/w skills-acquisition and work-study contracts</i>	65		65	

Staff departures

Departures (excluding internal mobility)

o/w resignations

o/w end of temporary employment contracts

(*fixed-term, skills-acquisition and work-study contracts*)

o/w suspension of trial periods

o/w redundancies

o/w employment-contract termination by mutual consent

o/w acknowledgement

o/w retirement

o/w deaths

Departures of permanent employees

	2019/20		2018/19	
	Number	%	Number	%
Departures (excluding internal mobility)	789	100%	762	100%
<i>o/w resignations</i>	486	61.6%	569	74.7%
<i>o/w end of temporary employment contracts</i>	96	12.2%	64	8.4%
(<i>fixed-term, skills-acquisition and work-study contracts</i>)				
<i>o/w suspension of trial periods</i>	151	19.1%	101	13.3%
<i>o/w redundancies</i>	36	4.6%	19	2.5%
<i>o/w employment-contract termination by mutual consent</i>	9	1.1%	1	0.1%
<i>o/w acknowledgement</i>	2	<0.3%	NC	
<i>o/w retirement</i>	7	0.9%	7	0.9%
<i>o/w deaths</i>	2	<0.3%	1	0.1%
Departures of permanent employees	683		696	

During the 2019/20 fiscal year, Wavestone recruited 886 permanent employees (excluding end of trial period and internal mobility transfers) and 17 part-time employees were taken on in France.

The increase in terminations during trial periods, recorded in certain companies, can be mainly attributed to weaknesses in our recruitment process (demanding selection criteria). The action plan rolled out (implementation of a recruitment charter, review of recruiter profiles) should enable a gradual return to more standard levels by the end of the fiscal year.

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

	2019/20	2018/19	2017/18
Business schools (%)	40.7%	44.0%	43.3%
Engineering schools (%)	27.6%	27.2%	31.2%
Universities (%)	31.7%	28.8%	25.5%

Staff turnover

Annual staff turnover (number of departures due to resignations compared to the number of employees at the end of the fiscal year) amounted to 13.9% for the 2019/20 fiscal year, down sharply compared to previous years, in line with Wavestone's objective of reducing its turnover below 15%.

	2019/20	2018/19	2017/18
Staff turnover (%)	13.9%	18.4%	16.3%

4) Compensation and salary trends

Pay policy

Pay policy: core principles

Our remuneration policy is based on three principles:

- **A single salary scale for each job category and countries**

We apply the same salary scale across all our 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 for each country and each job category, considering market practices (annual benchmark).

- **Commitments 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 €5,289k in the 2019/20 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 5 years, nearly 40% 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 three 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⁽²⁾ was 2.3% for the 2019/20 fiscal year, mainly due to sick leave and work-related and travel accidents. 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, an Economic and Social Committee for the Economic and Social Unit is made up of Wavestone SA and Wavestone Advisors.

The CFE-CGC union is the representative union and has appointed 2 representatives to represent it.

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 more than 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, theater...). We also 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.

(1) Organization of Working Time.

(2) Excluding Metis.

Meetings between management and employee representative bodies held in 2019/20 by scope

15 meetings, including 5 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 the training plan and training actions

2) Review of collective agreements signed

Within the UES, which brings together Wavestone SA and Advisors, an agreement to set up a complementary health plan was signed on 12/02/19.

Within the UES, which brings together Wavestone SA and Advisors, an agreement to set up a provident scheme was signed on 12/02/19.

The Mandatory Annual Negotiations commenced on 01/21/19 and culminated in an agreement signed by the ESU in April 2019.

2) Occupational health and safety agreements

No occupational health and safety agreements have been signed by Wavestone.

3) Occupational accidents and illness

France (excluding Metis)	2019/20	2018/19	2017/18
Number of occupational accidents	29	22	25
<i>o/w commuting accidents</i>	22	11	11
Number of occupational illnesses declared	0	0	1
Rate and frequency of occupational accidents ⁽¹⁾	2.0	1.7	2.3
Severity rate of occupational accidents ⁽²⁾	0.04	0.01	0.02

(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 29 accidents reported in 2019/20, 10 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.

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 4 times during the 2019/20 fiscal year.

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 5 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.

The Company strives to ensure that its employees benefit from a daily working environment that is both pleasant and conducive to their professional development.

In this respect, an agreement on professional gender equality, quality of life in the workplace and the right to switch off from work was drawn up and was the subject of negotiations with the Economic and Social Committee during fiscal year 2019/20.

Nevertheless, owing to the Covid-19 pandemic, the signature of the agreement was postponed to fiscal year 2020/21.

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 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:

- 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, "Hub" customer space, "Nomad Zone", etc.;
- new technologies are central to the project: digital signage screens, meeting room touch-screen booking terminals, video-conferencing equipment, etc.;
- the concept also includes a rest room, to allow employees to recharge their batteries during a "Power Nap" (a short restorative nap).

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 end of 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 2019/20 fiscal year, in excess of 80% of employees in France stated they occasionally worked remotely⁽¹⁾. Teleworking promotes work-life balance and also reduces the firm's environmental footprint by reducing the number of trips made by employees.

• Coworking

For fiscal year 2019/20, Wavestone developed an optional scheme for employees to work up to three days per month (included in the three teleworking days) in a coworking space. Employees can book their place among the 600 on offer free of charge, via the Neo-nomade platform. This platform is available to all employees in France eligible for teleworking, via the Wavestone intranet.

Coworking enables employees to:

- reduce travelling time when they are working with two clients or at two sites;
- work in optimum conditions (environment where they can concentrate, with access to printers, etc.).

• 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.

• 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.

(1) Data from 04/01/19 to 03/16/20. Teleworking was imposed from 03/16/20 due to the Covid-19 epidemic.

2) Specific measures for expectant parents

Wavestone is committed to helping female and male employees achieve a healthy work-life balance.

More broadly, Wavestone intends to make an active commitment to change representations related to parenthood within the Company, and to encourage the principle of non-discrimination of employee-parents.

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. The Company works with the Babilou network, which includes more than 300 nurseries in France.

In 2019/20, Wavestone financed 90 cots for its employees' children.

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 may be taken individually, or together.

Parenting conferences and workshops

As every year, Wavestone offers conferences in its Parisian offices and in the regions (Nantes, Lyon, Marseille) led by a parenting coach. These 2-hour conferences focus on practical themes, such as "Sleep for children from 0 to 4 years old" or "Making parenting a breeze".

Since 2019, individual support is also provided to employees in France via face-to-face meetings or by telephone. These 30-minute meetings are presented by a parenting coach who offers parents personalized advice on sleep or nutrition, for instance.

In fiscal year 2019/20, two conferences and around ten individual coaching sessions were organized.

Support for maternity

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.

Prior to maternity leave, pregnant employees who so wish may benefit from an individual meeting with their HR representative, with a specific focus on Wavestone's corporate parenthood charter.

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 two weeks back.

When returning from maternity, adoption or parental leave, employees benefit systematically from two meetings with their HR representative and with their Career Development Manager in the month they return to work. These meetings are organized by the HR representative and the Career Development Manager.

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

Every year, many initiatives are organized by employees. For example, the following projects were carried out in fiscal year 2019/20:

- renewed organization of a blood donation in the Parisian offices of Wavestone in partnership with the *Etablissement Français du Sang* in October 2019. This initiative was a resounding success with 100% of the proposed slots occupied and 71 donors;

- organization of the second internal international ideas competition, The Idea, aimed at showcasing the best employee ideas and helping them put them into practice thanks to a collective innovation process. Of the 10 finalists, 3 were awarded prizes by the jury (replacement of plastic cups with mugs, creation of a Wavestone podcast) and a special public choice prize was awarded to an idea to extend paternal leave;
- re-edition of the clothing collection operation at the Paris office committing employees to donate clothing and shoes to the association “La Maison de l’amitié”; thus 7 boxes were donated to people in very precarious and isolated situations who live in or pass through La Défense.

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. The unit is accessible by phone or e-mail, in French and English.

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 managerial program deployed 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 has also created a training module dedicated to

the prevention of sexism in the workplace, which is mandatory for all management.

In addition, in March 2019, Wavestone launched an anti-sexism communication campaign to prevent certain cases of PSR. In addition, a focal point for harassment and violence in the workplace has been appointed.

Wavestone’s in-house training institute also offers two staff training programs designed to help employees concerned maintain efficiency during stressful situations.

5) Assessment of quality of life in the workplace

Wavestone participates in two annual surveys to assess the quality of its working environment and in line with its continuous improvement strategy.

• Great Place to Work®

In November 2019, 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 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. A total of 76% of employees responded to the questionnaire and 82% of them consider Wavestone to be a great place to work.

In April 2020, the institute unveiled its France 2020 Awards. Wavestone ranks 4th in the 2020 ranking, among companies with more than 500 employees.

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 6th consecutive year in 2019, with a score of 4.05/5 and a recommendation rate of 86.8%.

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

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.

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.

(1) Six months or less experience.

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⁾ (almost 60% of new hires in 2019/20). To this end, the Group has implemented additional measures, as described below.

The Wavestone Horizon professional development tool

Career development programs, called *Wavestone Horizon*, are designed for our consulting and business functions.

A new career path dedicated to functional professions has been built and will be deployed over the next fiscal year (starting 04/01/20).

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 (the "Wavestone Academy") 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⁽¹⁾;
- local training programs.

Digital training programs

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, Vodeclit and Sequoia programs, open to all employees:

- Vodeclit: tuition in professional office tools;
- 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

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 such as anti-corruption or data protection e-learning) for all of Wavestone employees (excluding Hong Kong and WGroup).

Fiscal year	2019/20 fiscal year	2018/19 fiscal year ⁽¹⁾	2017/18 fiscal year
Number of employees that attended at least one training course during the fiscal year	2,519	2,080	1,766
Percentage of headcount that attended at least one training course during the fiscal year	72%	67%	63%
Number of training days provided during the year	8,067	6,604	4,611
Number of training hours provided during the year	56,468	38,288	32,275
Average number of training hours provided during the year per employee	22	18	18

(1) Missing data for the Morocco and Wavestone Advisors Switzerland offices (98.4% of staff represented).

The number of employees that attended training was up this year, due to a better information on training.

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⁽²⁾

The Wavestone Academy offers over forty attendance-based programs designed to develop key job-related skills (business development, delivery, communication, project management, etc.). 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.

Training accounts for 3.9% of total payroll in France. The training spend in the 2019/20 fiscal year in France was €6,437k.

(1) See paragraph 3.2.5.1. on the integration of new recruits.

(2) Blended learning: combination of several forms of learning (e.g. attendance-based, e-learning and phone-based modules).



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 identified 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 months assignments within the firm's back-office departments (recruitment, communication, finance, etc.).

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 three months.

Almost 200 employees availed of internal mobility opportunities in 2019/20, 56% moving to a new entity.

Breakdown of internal transfers by type

Regional transfers
Occupational transfers
Inter-practice transfers
Total

2019/20		2018/19		2017/18	
43	29%	39	41%	25	39%
22	15%	19	20%	14	22%
82	56%	38	39%	25	39%
147	100%	96	100%	64	100%

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 2019/20, 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 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce	30% and 41% respectively	28% and 38% respectively	30% and 36% respectively
Achieve 30% representation of women on the Executive Committee	15%	15%	17%
Triple the number of employees with disabilities	22 at 12/31/19	15 at 12/31/18	11 at 12/31/17

Wavestone renewed its membership in the French Association of Diversity Managers (AFMD) in January 2020 in order to continue to identify best practices with the aim of making progress, among other things on the subject of professional equality between women and men but also on LGBT+ and disability issues.

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 listens to employees, proposes solutions and provides concrete answers to situations experienced by employees, at Wavestone and with customers.

1) Gender equality in the workplace

Social action

Percentage of female employees in the Group

	At 03/31/20	At 03/31/19	At 03/31/18
% of total workforce	40.8%	38.6%	36.4%
% of consultants	37.2%	34.8%	32.6%

The percentage of female employees in the Group continued to increase and came to 40.8% at 03/31/20. This increase was mainly down to higher numbers recruited from management schools and universities that have equal numbers of male and female graduates.

In fiscal year 2019/20, Wavestone carried out several actions to strengthen its commitment to gender equality, in particular:

- the organization of “Women@Wavestone” events in France, the UK and the US, including breakfasts, open to all employees, provided opportunities for discussion between women in positions of responsibility and employees. All told, more than 100 employees took part in these first rounds of breakfast meetings;
- a more detailed quantitative analysis in order to deepen the understanding of the gender distribution within the different entities and the implementation of gender-differentiated indicators, particularly on promotion rates and turnover rates, in order to identify areas for improvement;
- a sexism awareness campaign that reached more than 1,000 employees and included:
 - 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.

During the year, the network put together:

- the organization of 5 diversity awareness workshops that mobilized nearly 70 employees;
- organizing diversity awareness breakfasts.

Finally, Wavestone has made commitments to the inclusion of LGBT+ employees by signing the LGBT+ Commitment Charter of the association *l’Autre Cercle* on 09/27/19. An associated action plan has also been defined to ensure the operational implementation of all of the Charter’s commitments.

Last but not least, on 02/28/20, under the French law on the freedom to choose an occupation (09/05/18), Wavestone disclosed a gender equality score of 86/100 for the Wavestone economic and social unit. The aim of the law is to eliminate pay differences between men and women in France.

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. About thirty employees at Wavestone are now sponsors;
- since April 2018, Wavestone paired up with Foundation Femmes@Numérique, as a member and through skills sponsorship actions. This initiative 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;
- in November 2019, Wavestone was again a partner of the Women’s Forum Global Meeting in Paris. For this edition, the theme chosen was inclusion.



2) Employment and inclusion of people with disabilities

For the calendar year 2019, Wavestone France employed 22 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 €768k⁽²⁾ in 2019, up slightly on last year's amount (€700k) partly due to the increase in the number of employees. 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, i.e. 33 at 03/31/21.

The firm stepped up its commitment in 2019/20 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;
- identification of new Wavestone partner target schools on the theme of disability.

As a result of all these endeavors, Wavestone hired 6 new employees with disabilities on permanent contracts during the year, including 3 permanent contracts without recognition, and 2 trainees without recognition.

Support:

- since 2018, in order to structure its commitment to disability, Wavestone France has created a "Mission Handicap", made up of two internal employees and one external expert on disability. This "Mission Handicap" has the following vocation:
 - to provide close follow-up for employees already declared disabled to ensure their well-being on the long term;

- to offer strictly confidential and individual interviews to employees concerned by disability to answer their questions and help them with their administrative procedures;
- to offer support to HR, recruitment and managerial teams to answer their questions and help them in the follow-up of the employees. Note that the "Mission Handicap" makes regular calls to our regional offices to provide support locally;
- in addition, the HR and managerial teams of the employees concerned have been specifically trained on the subject of disability.

Awareness:

We organized a number of information sessions this year to raise employee awareness and break down prejudice and preconceived ideas:

- organization of the 3rd edition of the "handi cap prize by Wavestone", a competition aimed at rewarding the best initiatives of student associations working in favor of disability. This 3rd edition, sponsored by Manon Genest, paratriathlon world champion and health and safety engineer at the French Ministry of the Army, was a success with the participation of 14 student associations;
- organization of a conference with Virginie Delalande, a deaf lawyer by birth, which brought together more than 80 employees;
- hosting of a guide dog student in Wavestone's office;
- participation in the "Ensemble race", which brought together nearly 70 disabled and non-disabled employees. Throughout the day, employees also had the opportunity to learn about Paralympic sports in the presence of champions and to discover the actions carried out in favor of the disabled by partner companies;
- production and sharing of a video to present the "Mission Handicap" and its role;
- activities for the European Week for the Employment of People with Disabilities 2019 (SEEPH): theatrical workshops on the invisible disability on the Nantes, Lyon and Paris sites, complemented by the intervention of the guide dog school for the blind on the Parisian premises.

(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.

To strengthen these commitments and build an adapted and sustainable employment policy, Wavestone signed a 2-year partnership agreement with AGEFIPH on 03/31/19.

Wavestone also continued with its broader social engagement in the area of disability:

- Wavestone France uses establishments in the protected and adapted sector for different types of services, such as printing training materials or delivering lunch baskets;
- Wavestone is also continuing its partnership with Grenoble École de management on the “Management and Disability” certificate offered at the school to some 30 students;
- the Wavestone Foundation, which supports associations working to help disadvantaged children around the world, ensures that, whenever possible, it supports projects related to disability. In 2020, the Wavestone Foundation financed 2 projects in Congo and Bangladesh in this context;
- on Powerday, Wavestone’s global corporate solidarity day, the organizing team takes care every year to identify projects related to disability. For example, one of the association projects for the 2019 edition was to advise the “Handichiens” association on developing its reputation and simplifying its donation collection process.

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 2020, employees aged 50 and over accounted for nearly 7% of the total workforce, slightly up from last 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;
- retirement information meetings provided to all employees as of their 50th birthday to provide them with an overview on retirement in France and provide them key information;
- 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;

- employees over 50 with more than five years’ service at Wavestone can benefit from a professional review funded by the firm from an organization selected by the latter;
- 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 eight 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, it was subsequently updated every two years until today.

The main environmental issues identified by the audits stem from business travel and the building footprint of our offices. Reporting and action plans therefore focus on these areas. However, the other areas for study and improvement are not neglected (management of the computer park, management of resources and waste produced, etc.).

Details concerning Wavestone’s environmental reporting methodology

While Wavestone has used the same reporting methodology for the past eight 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 and light pollution, etc.).

The scope of environmental reporting covers almost all of Wavestone’s offices, representing 98.1% of the workforce:

Offices	Workforce at 03/31/20	Breakdown (% of total workforce)
Paris (Head office)	2,827	80.8%
Regional offices	256	7.3%
Lyon	134	3.8%
Nantes	95	2.7%
Marseille	27	0.8%
International	347	11.9%
Casablanca	15	0.4%
Brussels	23	0.7%
London	117	3.3%
Geneva	67	1.9%
New York	51	1.5%
Luxembourg	63	1.8%
Hong Kong	11	0.3%
Total	3,430	98.1%

The Edinburgh, New Delhi and Philadelphia offices, which employ respectively 1, 3 and 64 employees, totaling 1.9% of the Group’s total headcount, do not report environmental information owing to the lack of a dedicated physical office. The different headcount ratios presented were therefore calculated excluding the headcounts from these three offices.

Given the context of the Covid-19 crisis, as a significant part of the data could not be collected from all the offices, more extrapolations had to be used on the basis of the ratios of the Paris headquarters.

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

At the time of developing its CSR approach, Wavestone committed to reducing its environmental impact with a view to having a positive societal impact.

For further details, see section 2 of the report.

Wavestone’s commitment to acting in favor of the environment focuses on two main drivers.

First, Wavestone is committed to creating a positive impact with its clients via its “Responsible Consulting” approach. In fiscal year 2019/20, Wavestone drew up a Responsible Consulting Charter covering five commitments, two of which relate to the environment: reducing carbon emissions and waste management. During fiscal year 2020/21, employees will be trained and tools made available to enable implementation of these commitments to offer clients solutions with positive environmental impacts for their transformation projects.

For more details, refer to section 3.4.2.

Also, Wavestone wants to reduce the daily environmental footprint of its internal operations through:

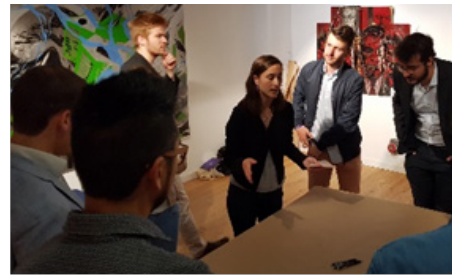
- awareness-raising actions;
- an active policy to reduce air travel, Wavestone’s main source of CO₂ emissions;
- an ambition to move towards zero waste, which is reflected in multiple information initiatives within the French and international offices.

(1) Environmental reporting appendix - Cross-reference table between Wavestone data and Article 225 of the Grenelle II Law.

1) Training and environmental awareness of employees

Wavestone has adopted an approach aimed at mobilizing its employees to focus on environmental issues. Awareness initiatives are mainly focused on climate change, waste management and the environmental impact of digitalization. To this end, Wavestone leverages:

- an active network of internal ambassadors in its different practices and offices;
- a “Green Place to Work” workgroup, which organizes awareness initiatives, like the “Climate Fresco” workshop which was attended by 130 employees to foster awareness of climate change issues. Given the success of these workshops and assuming expansion, 27 employees have been trained to manage these workshops. These workshops have also been adopted by consultants at several of our clients, including L’Oréal and GRTgaz;



- employees produced a guide (in English and French) on everyday practices in an effort to protect the environment, which was distributed at all Wavestone offices. It shares the initiatives that could be introduced in our offices and practices (challenges, videos, events, workshops, etc.);
- a guide on eco-friendly initiatives, in English and French, distributed to all employees to raise awareness of everyday environmental protection practices both in the workplace and at home (energy conservation, minimizing motorized travel, nutrition, etc.);



- emergence of innovative ideas, particularly with the in-house competition, The Idea, which rewards the best ideas suggested by firm employees. The 2020 Idea competition rewarded an initiative to protect the environment: replacing plastic drinking cups with mugs;
- participation in environmental-themed projects as part of the Wavestone Powerday.

Since digital is at the heart of Wavestone's actions, its environmental impact is a key area of focus. At the end of fiscal year 2019/20, Wavestone had planned a major "digital responsibility week", including workshops and several conferences on the impact of digital technologies on the environment and promoting best practices to be applied both internally and with clients. Owing to the Covid-19 crisis, this event has been postponed.

Overall, the results of the carbon audits and the steps taken to reduce our carbon footprint are communicated to all personnel through the intranet site. This promotes awareness and communicates environmental initiatives to employees.

2) Wavestone office remodeling and renovation

Since 2015, Wavestone began to roll out "AIR", its new office layout project. This project notably includes:

- the removal of individual rubbish baskets to encourage waste sorting;
- 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.

For more details, refer to paragraph 3.2.4.

Its deployment has had significant results in terms of waste reduction and sorting efficiency.

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, monitors, servers, etc.).

1) IT waste

Electrical and electronic waste (WEEE) accounts for 15% of the total waste generated by Wavestone's activities in weight. Although small in terms of weight, this type of waste represents a major environmental 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). At Wavestone, we recycle all this waste or channel it for reuse or energy recovery. Thus, 17.5% of WEEE was reused for the 2019/20 fiscal year.

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 2019/20 fiscal year and was replaced: about 1,500 laptops and 1,000 mobile phones were taken out of operation. Over the 2019/20 fiscal year, in total, approximately **10.3 tons of IT waste** were sent to recycling channels, representing **3.0kg per employee**.

To prolong the lifespan of mobile phones 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 returned to the telephone service provider or sent to responsible recovery channels. Wavestone implemented a procedure for the systematic recycling of end-of-service IT equipment in most of its sites. The cooperative company *Les Ateliers du Bocage*⁽¹⁾ was chosen to treat electrical and electronic waste (WEEE) for Paris and the Company Lemontri for Marseille, through the clean disposal of toxic components and the recycling of recyclable materials.

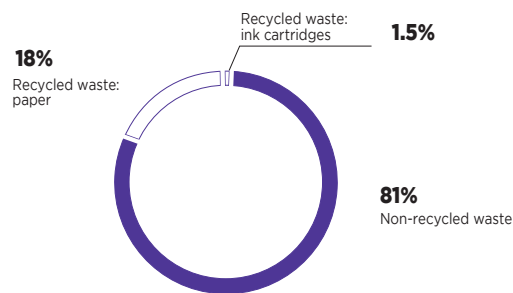
2) Office waste

In fiscal year 2019/20, each employee generated approximately **17 kg of office waste** for a **total weight of 58.1 tons of waste** for the Company⁽²⁾. This represents the weight of 567 one-liter plastic bottles per employee.

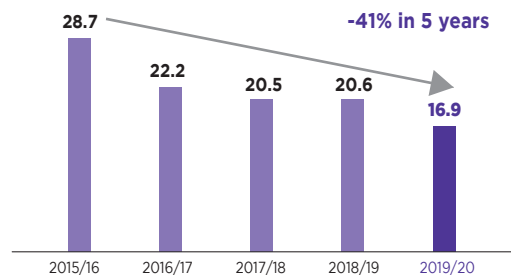
The breakdown is as follows:

- non-recycled waste: 47.0 tons of non-hazardous office waste⁽³⁾;
- recycled waste⁽⁴⁾:
 - 10.3 tons of paper waste, including 8.6 tons from the Paris offices, were recycled by the association ANRH (Association for the Professional and Respectful Integration and Reintegration of People with Disabilities);
 - 0.8 ton of ink cartridges⁽⁵⁾. In Paris, all ink cartridges are collected by the Company Conibi.

■ Office waste - 2019/20



Evolution over 5 years of office waste production (kg/employee)



Wavestone is committed to a zero-waste approach and the action plans implemented are showing results:

- over the fiscal year 2019/20, the amount of office waste per employee continues to decline, by approximately 18% compared to the previous year, mainly due to improved practices in France and in some international offices;
- over the last five fiscal years, the average weight of waste generated per employee has decreased by approximately 40% in all offices, thanks to the introduction of new “AIR” workspace layouts (centralization of trash cans and improved recycling), and to local initiatives implemented (introduction of selective sorting at certain sites, “zero waste” awareness, more responsible practices at events and in the selection of service providers, etc.).

To go further, a project to overhaul recycling practices and methods is underway. The elimination of single-use plastics is one of the main lines of work, and several devices for recycling and reducing beverage packaging have been tested:

- installation of 12 “Canibal” recycling stations in Paris. The experiment lasted 2 years and was completed in early 2020;
- the “Lemon Tri” solution in Marseille;
- the NewCy initiative conducted from March 2019 to March 2020, which provided Wavestone employees with washable and reusable plastic cups in “relaxation areas” in Paris;

(1) <https://ateliers-du-bocage.fr/>

(2) The data obtained are the result of the findings of a service provider responsible for waste treatment at the Geneva and London offices, in the absence of results from the Paris office owing to the Covid-19 crisis. The previous year’s findings were extrapolated and adjusted to the revised Parisian headcount. Extrapolations were conducted based on the Parisian ratio for the other offices. This methodology has been the same since 2012.

(3) This is conventional office waste (packaging, office supplies, etc.) classified as non-hazardous 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 58.8 tons.

(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.



- throughout the month of January 2020, an initiative was aimed at offering coffees of Paris employees using their personal mugs.

These pilots identified the main levers and obstacles to the deployment of a zero-waste approach and enabled Wavestone to make progress in its approach.

3) Food waste (fight against food waste)

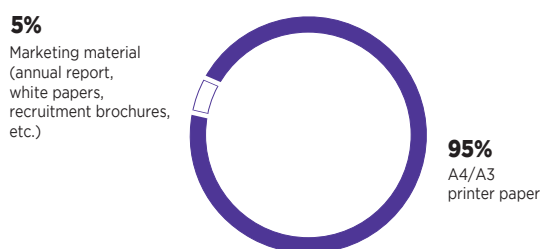
Although Wavestone does not manage the food service locations used by its employees, it can influence the choice of the service provider in charge of the food service, particularly for the Paris site, which employs nearly 3,000 people. As a result, one of the main selection criteria in the last call for tenders was the environmental commitment of the service provider and its ability to offer a vegetarian alternative to meet the growing demands of its employees.

3.3.3. Sustainable use of resources

Since Wavestone has no manufacturing activities, its use of direct 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 – 2019/20



The main raw material consumed by the Company is paper (for printers, photocopiers and marketing materials). Wavestone recycles paper (see 2.2.2.) and uses only PEFC and FSC labeled paper (see 2.2.5.). In 2019/20, Wavestone consumed 15.2 tons of paper, equivalent to 4.4 kg per employee, equivalent 1.8 reams of paper⁽¹⁾ per year.

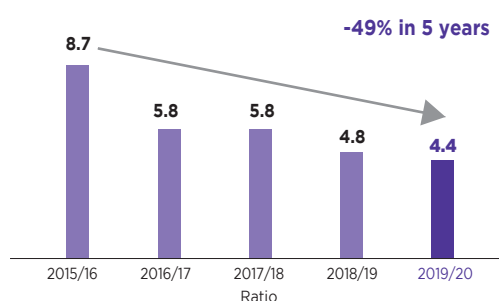
(1) Reams of 500 sheets A4 80g.

(2) Paper is defined as: A4 and A3 white 80 g and 90 g, other types of paper being marginal. In fiscal year 2017/18, a large order for A3 paper was placed in order to cover the consumption of the Paris office for several years. The hypothesis of an average annual consumption of approximately 0.7 ton of A3 paper was made over 10 years. Therefore, for fiscal year 2019/20, 0.7 ton of A3 paper was added to the total purchase quantity for the current fiscal year to estimate the real consumption of the Company.

Down 9% this year, per-person paper consumption continues its significant and steady decline of 50% on the past five fiscal years.

Paper consumption is estimated on the basis of paper orders placed during the year⁽²⁾.

Evolution over 5 years of paper consumption (kg/employee)



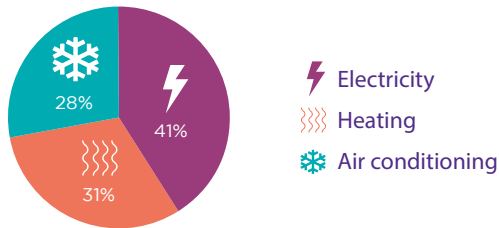
We are actively working to reduce paper use. For instance, we use screens in meeting rooms to project presentations and information instead of printing them. Photocopier settings are automatically set to “Green print”, a black & white and recto-verso printing mode.

During 2019/20, Wavestone continued to implement its paperless solutions for annual General Meeting notices and preparatory documents with e-notices and e-voting. A partnership forged with Reforest’Action helped bring about the planting of 485 trees.

2) Energy consumption

Like many businesses, our offices use heating, air conditioning, ventilation, lighting and office equipment, which account for our direct energy consumption.

The consumption considered here corresponds to the energy required to supply the electricity network, the heat production network (heating) and the cold production network (air conditioning).

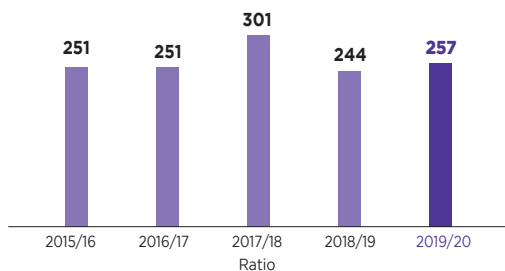


4.7 GWh in 2019/20



Energy use came out at 257 kWh/m². By comparison, the average energy in France in 2019⁽¹⁾ was 179 kWh/m². Over its entire perimeter, Wavestone is therefore less efficient in its use of energy per square meter than the French average. This is due in particular to the predominant impact of the Paris office, which houses 81% of the staff, housed in an old building that does not benefit from high-performance insulation.

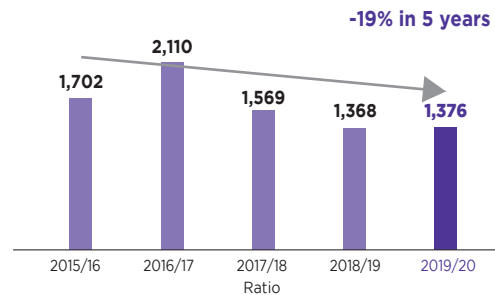
Evolution over 5 years of energy consumption per surface area (kWh/m²)



In 2019/20, Wavestone's final energy consumption is 4.7 GWh. Total energy consumption is up 11% compared to the previous year, and follows the increase in headcount at company level (+11%). Energy consumption per employee remained stable

(+0.5%), rising from 1,368 kWh/collaborator/year to 1,376 kWh/collaborator/year. As an indication, the energy footprint of an employee in Wavestone's offices represents 32%⁽²⁾ of the average annual consumption of a French individual (professional and personal activities).

Evolution over 5 years of energy consumption per employee (kWh/employee)



Wavestone is constantly improving its energy consumption per employee over the past five years. 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% of its workforce) occupies 14,000 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.

The Paris site has subscribed to an electricity supply offer from Engie using the Guarantee of Renewable Origin mechanism.

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.

(1) Source: Energy Efficiency Highlights IEA - <https://www.iea.org/statistics/efficiency/>.

(2) According to IEA (International Energy Agency - 2016) statistics, on average a French person consumes 4,241.6 kWh/year.



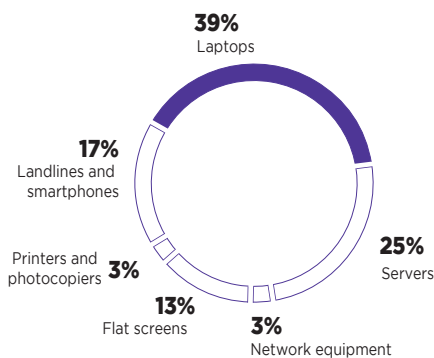
In total, this is estimated⁽¹⁾ at 0.25 GWh per year (equivalent to the annual power consumption of 59 French households). This electricity consumption is down by more than 45% compared to last year.

This can be explained both by a better estimate of IT equipment consumption, but above all by the migration to the cloud of part of the Wavestone servers in 2019, in the interests of functionality and energy efficiency.

The power consumption of virtualized servers will be estimated next year for completeness. The selected cloud provider also has a 100% renewable electricity supply. Factoring in certain usages outside of Wavestone premises⁽²⁾, total energy consumed by IT equipment represented 13% of the Group's total electricity consumption (1.92 GWh).

Wavestone's energy consumption breaks down as follows:

■ Total energy consumption per use - 2019/20



Aware of the environmental impact caused by the manufacture of computer equipment, Wavestone has improved the characteristics of its fleet of laptops. All Company laptops are now EPEAT⁽³⁾ labeled; 22% of all IT equipment carry the "Gold" label, and 78% the "Silver" 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⁽⁴⁾ standard for energy consumption while in use. Labeling is now included in the selection criterion used by the

Company in its procurement process.

3) Water consumption

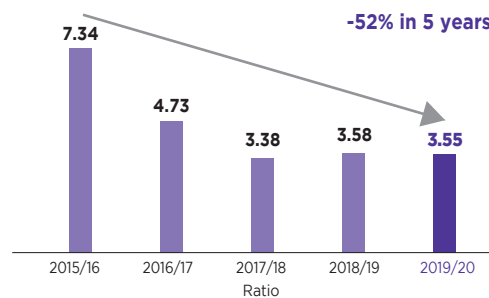
Information related to the Group's water consumption below mainly concerns the domestic water supply used for sanitary and cleaning purposes, and by air conditioning systems.

Each employee consumed an average quantity of water estimated at 3.55 m³ in fiscal year 2019/20, which represents 16 liters per day, or the equivalent of 12% of the daily consumption of an average French individual⁽⁵⁾. This year, water consumption was extrapolated mainly from last year's data because the trustees were unable to provide Wavestone with actual consumption in view of the Covid-19 crisis.

Wavestone's total annual water consumption⁽⁶⁾ is estimated at approximately 12,200 m³, representing a 10% increase over the previous year, in line with the increase in headcount.

As a result of the calculation method used for this fiscal year, estimated consumption per employee remains stable, after a sharp decrease over the last five fiscal years:

Evolution over 5 years of water consumption per employee (m³/employee)



(1) The estimate was made on the basis of the number of equipment operated by Wavestone, the average use observed and the average performance of this equipment in France (source IDATE). The assumptions for use are as follows: laptops, monitors and cell phones would have an average use of 1,760 hours per year and servers of 8,760 hours. The assumption for the printers is 10,000 annual prints per device and this year 134 kWh per year for the multifunction photocopiers.

(2) Estimated at 50% 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/>).

(4) Label awarded to energy-efficient products (<https://www.energystar.gov/>).

(5) Consumption of 329 liters per household of 2.5 people according to INSEE.

(6) 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).

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)⁽¹⁾. In addition, the pressure exerted by Wavestone on local water resources is very limited.

3.3.4. Climate change: greenhouse gas emissions⁽²⁾

In addition to the evaluation of GHG emissions on its own perimeter described below, as part of the consulting approach undertaken, Wavestone is working on the implementation of a tool enabling any consultant to estimate whether he can have an impact on his client's carbon footprint in this context.

1) Summary table

The scope of this analysis is limited to four sources of emissions, namely:

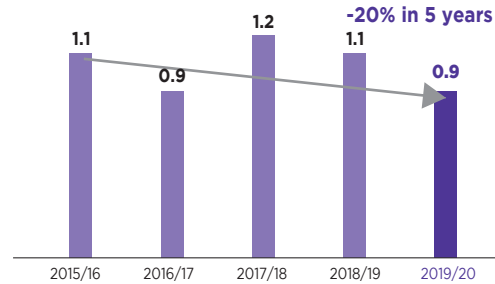
- business travel and commuting;
- energy consumption of buildings;
- paper purchases (marketing and printing);
- refrigerant gas leaks in air conditioning systems.

The carbon assessment carried out every two years within Wavestone covers a much more complete scope by including more items: services, furniture purchases, etc.

Of the 4 positions considered here, Wavestone's greenhouse gas emissions for the 2019/20 fiscal year amount to approximately 3,035 tCO₂eq, or 0.88 tCO₂eq per employee. This 19% decrease is mainly due to:

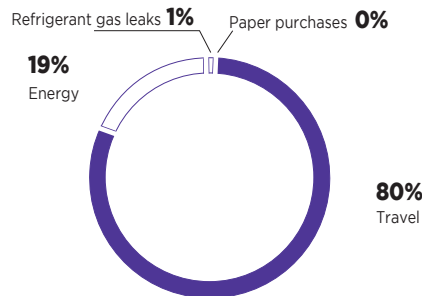
- reducing air travel in favor of the train;
- a 28% improvement in the emission factor of the heating network at the Paris headquarters, which accounts for 81% of the workforce.

Evolution over 5 years of greenhouse gas emissions per employee (tons of CO₂ equivalent/employee)



The Company's GHG emissions break down as follows:

Greenhouse gas emissions (tons of CO₂ equivalent) of defined scope



2) Focus on travel

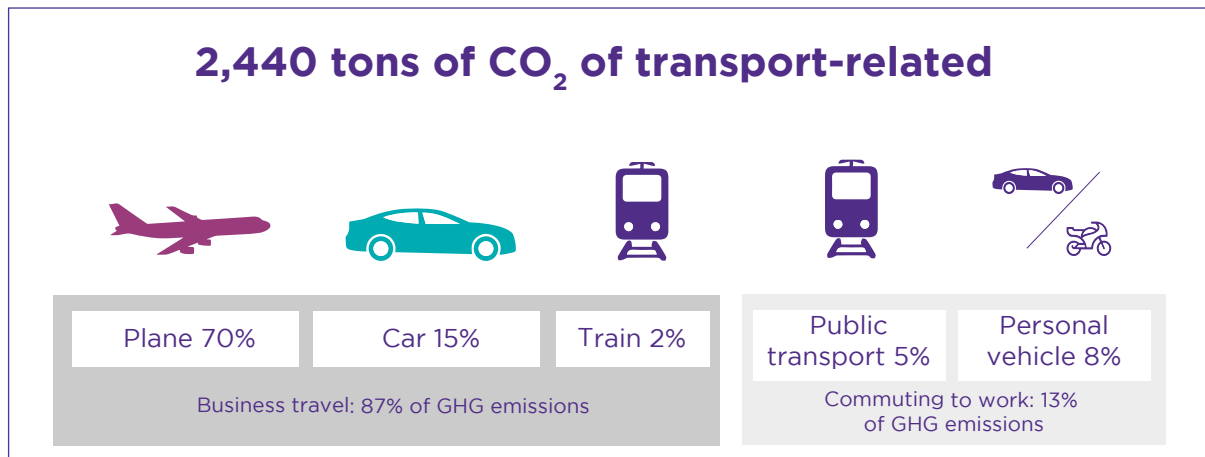
For the scope referred to above, employee transport is the main source of greenhouse gas emissions⁽³⁾ (80%). To gain a better understanding of these emissions, Wavestone analyzed the volume and different means of transport used on business trips and in staff commuting. Air travel alone accounts for 71% of greenhouse gas emissions generated by our business travel and staff commuting.

(1) For more information on water stress areas, visit (<http://www.un.org/waterforlifedecade/scarcity.shtml>).

(2) 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.

(3) The scope used to produce the GHG statement is not considered in its entirety for the 2019/20 financial year; only emissions related to travel, energy, refrigerant gas leaks and paper purchases are taken into account.

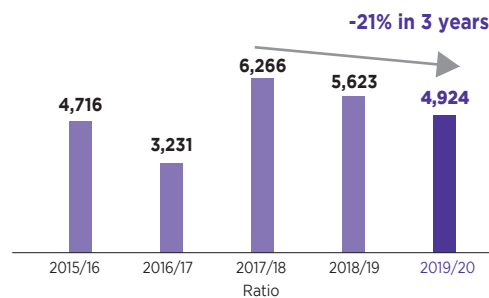




3) Business trips

Business trips, using all methods of transport⁽¹⁾, amount to roughly 16.9 million km per year, or approximately 4,924 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 internal policy implemented in the last two years has been successful, with a significant reduction in business travel, particularly air travel.

Evolution over 5 years of business travel per employee (km/employee)



The distance covered for business travel by all Wavestone collaborators represents trips

421 round-the-world trips

(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). For rental vehicles, the mileage is either taken directly from the travel agency or is estimated on the basis of the amounts recorded in expense notes.

Breakdown of business trips by type of transport in 2019/20:

(km/year)	2019/20	2018/19	2017/18	2016/17	2015/16
Plane	43.4%	51.3%	49.6%	40%	37%
Train	46.6%	38.0%	32.5%	42%	44%
Public transport	1.6%	1.9%	7.8%	3% ⁽¹⁾	9%
Cars	8.4%	8.8%	10%	14%	10%
o/w employee cars	5.6%	5.5%	7.9%	8.5%	9.4%
o/w rental cars	0.8%	1.2%	0.4%	0.1%	0.2%
o/w taxis	2.0%	2.1%	1.7%	5.9%	1.4%

(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 the future, the departure and arrival points will have to be provided in the management tool in order to be able to keep track of the 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:

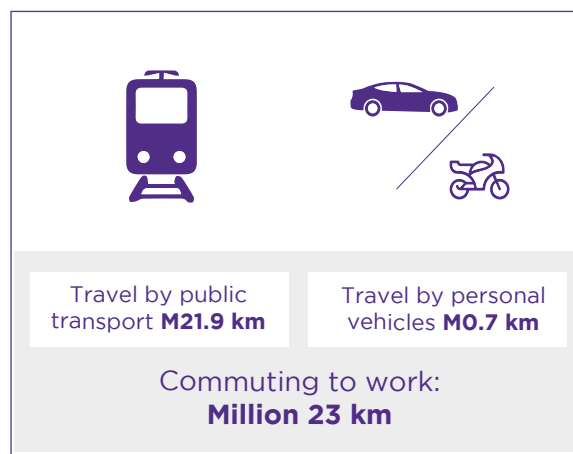
1. Limiting business trips by using audio and videoconferencing systems: Wavestone's meeting rooms are equipped with remote conferencing systems that are used mainly for in-house discussions between the firm's various sites.

2. Choosing the least polluting means of transport for short-distance trips: Wavestone 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 three 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

23 million km per year is the total for commuting to and from work⁽¹⁾ within the reporting scope⁽²⁾.



Wavestone's employees are encouraged to use public transportation to commute to work. The table below shows the transport choices made by our employees:

Share of home-to-work trips by mode of transport (%)	2019/20	2018/19	2017/18	2016/17	2015/16
Public transport	97%	96%	92%	92%	86%
Own vehicles (car & motorbike) ⁽¹⁾	3%	4%	8%	8%	14%

(1) Updating of the estimation methodology as of fiscal year 2018/19.

Exceptionally, taxis and VTCs are reimbursed for employees traveling home after 10 p.m.

(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 88.7% of staff and the private car data 81.0%.

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. In addition, a coworking experiment on the Paris and Nantes sites was launched 2 years ago, in collaboration with Neo-nomade for employees' teleworking.

For more details refer to paragraph 3.2.4.

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	2019/20	2018/19	2017/18	2016/17	2015/16	Unit	% change yr-on-yr	% change over 5 years
Office waste	16.9	20.6	20.5	22.2	28.7	kg/headcount	-17.8%	-41%
Final energy consumption (per sq. m)	257	244	300	251	251	kWh/sq. m	5.0%	2%
Final energy consumption per employee	1,376	1,368	1,569	2,110	1,702	kWh/headcount	0.5%	-20%
Water consumption	3.55	3.58	3.38	4.73	7.34	m ³ /headcount	-0.6%	-52%
Paper consumption	4.42	4.83	5.8	5.8	8.7	kg/headcount	-8.7%	-49%
Greenhouse gas emissions (within the reporting scope)	0.88	1.08	1.23	0.9	1.1	t.CO ₂ eq/workforce	-19.2%	-20%
Total distance traveled for business trips	4,924	5,623	6,265	3,231	4,716	km/headcount	-12.4%	4%
Business flights as a percentage of business trips	43%	51%	50%	40%	37%	% of total km traveled	-15.5%	17%
% of employees commuting by public transportation	97%	96%	92%	92%	86%	% of total km traveled	0.6%	12%

2. 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 2.2.1 (1)
	Measures carried out to ensure employee access to environmental training and protection	Paragraph 2.2.1 (2)
	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 2.2.2
	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 2.2.3 (3)
	Consumption of raw materials and measures taken to optimize their use	Paragraph 2.2.3 (1)
	Energy consumption measures taken to improve energy efficiency, and recourse to renewable energy	Paragraph 2.2.3 (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 2.2.4
	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 2.2.5

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 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Devote 1% of the firm's time to supporting organizations with a civic mission	0.53%	0.24%	About 0.16% ⁽¹⁾

(1) Figure revised based on a new calculation basis.

Wavestone increases 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 1,500 employees from all our offices worldwide took part in 100 or so projects in the fourth Powerday, held on 08/30/19.

Some of the 2019 Powerday projects include:

- forest clean-up workshops in the Paris region;
- helping to organize an annual nature festival to raise public awareness of the respect of the environment in Geneva;
- development of digital tools for the Handi'chiens association in Paris;
- collection and inventory of school supplies at *Secours Populaire* in Nantes;
- maintenance, construction and gardening of a wellness area that aims to help people suffering from moral and physical difficulties in London;
- beach cleaning in Hong Kong.

Pro bono consulting and advice for community groups

At the end of the fiscal year, against the backdrop of the Covid-19 crisis, a crisis management sponsorship unit was set up. The goal was to continue to our skill-based sponsorship commitments through teleworking and identify new pressing issues of charities, current Wavestone partners or otherwise, to be able to address such needs.

For example, Wavestone has already contributed its expertise to:

Solidarités International

Wavestone made a three-year commitment to provide Solidarités International with its consulting expertise in digital transformation and management. In this way, the firm can help Solidarités International in steering its transformation projects and updating its information system. Three ongoing assignments with timeframes of one to three months.

Les Restos du Cœur

Wavestone provides its skills in terms of digital transformation and management to the free-meal charity for the poor and homeless. These initial assignments are part of a medium-term partnership to support the charity in diversifying its activities.

Vendredi

Wavestone partners Vendredi, which gives to interns or employees the opportunity to work at least 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.

Wavestone also supports other associations within the framework of skills sponsorship missions such as Rejoué, Apprentis d'Auteuil, Make.org, etc.

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 11.5% have some form of disability;
- by deploying an experimental and interdisciplinary approach fostering teamwork in project mode;
- by spreading best practices and innovative teaching methods in the university environment.

The success of this educational approach, awarded the Excellence in Innovative Education (IDEFI) label in 2012, was confirmed by the graduation of the first four classes of students. Since 2016, more than 90% of students went on to Master's level or enrolled in engineering colleges, such as: AgroParisTech, EPITA, Arts et métiers, Polytech, EDHEC, etc.

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 10 events a year), student selection, raising the profile of the Institute and participation on its governing bodies.

In 2019/20, around 100 Wavestone employees sponsored students from the Institute throughout their 3-year Bachelor's program.

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 two years. Their objective is to provide support and a listening ear to young entrepreneurs to help them get their project off the ground.

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 130 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, 50 sponsors had contributed to the Wavestone Foundation's projects by continuing to lend their support.

The Charter of the Foundation and all previous-year activity reports are available on the Foundation's website: www.fondation-wavestone.com.

At the end of fiscal year 2019/20, Wavestone had to tackle the Covid-19 crisis. Against this unprecedented backdrop, the firm was forced to suspend funding to the corporate Foundation this year. At its Board meeting of 03/27/20, the Foundation used remaining funds to finance seven new projects for a total amount of €46,000.

2) Actions taken with respect to employment and professional integration

As a responsible employer, Wavestone pays particular attention to its social footprint

In 2019/20, close to 8,500 applicants from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, recruitment events and spontaneous applications) were interviewed by Wavestone for a permanent contract, of which 60% are young school leavers.



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 2019/20: 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

With the growing importance of digital technology in our daily lives, IT security is more than ever a social issue. Following on from the previous year, the 2019/20 fiscal year was an opportunity to further strengthen the firm's commitments in this area.

A deep and lasting commitment to raising public awareness about the importance of online security

In fiscal year 2019/20, 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.

Wavestone also continued to work with ISSA France to raise awareness among 7-11 years old, by co-leading game sessions based on the vacation guide "*Les As du Web*", developed the previous year under the patronage of the French Secretary of State for the Digital Economy.

The #TotalCyberAwakening video series initiated in the previous fiscal year continued, filmed by and with Wavestone employees to raise awareness in a fun format: password security, session locking and phishing.

Finally, in partnership with the French association of the Cyber Security Center for Youth ("*Centre de la Cybersécurité pour les Jeunes*") and with the support of cybermalveillance.gouv.fr,

Wavestone created a Board game on the theme of cybersecurity: 1,2,3 Cyber. It aims to make 11-14 years old aware of the risks of Internet and the good reflexes and good practices to adopt. This game has been used at various gatherings and with several college classes, in conjunction with school officials and educational teams. This card game is offered as a free download and under free license, to encourage its diffusion and continuous improvement.

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. The 2019/20 fiscal year was an opportunity to update several of these software programs and create a new one: Abaddon. Abaddon is an Open Source software that facilitates Red Team's operations in the context of security audits: infrastructure deployment, operations monitoring, consolidation, etc.

Cybersecurity skills mobilized in public utility organizations

By developing skills sponsorship in the 2019/20 fiscal year, Wavestone has supported several public utility organizations to ensure the security of their projects or information systems. These non-invoiced consulting missions are carried out with the same level of quality and standards as the invoiced missions. The first interventions corresponded to specific needs. The current actions aim to make these sponsorships part of a long-term collaboration.

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 corporate and public bodies in their major 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 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Conduct our activities based on a clear and responsible policy regarding the choice of our missions and our clients	Policy being drafted	Policy being drafted	No policy
Draw up a responsible charter of advice and train all employees in its application	Charter and training being drafted	Charter being drafted	No charter

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.

Wavestone is committed to effectively integrating Corporate Social Responsibility issues into its recommendations to its clients. This commitment will be translated into a Responsible Council Charter (currently being finalized), based on three key pillars: people, environment and business market.

To ensure that each employee can meet this commitment, resources are being developed and consolidated. They will be made available to all and an adapted user experience will ensure their integration within each project.

The training of employees in the charter, its challenges and the process is a key factor of success: an e-learning program is currently being prepared. A community of experts is also beginning to take shape to support employees on a case-by-case basis, whether in the pre-sales phase or during the actual execution of projects.

In fiscal year 2019/20, Wavestone issued recommendations to several clients to help them in their transformations towards more efficient, sustainable and responsible business models. For example, as part of a project to renew its computer equipment, the firm assisted one of its clients in upgrading its old computer equipment in partnership with an ESAT (collection, sorting, recycling and resale of workstations). Several other projects have provided an opportunity to take action on energy transition, clean mobility, the circular economy and a more sustainable supply chain.

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 Middelnext Corporate Governance Code.

The Supervisory Board is composed of 7 members (2 women and 5 men), of which 4 are independent and 1 is an employee representative. 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 a 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 (COFIL) 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 Middlednext in December 2017. This 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 its own in-house guide for staff based on actual case studies.

Commitment to business ethics training

Our CSR strategic plan includes the commitment by 2021:

2021 objective	Performance at 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Have trained 100% of employees in business ethics	79% of employees trained in the anti-corruption fight	Training being developed	No training

An anti-corruption training module has been deployed throughout the firm. 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.

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.

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 redesigned its awareness materials in 2019 to create a global program called TRUST.

In addition to the existing media (confidentiality agreement, user charter, dedicated intranet page), new means of communication have been implemented:

- creation of a humorous awareness-raising video including ISSMs from some major French and international companies as well as Wavestone's CEO and Chairman and COO;

- creation of animated videos for simplified use of data protection tools;
- organization of weekly events to meet employees, the Cyber-coffee quizzes;
- organization of a big contest during the Cyber Security Month, focused on the protection of personal digital life. This contest allowed to donate more than €2,300 to the ISSA association;
- creation of monthly videos to share best practices and cyber news.

The Company has decided to strengthen its action plan by setting a priority objective in Wavestone's CSR strategic plan:

2021 objective	Performance at 03/31/20	Performance at 03/31/19	Performance at 03/31/18
Have trained 100% of employees ⁽¹⁾ in data protection	100% of new hires 86% of employees	86.4% of new hires 71% of employees	70% of new hires 13% 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 2019/20 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.

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 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 Switzerland (office in Switzerland);
- Wavestone Advisors (French office);
- Wavestone US, UpGrow and WGroup⁽¹⁾ (offices in the United States);
- WGroup Consulting India Project (New Delhi)⁽²⁾ ;
- Wavestone Luxembourg (office in Luxembourg);
- Wavestone Belgium (office in Belgium);
- Wavestone Advisors Morocco (Moroccan office);
- Wavestone HK, Metis Consulting HK (office in Hong Kong);
- M3G, Metis Consulting (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 2019/20 fiscal year ended 03/31/20. In exceptional cases which are explicitly mentioned, the information covers the 2019 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 Financial Department.

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 the CSR manager 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 2012/13 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.).

(1) Joined the firm in August 2019.

(2) Joined the firm in August 2019.

For fiscal 2019/20, following the Covid-19 pandemic, it was not possible to obtain certain environmental data. This specifically applied to the Paris offices in terms of energy, water and waste. As a result, this information was obtained from year-earlier data adjusted prorata for changes in office space occupied for energy and adjusted in line with changes in headcounts for water consumption and waste production.

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).

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 2019/20 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 03/31/20 (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 Statement 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 6 persons/days between 05/04/20 and 05/20/20.

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 selected key performance indicators 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.

(1) Scope of social disclosures: global database; scope of environmental disclosures: Wavestone 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.

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, May 21, 2020

FINEXFI
Isabelle Lhoste
Partner

2019/20 Management Board Report - Additional note

Company results and other items in the last five years

(In thousands of euros)	03/31/16	03/31/17	03/31/18	03/31/19	03/31/20
Capital at year-end					
Share capital	497	497	497	505	505
Number of ordinary shares	4,966,882	4,966,882	4,966,882	20,196,492	20,196,492
Operations and profit/loss					
Revenues before tax	192,103	223,853	274,228	308,967	332,128
Profit/loss before tax, profit-sharing, depreciation, amortization and provisions	24,683	37,768	53,193	49,525	50,037
Income tax	4,637	9,262	12,328	11,868	11,560
Employee profit-sharing	2,514	4,402	6,678	4,162	3,896
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	13,518	23,689	30,558	31,538	30,010
Distributed earnings	2,009	3,040	3,993	4,054	4,572
Earnings per share					
Profit/loss after tax and profit-sharing and before depreciation, amortization and provisions	3.53	4.85	6.88	1.66	1.71
Profit/loss after tax, profit-sharing, depreciation, amortization and provisions	2.72	4.77	6.15	1.56	1.49
Dividend paid (in euros)	0.41	0.61	0.81	0.23	0.00
Personnel					
Average headcount	1,535	1,685	1,796	1,942	2,059
Total payroll	87,272	94,566	101,423	107,294	115,126
Social security and social welfare contributions	42,829	44,955	47,597	50,670	57,176

Management Board Report – Trends

For a description of recent trends and the outlook for the Company, please refer to the “Management Report - *General Report*” and the “Management Board Report - *Risk factors and their Management*” in section 1 of this document.

CORPORATE GOVERNANCE REPORT

02

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THE MANAGEMENT BOARD AND THE FINANCIAL STATEMENTS FOR
THE 2019/20 FISCAL YEAR

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 07/28/20, 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 06/02/20.

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 03/31/20 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
- Mr. Christophe Aulnette 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	09/26/20	Chairman of the Management Board		Axway Director	Wavestone Consulting Switzerland Chairman and CEO
	09/26/08				Wavestone Belgium Director	
	07/28/14 (effective as of 09/26/14)				Wavestone Advisors Morocco CEO	Xceed (2007) Director/Chairman/ Treasurer
					Wavestone Advisors Chairman	
					Wavestone US Chairman	
					Xceed Group Director/Chairman	
					Xceed Group (Holdings) Director/Chairman	
					Wavestone Consulting UK Director/Chairman	
					WGroup President/Chairman	
					FIH CEO	
Patrick Hirigoyen	09/30/02	09/26/20	Member of the Management Board		Wavestone Advisors CEO	
	09/26/08				Wavestone Belgium Director	
	07/28/14 (effective as of 09/26/14)		General 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		FDCH CEO	
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 SA Director	Bonduelle SCA Member of the Supervisory Board
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 Fondation "N7 Développement" Chairman	

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
Sarah Lamigeon	07/22/15 09/16/19	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/23	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) 09/16/19	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/23	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 (“ <i>auto-entrepreneur</i> ” status)	
Christophe Aulnette	09/16/19	annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/23	Member of the Supervisory Board	Netgem SA Director	NETIPTV SAS Chairman Dathena Science Pte Executive Chairman Locarise Pte Board Director MBO Partenaires Member of the Supervisory Board	Netgem Singapore Director Netgem Australia Director Netgem Mexico Director Netgem International de Netgem SA Chairman Sixon Holding SA Director

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;
- Christophe Aulnette: 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 (ENSEEIH) 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 ENSEEIH association of engineers, where he chairs the foundation "N7 Développement".

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. Sarah Lamigeon 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 employer brand 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 Masai, 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.

Christophe Aulnette



Christophe Aulnette, 58 years old, 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 4 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.

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 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.

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	√	√	√	√
Christophe Aulnette	√	√	√	√	√

X: Independence criterion not respected.

√: Independence criterion respected.

In a meeting on 03/09/20, the Supervisory Board also decided not to include Supervisory Board members representing employees when calculating independent director shares (in line with standard market issuer practice). The Supervisory Board concluded that 4 of its 6 members (equivalent to two-thirds of its members) can be considered independent, namely: Jean-François Perret, Marie-Ange Verdickt, Rafaël Vivier and Christophe Aulnette.

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 03/09/20, 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.

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. 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 four 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 presented for approval to the combined ordinary and extraordinary Shareholders' Meeting of 09/16/19, the appointment of Christophe Aulnette as a member of the Supervisory Board. The General Meeting having thus ruled, his application was accepted.

- **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, international development, 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 2019/20, the Board's members are aged between 31 and 77, and the average age of the members of the Supervisory Board is 55.

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.

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.

In this respect, it should be noted that, apart from the Management Board which is a limited group of just two members, Wavestone operations are largely managed by the Executive Committee (EXCOM), which is specifically responsible for establishing Group strategy. The Executive Committee (EXCOM) includes division directors as well as managers of key cross-functional divisions.

As part of its Corporate Social Responsibility policy, and to promote the role of women in key positions of responsibility, Wavestone's target is to have women making up 30% of the Executive Committee by 2021, versus just 15% at end-March 2020.

2.3. 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 03/31/20, the Supervisory Board met 7 times (05/27/19, 07/25/19, 09/16/19, 12/02/19, 01/31/20, 03/09/20, 03/23/20) with an attendance rate of 100%. 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 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 03/31/20 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;
- 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 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 Middledenxt 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 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 results of voting at ordinary General Meetings, particularly minority interest voting;
- review of the WGroup acquisition;
- renewal of the mandate of the Statutory Auditors;
- renewal of a regulated agreement;
- review of business against the backdrop of the Covid-19 pandemic;
- recapitalization of Wavestone Advisors.

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 03/09/20.

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 Auditors of their 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 Auditors 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 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 03/31/20, the Audit Committee physically met 4 times on 05/24/19, 10/10/19, 11/28/19 and 01/27/20, and 2 times on conference call on 02/26/20 and 03/09/20, 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;
- the 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;
- the 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;
- the 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. During the fiscal year, the Audit Committee extended its review of staffing levels for internal audit and control teams, as well as contract processes, the implementation of a new cash management tool, and processes linked to the Group's international development;
- review of the renewal of the mandate of the Statutory Auditor firm, Mazars, due to expire at the close of the annual General Meeting called on 07/28/20, to approve the financial statements for the fiscal year ending 03/31/20.

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.

This 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.

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 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 03/31/20, the Compensation Committee met 3 times on 04/25/19, 05/16/19 and 05/24/19, and recorded an attendance rate of 100%.

During these meetings, the main points dealt with by the Compensation Committee included:

- 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 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, the Audit Committee and the Compensation Committee

- frequency of 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;
- Audit Committee;
- censors;
- Compensation Committee.

Rules for determining the compensation of members of the Supervisory Board, the Audit Committee and the Compensation Committee

- Supervisory Board;
- Audit Committee;
- 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 Middelnext Corporate Governance Code

For its Corporate Governance Code, the Supervisory Board adopted the Middelnext Corporate Governance Code for small and mid-cap Companies published in December 2009 and updated in September 2016. This Code is available on the Middelnext website: www.middelnext.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 Middelnext Corporate Governance Code.



Corporate officer compensation

1. Summary of compensation paid to corporate officers for fiscal years 2019/20, 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.

(in euros)		2019/20				2018/19				2017/18				
		Gross annual compensation		Gross annual compensation		Gross annual compensation		Gross annual compensation						
		Fixed	Variable	Attendance fees	Total	Fixed	Variable	Attendance fees	Total	Fixed	Variable	Attendance fees	Total	
Management Board														
Pascal Imbert	Due	199,157	0		199,157	197,184	30,275		227,459	169,020	63,894		232,914	
	Paid	199,157	30,275		229,432	197,184	35,730		232,914	169,020	48,017		217,037	
Patrick Hirigoyen	Due	Compensation	199,157	0		199,157	197,184	30,275		227,459	168,408	63,674		232,082
		Benefits-in-kind	5,786			5,786	5,786			5,786	2,893			2,893
		Total	204,943	0	0	204,943	202,970	30,275	0	233,245	171,301	63,674	0	234,975
	Paid	Compensation ⁽¹⁾	199,157	31,193		230,350	197,184	37,027		234,211	168,408	46,132		214,540
		Benefits-in-kind ⁽²⁾	5,786			5,786	5,786			5,786	2,893			2,893
	Total	204,943	31,193	0	236,136	202,970	37,027	0	239,997	171,301	46,132	0	217,433	
Supervisory Board, Audit Committee and Compensation Committee														
Michel Dancoisne	Due	35,783		18,000	53,783	35,429		24,000	59,429	67,503			67,503	
	Paid	35,783		24,000	59,783	35,429			35,429	67,503			67,503	
Marie-Ange Verdickt	Due			24,000	24,000			32,000	32,000			22,000	22,000	
	Paid			32,000	32,000			22,000	22,000			18,685	18,685	
Jean-François Perret	Due			12,000	12,000			16,000	16,000			11,000	11,000	
	Paid			16,000	16,000			11,000	11,000			11,000	11,000	
Nathalie Wright	Due			0	0			0	0			8,082	8,082	
	Paid			0	0			0	0			8,082	8,082	
Sarah Lamigeon	Due	86,893	4,850	9,000	100,744	83,415	6,708	12,000	102,123	82,562	10,362	11,000	103,924	
	Paid	86,893	6,708	12,000	105,601	83,415	10,362	11,000	104,777	82,562	9,537	11,000	103,098	
Rafaël Vivier	Due			21,000	21,000			28,000	28,000			17,233	17,233	
	Paid			28,000	28,000			17,233	17,233			16,123	16,123	
Jean-Noël Mermet	Due			0	0			0	0			6,551	6,551	
	Paid			0	0			7,511	7,511			0	0	
Benjamin Clément	Due	54,062		9,000	63,062	50,546		10,800	61,346	51,055		2,411	53,466	
	Paid	54,062		10,800	64,862	50,546		2,411	52,957	51,055		0	51,055	
Christophe Aulnette	Due			4,844	4,844			0	0			0	0	
	Paid			0	0			0	0			0	0	

(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 fiscal 2018/19 was reduced by the same amount. Following a new miscalculation during fiscal 2019/20, the variable compensation paid was overestimated by €2,339. The variable compensation paid for fiscal 2019/20 breaks down as follows: €30,275 - €1,421 + €2,339 = €31,193. The €2,339 adjustment occurred on the pay slip of May 2020.

(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.

- For fiscal year 2019/20, Pascal Imbert and Patrick Hirigoyen have decided to renounce their variable part and the members of the Supervisory Board and Committees to 25% of their compensation.

- **Reminder: Adjustments to the compensation of members of the Management Board between 2017/18 and 2018/19:**

It is reminded that 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 concerned two aspects: a change in the compensation structure (fixed and variable) and a revaluation of the variable component.

For more details on this adjustment, please refer to the 2018/19 Registration Document;

- **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 09/16/19:**

- 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 Pascal Imbert, Chairman of the Management Board, and Patrick Hirigoyen, member of the Management Board, the value of the performance-related variable component represented a gross amount of €77,671 in 2019/20 (€76,902 gross in 2018/19).

Variable compensation is determined on the basis of the performance-related variable component, 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). 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 IPI can range from 0 to 100%. 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;
 - 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, teams annual turnover;

- > In summary, the formula for calculating the due variables is as follows:

$$\text{Variable compensation} = \text{Performance-related variable component} \times \text{CPI} \times \text{IPI}$$

- **Other information:**

- 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% of Wavestone's share capital. Furthermore, it is specified that Wavestone's executives and corporate officers do not receive any remuneration from FIH.

- On 12/10/19, Michel Dancoisne carried out an intra-group reclassification of Wavestone shares without affecting control of the firm, leading to the holding by FDCH (of which Michel Dancoisne retains a majority shareholding and exclusive control) of 14% of Wavestone's share capital. Furthermore, it is specified that Wavestone's executives and corporate officers do not receive any compensation from FDCH.

- 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.225-37-3 I 5° 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.225-37-3 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 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)	2019/20	2018/19	2017/18
	Gross annual compensation	Gross annual compensation	Gross annual compensation
	Amounts due	Amounts due	Amounts due
Pascal Imbert, Chairman of the Board			
Compensation due for the fiscal year	199,157	227,459	232,914
Value of multi-year variable compensation granted during the fiscal year	n/a	n/a	n/a
Value of options granted during the fiscal year	n/a	n/a	n/a
Value of free shares granted during the fiscal year	n/a	n/a	n/a
Total	199,157	227,459	232,914
Patrick Hirigoyen, member of the Board			
Compensation due for the fiscal year	204,943	233,245	234,975
Of which benefits-in-kind	5,786	5,786	2,893
Value of multi-year variable compensation granted during the fiscal year	n/a	n/a	n/a
Value of options granted during the fiscal year	n/a	n/a	n/a
Value of free shares granted during the fiscal year	n/a	500,071	n/a
Total	204,943	733,316	234,975

Compensation paid to each executive corporate officer (Table 2 of the AMF recommendations)

(in euros)	2019/20		2018/19		2017/18	
	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due
Pascal Imbert, Chairman of the Board						
Fixed compensation	199,157	199,157	197,184	197,184	169,020	169,020
Variable compensation	30,275	0	35,730	30,275	48,017	63,894
Multi-year variable compensation	n/a	n/a	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a	n/a	n/a
Benefits-in-kind	n/a	n/a	n/a	n/a	n/a	n/a
Total	229,432	199,157	232,914	227,459	217,037	232,914
Patrick Hirigoyen, member of the Board						
Fixed compensation	199,157	199,157	197,184	197,184	168,408	168,408
Variable compensation ⁽¹⁾	31,193	0	37,027	30,275	46,132	63,674
Multi-year variable compensation	n/a	n/a	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	n/a	n/a	n/a	n/a	n/a	n/a
Benefits-in-kind ⁽²⁾	5,786	5,786	5,786	5,786	2,893	2,893
Total	236,136	204,943	239,997	233,245	217,433	234,975

(1) Note that for the 2018/19 fiscal year, following a miscalculation, the variable compensation paid to Patrick Hirigoyen for fiscal 2017/18 was overestimated by €1,421. By way of adjustment, the variable compensation due in fiscal 2018/19 was reduced by the same amount. Following a new miscalculation during fiscal 2019/20, the variable compensation paid was overestimated by €2,339. The variable compensation paid for fiscal 2019/20 breaks down as follows: €30,275 - €1,421 + €2,339 = €31,193. The €2,339 adjustment occurred on the pay slip of May 2020.

(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 Firm. The premiums paid were reintegrated into his compensation package in the form of benefits-in-kind.

**Attendance fees and other compensation received by non-executive corporate officers
(Table 3 of the AMF recommendations)**

(in euros)	2019/20 Amounts paid for the fiscal year	2018/19 Amounts paid for the fiscal year	2017/18 Amounts paid for the fiscal year
Michel Dancoisne			
Attendance fees	24,000	n/a	n/a
Other compensation	35,783	35,429	67,503
Marie-Ange Verdickt			
Attendance fees	32,000	22,000	18,685
Other compensation	n/a	n/a	n/a
Jean-François Perret			
Attendance fees	16,000	11,000	11,000
Other compensation	n/a	n/a	n/a
Nathalie Wright			
Attendance fees	n/a	n/a	8,082
Other compensation	n/a	n/a	n/a
Sarah Lamigeon			
Attendance fees	12,000	11,000	11,000
Other compensation	93,601	93,777	92,098
Rafaël Vivier			
Attendance fees	28,000	17,233	16,123
Other compensation	n/a	n/a	n/a
Jean-Noël Mermet			
Attendance fees	n/a	7,511	n/a
Other compensation	n/a	n/a	n/a
Benjamin Clément			
Attendance fees	10,800	2,411	n/a
Other compensation	54,062	50,546	51,055
Christophe Aulnette			
Attendance fees	0	n/a	n/a
Other compensation	n/a	n/a	n/a
Total	306,247	250,906	275,547

Record of free share allocations (Table 10 of the AMF recommendations)

Information on free share allocations	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	27,840	45,540	7,499	13,160	111,136	71,036
Of which the number assigned to:						
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.

Summary of commitments made to the Chairman and members of the Management Board (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 Management Board - General Director		X		X		X		X

In accordance with AMF recommendations, the following information is not applicable to Wavestone for the 2019/20 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);
- performance shares granted to each corporate officer (Table 6 of the AMF recommendations);
- table of share grants that have become final (Table 7 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	06/03/19	Sale	1,000	€26.15
Sarah Lamigeon	07/26/19	Sale	1,200	€25.00
Sarah Lamigeon	01/08/20	Sale	150	€25.95
Patrick Hirigoyen	02/04/20	Sale	4,500	€27.15
Sarah Lamigeon	03/06/20	Sale	150	€24.55



3. Consultation among shareholders on the compensation of executives and corporate officers

3.1. Consultation on the compensation items paid or allocated during the 2019/20 fiscal year (“say on pay” ex-post vote – Resolutions 7 to 10 of the AGM on 07/28/20)

The information in this paragraph relative to compensation of Wavestone Company officers, as required by Articles L.225-37-3 I (and linked to Article L.225-68) and L.225-100 II

and III of the French Commercial Code, are subject to approval of the combined ordinary and extraordinary General Meeting of 07/28/20 and votes on resolution 7, 8, 9 and 10.

Compensation (formerly directors’ fees) paid during fiscal year 2019/20 or allocated for this fiscal year to members of the Supervisory Board

A total amount of €97,844, within the limits of the €136,000 voted by the General Meeting of Shareholders on 07/26/18, allocated for the 2019/20 fiscal year, will be paid to the members of the Supervisory Board. The members of the Supervisory Board and the Committees have decided to renounce 25% of their remuneration.

See section “2.3. Preparation and organization of work” for the number of Board and Committees’ meetings and attendance rates.

Members of the Supervisory Board	Compensation awarded for fiscal year 2019/20 paid in 2020/21 7 Board meetings 9 Committee meetings	Compensation paid in fiscal year 2019/20 in respect of 2018/19 7 Board meetings 8 Committee meetings
Michel Dancoisne ⁽¹⁾	€18,000	€24,000
Marie-Ange Verdickt	€24,000	€32,000
Jean-François Perret	€12,000	€16,000
Sarah Lamigeon	€9,000	€12,000
Rafaël Vivier	€21,000	€28,000
Benjamin Clément	€9,000	€10,800
Christophe Aulnette	€4,844	n/a

(1) It should be noted that Michel Dancoisne also receives compensation for his duties as Chairman of the Supervisory Board (see table below).

Items of compensation paid or granted to Pascal Imbert, Chairman of the Management Board, in respect of the 2019/20 fiscal year

Items of compensation due or granted in respect of the 2019/20 fiscal year	Amount or book value submitted to the vote (in euros)	Description
Fixed compensation	199,157	The Supervisory Board meeting of 05/27/19, on the recommendation of the Compensation Committee, set the fixed compensation for fiscal year 2019/20 of Mr. Pascal Imbert at €199,157 gross.
Variable compensation paid in 2019/20 for fiscal year 2018/19	30,275	The target variable for fiscal year 2018/19 was €76,902. Based on the proposal of the Compensation Committee and in accordance with the rules for calculating variable compensation, the amount granted was €30,275. The details of the calculation are not disclosed for reasons of confidentiality.
Variable compensation due in respect of fiscal year 2019/20, to be paid in 2020/21	0	For fiscal year 2019/20, Pascal Imbert has decided to waive his variable portion.
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
Remuneration paid or granted by a Company included in the scope of consolidation	n/a	n/a
Severance pay	n/a	n/a
Non-competition indemnity	n/a	n/a
Supplementary pension plan	n/a	n/a

Pascal Imbert benefits from Wavestone's employee benefit and health insurance plans.

Items of compensation paid or granted to Patrick Hirigoyen, member of the Management Board – General Director, in respect of the 2019/20 fiscal year

Items of compensation due or granted in respect of the 2019/20 fiscal year	Amount or book value submitted to the vote (in euros)	Description
Fixed compensation	199,157	The Supervisory Board meeting of 05/27/19, on the recommendation of the Compensation Committee, set the fixed compensation for fiscal year 2019/20 of Mr. Patrick Hirigoyen at €199,157 gross.
Variable compensation paid in 2019/20 for fiscal year 2018/19	31,193	The target variable for fiscal year 2018/19 was €76,902. Based on the proposal of the Compensation Committee and in accordance with the rules for calculating variable compensation, the amount granted was €30,275. The details of the calculation are not disclosed for reasons of confidentiality. Following two material errors, the variable portion paid was overestimated by €918 (see comments in 2.1.).
Variable compensation due in respect of fiscal year 2019/20, to be paid in 2020/21	0	For fiscal year 2019/20, Patrick Hirigoyen has decided to waive his variable portion.
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	5,786	Social security for Company directors and officers, whose contributions are paid by the Company. The contributions thus paid are reintegrated into Patrick Hirigoyen's remuneration as benefits-in-kind.
Remuneration paid or granted by a Company included in the scope of consolidation	n/a	n/a
Severance pay	n/a	n/a
Non-competition indemnity	n/a	n/a
Supplementary pension plan	n/a	n/a

Patrick Hirigoyen benefits from Wavestone's employee benefit and health insurance plans.

Items of compensation paid or granted to Michel Dancoisne, Chairman of the Supervisory Board, in respect of the 2019/20 fiscal year

Items of compensation due or granted in respect of the 2019/20 fiscal year	Amount or book value submitted to the vote (in euros)	Description
Fixed compensation	35,783	The Supervisory Board meeting of 05/27/19, on the proposal of the Compensation Committee, set the fixed compensation for fiscal year 2019/20 of Mr. Michel Dancoisne at €35,783 gross.
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	Remuneration paid in fiscal year 2019/20 in respect of 2018/19: €24,000	As of the fiscal year beginning 04/01/18, Michel Dancoisne receives compensation for his duties as Chairman of the Supervisory Board, member of the Audit Committee and member of the Compensation Committee.
	Remuneration due in respect of fiscal year 2019/20 paid in 2020/21: €18,000	For fiscal year 2019/20, Michel Dancoisne has decided to waive 25% of his compensation as a member of the Board and Committees.
Value of benefits of all kinds	n/a	n/a
Remuneration paid or granted by a Company included in the scope of consolidation	n/a	n/a
Severance pay	n/a	n/a
Non-competition indemnity	n/a	n/a
Supplementary pension plan	n/a	n/a

Compensation multiples and performance trends

In line with paragraphs 6 and 7 of Article L.225-37-3 of the French Commercial Code in the version published with Ordonnance no. 2019-1234 of 11/27/19, the table below, provides, for each corporate officer of Wavestone, multiples between the level of compensation, on the one hand, and:

- the median compensation of full-time employees other than corporate officers. The table also provides the annual trends in compensation for all corporate officers, Company performance; and
- the average compensation for full-time Company employees other than corporate officers as well as the abovementioned multiples applied over the last five fiscal years.

Furthermore, as well as the regulatory requirements mentioned above, the Group also decided to present the relationship between corporate officer compensation and the annual minimum wage in France.

Scopes and geographies

The data presented in the table below relates to the French scope of consolidation of Wavestone Group. At end-March 2020, the companies included in the scope of consolidation were:

- Wavestone;
- Wavestone Advisors SAS (ex Kurt Salmon France acquired on 01/07/16);
- M3G SAS (holding Company with no employees, acquired on 11/13/18);
- Metis Consulting SAS (acquired on 11/13/18).

Regarding fiscal years 2015/16 and 2016/17, the data presented below relate to the Wavestone Group on a stand-alone basis, with the acquisition of Kurt Salmon's European activities taking place on 01/07/16. Differences in management tools did not enable homogenous treatment between the two companies.

For fiscal years 2017/18, 2018/19 and 2019/20, data includes Wavestone and Wavestone Advisors thanks to the rollout of a common ERP system on 04/01/17.

Metis Consulting, acquired on 11/13/18, is not included in the data provided as (i) it was only fully integrated with the Wavestone operating model from 04/01/20, and (ii) divergences in resource management tools did not enable homogenous treatment between the two companies (switch to joint ERP tools on 04/01/20).

Calculation bases

Total compensation includes:

- for members of the Management Board: (i) their fixed compensation pursuant to their work contracts (to end-March 2017 for Patrick Hirigoyen), (ii) their variable compensation (bonus), (iii) their fixed compensation relative to corporate officer duties, (iv) benefits-in-kind;
- for the Chairman of the Supervisory Board: (i) his fixed compensation pursuant to his work contract (to end-March 2018), (ii) his compensation relative to his mandate as Chairman of the Supervisory Board, (iv) his compensation relative to Corporate Governance duties (previously attendance fees);
- for employees: (i) their fixed compensation, (ii) variable compensation (bonus).

Regarding bonus amounts for fiscal 2019/20 used in the calculation of total compensation, these are bonuses covered by provisions in the accounts to end-March 2020 since final amounts were not known as of that date. Each year, the provision is extremely close to the actual bonus amounts paid.

Regarding compensation of the Chairman of the Supervisory Board and members of the Management Board, the amounts booked for fiscal 2019/20 correspond to compensation submitted for say-on-pay approval (ex-post vote) at the combined ordinary and extraordinary General Meeting on 07/28/20 (see 2.3.1 above).

		2019/20	2018/19	2017/18	2016/17	2015/16
Pascal Imbert Chairman of the Management Board	Total compensation	€199,157	€227,459	€232,914	€217,037	€240,851
	Multiple of average compensation	3.69	4.11	4.11	4.11	4.47
	Multiple of median compensation	4.30	4.88	4.89	4.65	5.10
	Multiple of the minimum wage ⁽¹⁾	10.78	12.46	12.95	12.22	13.69
Patrick Hirigoyen Member of the Management Board - General Director	Total compensation	€204,943	€233,245	€234,975	€245,763	€230,682
	Multiple of average compensation	3.80	4.21	4.14	4.65	4.28
	Multiple of median compensation	4.43	5.00	4.94	5.27	4.88
	Multiple of the minimum wage ⁽¹⁾	11.09	12.78	13.07	13.84	13.11
Michel Dancoisne Chairman of the Supervisory Board	Total compensation	€53,783	€59,429	€67,503	€59,428	€58,108
	Multiple of average compensation	1.00	1.07	1.19	1.12	1.08
	Multiple of median compensation	1.16	1.27	1.42	1.27	1.23
	Multiple of the minimum wage ⁽¹⁾	2.91	3.26	3.75	3.35	3.30
Wavestone performance	Current operating income	€55,700k	€55,243k	€50,584k	€38,699k	€29,783k
	% operating margin	13.2%	14.1%	14.1%	11.4%	12.8%

(1) Source: insee.fr, Monthly minimum wage (SMIC) reported over 12 months.

Compliance with compensation policy approved in 2019

Fixed compensation paid is identical to amounts approved at the combined ordinary and extraordinary General Meeting of 09/16/19.

Variable compensation components for members of the Management Board paid in 2019/20 in respect of fiscal 2018/19 correspond to say-on-pay approved “ex-post” by the combined ordinary and extraordinary General Meeting of 09/16/19. This includes the exception of the miscalculation relative to the payment of variable compensation to Patrick Hirigoyen, see point 2.1.

Variable compensation of the Management Board members is determined on the basis of the performance-related variable component. In this regard, 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 with the previous fiscal year). The CPI ranges 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:
 - consistency of annual results with the objectives of the 2021 strategic plan;
 - achievement of the main objectives set annually;
 - monitoring of the firm’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, team turnover during the fiscal year and, more broadly, CSR component progress as regards the 2021 strategic plan;

- in summary, the formula for calculating variable compensation is:

$$\text{Variable compensation due} = \text{Performance-related variable component} \times \text{CPI} \times \text{IPI}$$

- for fiscal 2018/19, the performance-related variable compensation component for Messrs Pascal Imbert and Patrick Hirigoyen was €76,902, and the amount paid in this respect was €30,275 (identical for Pascal Imbert and Patrick Hirigoyen).

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 11 to 13 of the AGM on 07/28/20)

Pursuant to Article L.225-82-2 of the French Commercial Code, the combined ordinary and extraordinary General Meeting of 07/28/20 approves compensation policy for corporate officers.

This policy defines all the compensation components for corporate officers and explains the decision-making process used to determine amounts, adjustments and implementation.

Compensation policy applicable to members of the Management Board

The compensation policy for the members of the Management Board submitted for approval to the combined ordinary and extraordinary General Meeting of 07/28/20, is in keeping with the policy regarding Pascal Imbert - Chairman of the Management Board - and Patrick Hirigoyen - Management Board member. Wavestone's Chairman and Chief Executive Officer are 99.95%- and 99.94%-approved respectively by the combined ordinary and extraordinary General Meeting of 09/16/19.

a) General principles

Corporate officer and executive director compensation is based on achieving strictly-defined societal objectives and meeting the targets of its development plan.

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 points of attention for the definition of the compensation of directors and corporate officers are:

- 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;
- performance: the variable compensation component factors in Company performance, combining short-term and medium-term criteria (see paragraph 2.1.).

b) Determining, revising and implementing compensation policy for Management Board members

Pursuant to Ordonnance no. 2019-1234 of 11/27/19, relative to the compensation of corporate officers of listed companies, the Supervisory Board can be exempt from the application of the compensation policy if this exemption is temporary. The latter is conditional on the occurrence of exceptional circumstances, in line with societal objectives and necessary to guarantee the firm's sustainability or viability.

Temporary adaptations of the compensation policy to exceptional circumstances is decided by the Supervisory Board upon recommendations from the Compensation Committee.

We can note, by way of example, exceptional circumstances that include the recruitment of a new member to the Management Board, or a significant change in the firm's scope of consolidation, stemming from the sale, acquisition or the creation of a major new business.

These exceptional circumstances could require temporary adjustments to certain existing compensation components or the proposal of new compensation components.

c) Structure of global annual compensation

Adjustments are made on an annual basis in line with the firm's strategic plan, changes in regulations and sound governance practices.

Exceptionally, based on proposals by the Compensation Committee, the Supervisory Board can propose the application of assessment criteria for the Management Board, aligning certain criteria to those exceptionally applied to Wavestone employees.

The compensation structure for the members of the Management Board will be composed of different elements:

- a fixed component;
- a variable component, referred to as a bonus. The target bonus (target bonus level achieved) for 2020/21 represents 39% of fixed compensation. The bonus paid may vary between 0 and 130% of the target bonus amount;

- 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 (only operating income on ordinary activities for the 2020/21 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 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. For the fiscal year 2020/21, the Supervisory Board, on the proposal of the Compensation Committee, has determined the following criteria:
 - > the level of performance for fiscal 2020/21 reached by Wavestone in comparison with peers and the market context;
 - > the performance outlook for fiscal 2021/22 in comparison with peers and the market context;
 - > a CSR criteria: protecting the people at Wavestone;
 - > the IPI can range from 0 to 100%;
 - The calculation formula is as follows:

$$\text{Bonus due} = \text{target bonus} \times \text{CPI} \times \text{IPI}$$

d) Determination of the 2020/21 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 2020/21 are as follows:

i) Fixed component

At the proposal of the Compensation Committee, due to exceptional market conditions, the fixed portion remains unchanged at €199,157 gross.

ii) Variable component

It is proposed to keep the target bonus unchanged at €77,671 gross, i.e. 39% of the fixed portion. It implements the process explained in this document.

In accordance with Article L.225-82-2 of the French Commercial Code, payment of the annual variable compensation due in respect of the fiscal year ended 03/31/21 will be made after the ordinary Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ended 03/31/21 and is subject to approval by said Meeting.

iii) Other items of compensation

Pascal Imbert benefits from the same welfare insurance and health cover plan as Wavestone's employees.

e) Determination of the 2020/21 compensation of Patrick Hirigoyen for exercising his mandate as member of the Management Board and General Director

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 2020/21 are as follows:

i) Fixed component

At the proposal of the Compensation Committee, due to exceptional market conditions, the fixed portion remains unchanged at €199,157 gross.

ii) Variable component

It is proposed to keep the target bonus unchanged at €77,671 gross, i.e. 39% of the fixed portion. It implements the process explained in this document.

In accordance with Article L.225-82-2 of the French Commercial Code, payment of the annual variable compensation due in respect of the fiscal year ended 03/31/21 will be made after the ordinary Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ended 03/31/21 and is subject to approval by said 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, 01/28/16 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;
- 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 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.

It should be noted that the work contract linking Patrick Hirigoyen to the firm was suspended from 04/01/17. In accordance with Article R.225-56-1 II of the French Commercial Code, his work contract had the following features:

- contract term: permanent contract;
- notice period: three months;
- termination conditions: authorized by current legislation and in line with the conditions mentioned in the collective bargaining agreement applicable to the Group's employees.

Compensation policy reserved for the members and the Chairman of the Supervisory Board

The compensation policy for the members of the Supervisory Board and its Chairman, submitted for approval to the combined ordinary and extraordinary General Meeting on 07/28/20, is in line with the policy. It is 99.94%-approved by the combined ordinary and extraordinary General Meeting of 09/16/19.

Pursuant to the above-described compensation policy for Supervisory Board members, the Supervisory Board proposes to renew for 2020/21 the terms and conditions for allocating the sums allocated to the compensation of Supervisory Board members retained for fiscal year 2019/20, namely:

Supervisory Board (in euros)

Name	Maximum annual amount	Fixed component (40%)	Variable component (60%)
Michel Dancoisne	12,000	4,800	7,200
Marie-Ange Verdickt	12,000	4,800	7,200
Jean-François Perret	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
Christophe Aulnette	12,000	4,800	7,200

a) Compensation allocated 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 2020/21 fiscal year, it is not necessary to propose a resolution to the combined ordinary and extraordinary Shareholders' Meeting of 07/28/20.

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 fixed at €12,000.

Committee Chairmen's compensation is doubled and also includes a fixed portion of 40% and a variable portion of 60%.

Audit Committee (in euros)

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 (in euros)

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.

In accordance with Article R.225-56-1 II of the French Commercial Code, the employment contracts between Sarah Lamigeon and Benjamin Clément and the firm have the following characteristics:

Name	Duration of the work contract	Notice period	Cancellation conditions
Sarah Lamigeon	Permanent contract	3 months in accordance with the collective bargaining agreement applicable to the Company's employees falling under the "modality 3" category	Conditions of termination authorized by the regulations in force and under the conditions mentioned in the collective bargaining agreement applicable to the Company's employees
Benjamin Clément	Permanent contract	3 months in accordance with the collective bargaining agreement applicable to the Company's employees falling under the "modality 2" category	Conditions of termination authorized by the regulations in force and under the conditions mentioned in the collective bargaining agreement applicable to the Company's employees

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 2020/21 fiscal year

In accordance with the principles defined in point i) above, for exercising his mandate as Chairman of the Supervisory Board during the 2020/21 fiscal year, Michel Dancoisne will receive a gross sum of €35,783, at the same level as for the previous fiscal year 2019/20. This compensation will be paid in two installments: July and January.

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 2019/20 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 subsidiary controlled within the meaning of Article L.233-3 of the French Commercial Code by Wavestone).

For all information concerning related-party agreements, please refer to the “Financial Information” chapter.

3. Assessment procedure for current agreements concluded under normal conditions

At a meeting on 06/02/20, the Supervisory Board implemented a regular assessment procedure by the Audit Committee of the conditions governing the conclusion of current agreements concluded under normal conditions pursuant to the provisions of Article L.225-87 paragraph 2 of the French Commercial Code, as amended by Law no. 2019-486 of 05/22/19, relative to business growth and transformation (also known as the “Pacte” law).

It is noted that this procedure is distinct from existing internal processes for the assessment of an agreement when it is signed or amended.

At each end-of-year period, the controlling team is responsible for drawing up a list of current agreements and their features with the internal audit team.

Based on internal audit provisions, implemented at the time of signing or amending the agreement, the following checks are carried out by the internal audit team:

- financial impacts of the agreement over the current fiscal year correspond to the financial conditions of the agreement;
- the agreement covers current operations, i.e. operations that Wavestone generally carries out as part of operations linked to its ordinary business or pursuant to contracts comparable with other operators in similar situations;
- the conditions of the agreement are normal, i.e. they correspond to conditions that would be applied with or by third parties involved in similar operations.

In the event of doubt in the process of identification or assessment of these agreements, the controlling team and/or internal audit team consult Wavestone’s legal counsel.

The internal audit team formalizes and reports its results (including the possible lack of current agreements signed by Wavestone) to the Finance Department. The department presents the findings to the Audit Committee (at a meeting focused on the firm’s annual results) so that the latter can examine them.

The Audit Committee checks that the agreements comply with the conditions governing current agreements signed under normal conditions and communicates its findings to the Supervisory Board. In such instances, members of the Audit Committee involved, either directly or indirectly, in the agreement do not take part in the auditing process.

The role of the Supervisory Board is to validate the audit of the agreements, either by confirming that they are indeed current agreements signed under normal conditions, or by considering that the agreement must be assessed using the procedure for regulated agreements and therefore subject to its ratification. Any member of the Supervisory Board involved directly or indirectly in the agreement does not take part in deliberations nor voting in this respect.

4. Table of currently valid authorizations to increase Company share capital

Following the combined extraordinary and ordinary Shareholders' Meeting of 09/16/19

Resolution	Purpose	Duration	Maximum par value	Utilization
18 th	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: €252,456 Debt securities: €40,000,000	None
19 th	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: €100,982 Debt securities: €15,000,000	None
20 th	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 09/16/19 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 19 th resolution and the overall ceiling set in the 27 th resolution	None
21 th	In the event of a capital increase authorized under resolutions 18, 19 and 20 (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 27 th resolution	None
22 th	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 09/16/19 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 19 th resolution and the overall ceiling set in the 27 th resolution	None



Resolution	Purpose	Duration	Maximum par value	Utilization
23 th	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 09/16/19 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 19 th resolution and the overall ceiling set in the 27 th resolution	None
24 th	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 27 th resolution	None
25 th	Free shares, either existing or to be issued, granted to employees of the Company and its related companies	38 months	5% of the share capital on the day the delegation is implemented	None
26 th	Free shares, either existing or to be issued, granted to corporate officers of the Company and its related companies	38 months	0.5% of the share capital on the day the delegation is implemented	None
27 th	Common and global ceiling for issues under the 18 th to 26 th resolutions of the ordinary and extraordinary Shareholders' Meeting of 09/16/19	-	Marketable securities: €252,456 Debt securities: €40,000,000	None
28 th	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

5. 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 03/26/20, 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 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.

Observations of the Supervisory Board on the report of the Management Board and the financial statements for the 2019/20 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 2019/20 fiscal year.

The accounting documents relating to the Company and consolidated financial statements for the 2019/20 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 03/31/20, 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 07/28/20 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
06/02/20



FINANCIAL INFORMATION

03

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Consolidated financial statements at 03/31/20

Consolidated income statement

(in thousands of euros)	Note	03/31/20	03/31/19
Revenue	1	422,042	391,530
Purchases consumed	2	13,007	12,346
Personnel expenses	3 & 4	289,877	262,989
External expenses	5	46,699	51,429
Levies and taxes		6,313	5,992
Depreciation charges and provisions		10,373	3,501
Other current income and expenses		73	29
EBIT		55,700	55,243
Amortization of customer-relationship intangible assets	6	1,553	2,289
Other operating income and expenses	6	(627)	(525)
Operating profit		53,521	52,430
Financial income	7	8	10
Gross cost of financial debt	7	2,185	1,688
Net cost of financial debt		2,177	1,678
Other financial income and expenses	7	(1,242)	(120)
Pre-tax profit/loss		50,101	50,631
Tax expenses	8	18,961	19,861
Net income for the period		31,140	30,770
Non-controlling interests		0	0
Net attributable profit to owners of the parent		31,140	30,770
Net undiluted earnings attributable to owners of the parent (in euros) ⁽¹⁾	9	1.57	1.54
Net diluted earnings attributable to owners of the parent (in euros)	9	1.57	1.54

(1) Weighted number of shares during the period.

Consolidated balance sheet

(in thousands of euros)	Note	03/31/20	03/31/19
Goodwill	10	166,482	140,621
Intangible assets	11	8,111	10,094
Property, plant and equipment	11	14,024	17,099
Rights to use leased assets	12	30,613	0
Financial assets - > 1 year	13	1,986	1,961
Other non-current assets	13	11,535	7,635
Non-current assets		232,750	177,409
Trade receivables and related accounts	14	128,408	130,420
Other receivables	14	23,282	25,692
Cash and cash equivalents	14	65,131	50,709
Current assets		216,821	206,821
Total assets		449,571	384,230
Capital	15	505	505
Additional paid-in capital		11,218	11,218
Reserves and consolidated income		166,655	139,762
Group translation reserves		(1,235)	(675)
Total shareholders' equity attributable to owners of the parent		177,142	150,810
Non-controlling interests		0	0
Total shareholders' equity		177,142	150,810
Long-term provisions	16	15,343	14,566
Financial liabilities - > 1 year	17	56,076	65,703
Lease liabilities - more than one year	12	29,616	0
Other non-current liabilities	18	959	1,535
Non-current liabilities		101,993	81,803
Short-term provisions	16	5,348	4,297
Financial liabilities - < 1 year	17	38,179	23,720
Lease liabilities - less than one year	12	8,041	0
Trade receivables and related accounts	18	16,586	19,381
Tax and social security liabilities	18	80,417	81,369
Other current financial liabilities	18	21,864	22,851
Current liabilities		170,435	151,618
Total liabilities		449,571	384,230

Change in consolidated cash and cash equivalents

(in thousands of euros)	Note	03/31/20	03/31/19
Consolidated net income		31,140	30,770
Net depreciation charges and provisions ⁽¹⁾		16,837	9,210
Gain (loss) on disposals, net of tax		(34)	(60)
Other calculated income and expenses		(188)	1,888
Cost of net financial debt (including interest on lease liabilities)		1,616	1,262
Gross cash flow ⁽²⁾		49,371	43,071
Change in working capital requirement		5,927	(10,448)
Net cash flow from operating activities		55,298	32,622
Acquisitions of tangible and intangible assets	11	(3,062)	(1,449)
Asset disposals		86	75
Change in financial assets		61	(321)
Impact of changes in consolidation scope ⁽³⁾		(26,615)	(21,619)
Net cash flow from investments		(29,530)	(23,314)
Sale (acquisition) by the Company of its own shares ⁽⁴⁾		(3,522)	(8,070)
Dividends paid to shareholders of parent Company		(4,572)	(4,054)
Dividends paid to consolidated non-controlling interests		0	0
Borrowings	17	118,220	19,600
Repayment of borrowings	17	(111,767)	(17,307)
Repayment of lease liabilities	12	(6,720)	0
Net interests paid		(2,487)	(1,284)
Net interests paid on lease liabilities	7	(321)	0
Net cash flow from financing activities		(11,168)	(11,114)
Change in net cash		14,599	(1,806)
Impact of changes in exchange rates	17	(123)	403
Cash and cash equivalent at start of period	17	50,592	51,996
Cash and cash equivalent at end of period	17	65,068	50,592

(1) Including €3,470k for employee benefits (IFRS 2) and €6,346k for the amortization of property usage rights (IFRS 16).

(2) Gross cash flow margin is calculated after current taxes. Taxes paid amounted to €19,168k at 03/31/20 and €22,870k at 03/31/19.

(3) The line "Impact of changes in consolidation scope" corresponds to disbursements relating to the acquisition of WGroup's business and to initial earnouts relating to Metis Consulting.

(4) For information, the Company has delivered treasury shares to a value of €2,090k.

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 03/31/18	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
Consolidated profit for the year	0	0	0	31,140	0	31,140
Fair value adjustment of hedging instruments	0	0	(2)	0	0	(2)
IAS 19 actuarial gain (loss)	0	0	119	0	0	119
Net comprehensive income	0	0	117	31,140	0	31,257
Impact of non-controlling interests	0	0	0	0	0	0
Appropriation of profit	0	0	30,770	(30,770)	0	0
Change in capital of the consolidating company	0	0	0	0	0	0
Dividends paid out by the consolidating company	0	0	(4,572)	0	0	(4,572)
Treasury shares	0	0	(2,785)	0	0	(2,785)
Restatement of provision for free shares	0	0	2,993	0	0	2,993
Translation gain (loss)	0	0	0	0	(560)	(560)
Consolidated shareholders' equity at 03/31/20	505	11,218	135,514	31,140	(1,235)	177,142

Wavestone distributed a dividend of €0.23 per share, for a total payout this year of €4,572k.

Shareholders' equity contains no taxable items. Cumulative deferred tax assets amounting to €303k 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	03/31/20	03/31/19
Net income for the period		31,140	30,770
Fair value adjustment of hedging instruments	19	(2)	(28)
IAS 19 actuarial gain (loss)	16	119	500
Total recognized as equity		117	472
Net comprehensive income attributable to owners of the parent		31,257	31,242

Notes to the consolidated financial statements

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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 06/02/20.

All amounts presented in the notes are expressed in thousands of euros (€k).

2. Significant events in the fiscal year

Acquisition of WGroup

On 07/18/19, Wavestone acquired all of the capital of WGroup, which itself wholly owns UpGrow LLC and WGroup Consulting India Project Ltd.

Founded in 2004 and headquartered in Philadelphia (Pennsylvania, United States), WGroup is an IT executive management consultancy focused on delivering IT strategy, cost optimization, and operational improvement advisory services to IT leaders in large enterprises across North America.

The Company's experience spans multiple verticals such as Healthcare and Insurance, Media & Entertainment, Global Manufacturing, Retail and Financial Services.

WGroup team is comprised of approximately 100 team members, including 50+ permanent employees.

For its last calendar year (ended 12/31/18), WGroup recorded consolidated revenue of \$26,135k (approximately €23,301k), up 16%, and an adjusted EBITDA margin of circa 15%.

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

WGroup's leadership team is fully committed to the merger. Jeffrey Vail, its CEO, joins Wavestone's Executive Committee and is to take the lead of Wavestone's business in the US after the post-merger integration program.

This acquisition has been paid in cash and funded through an existing credit line negotiated with Wavestone's banks.

WGroup is consolidated in Wavestone's accounts since 08/01/19, or over 8 months of its fiscal year.

Goodwill was booked to the Group's financial statements based on the acquisition price of \$22,000k enterprise value, to which can be added up to \$8,500k, conditional on Group performance in 2019 and 2020. The additional consideration linked to 2019 performance has already been paid in full, for an amount of \$5,000k.

Impact of business combinations

On a like-for-like and constant forex basis, Wavestone generated revenues of €393,670k, operating income on ordinary activities of €50,865k, and Group share of net income of €29,233k at 03/31/20, versus revenues of €387,024k, operating income on ordinary activities of €54,043k and Group share of net income of €30,323k at 03/31/19.

On a like-for-like and current forex basis, revenue came out at €394,478k, operating income on ordinary activities was €50,792k, and Group share of net income stood at €29,183k at 03/31/20, versus revenues of €387,024k, operating income on ordinary activities of €54,043k and Group share of net income of €30,323k at 03/31/19.

On a full-scope basis, Wavestone had revenue of €422,042k, operating income on ordinary activities of €55,700k and Group share of net income of €31,140k.

Payment of the additional consideration for Metis

Following the Metis acquisition on 11/14/18, and pursuant to the terms and conditions of the acquisition, Wavestone carried out payment of the first additional consideration related to the acquisition.

Wavestone Consulting Switzerland is absorbed by Wavestone Advisors Switzerland

The merger of Wavestone Consulting Switzerland with Wavestone Advisors Switzerland was implemented in line with the merger contract of 12/10/19. It was effective retroactively as of 10/01/19.

This transaction has no impact on the consolidated financial statements.

Upon completion of the transaction, Wavestone Advisors Switzerland was renamed Wavestone Switzerland.

Liquidation of Xceed (2007) Inc. and Metis Shanghai

These two companies without operating activities were sold during the fiscal year.

These transactions have no impact on the consolidated financial statements.

Financing transaction

On 03/26/20, Wavestone signed a financing contract for a total maximum amount of €160,000k with a group of five banks (BNP Paribas, Bred-Banque Populaire, Le Crédit Lyonnais, La Banque Postale and Société Générale).

The first drawdown, to refinance existing debt, amounted to €95,000k, including:

- a half-yearly repayable €45,500k refinancing tranche to be repaid by September 2025, and a €19,500k tranche to be repaid at maturity in six years. The applicable interest rate is equivalent to the Euribor rate for the draw down term to which a variable margin ranging from 0.85% to 1.70% is applied;
- a €30,000k revolving credit line repayable in one year. The applicable interest rate is equivalent to the Euribor rate for the draw down term to which a variable margin ranging from 0.40% to 1.20% is applied.

The €65,000k loan to fund external growth transactions remained undrawn at the closing. In addition, the contract enabled Wavestone to request an unconfirmed credit line for a maximum amount of €60,000k also for external growth.

Wavestone repaid its existing credit lines on 03/26/20, for a total of €83,677k.

Impact of Covid-19 on business

As of 01/30/20, the WHO declared a Public Health Emergency of International Concern.

During March, widespread lockdown measures were implemented in several countries, significantly impacting business levels.

As a result, Wavestone was forced to suspend some of its client assignments owing to the difficulty in delivering them remotely or due to disruptions resulting from the pandemic.

Furthermore, some assignments were postponed, and, in some cases, assignments were cancelled. Wavestone also decided to put a freeze on all hiring in place until 06/01/20, a measure which could be extended if necessary.

At the time of the closing of accounts, business was down 15% to 20% compared with the pre-lockdown period.

Owing to persistent uncertainty about the evolution of the crisis at the time of closing accounts, we are not in a position to accurately assess all factors that could impact accounts for fiscal year 2020/21. Nevertheless, despite potential impacts, this should not jeopardize business continuity based on the information available at the time of closing the Group's annual accounts.

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. 1606/2002 dated 07/19/02. These standards consist of the IFRS and IAS, and their interpretations, which had been adopted by the EU at 03/31/20.

The accounting principles used to prepare Wavestone's 2019/20 consolidated financial statements are the same as those used to prepare its consolidated financial statements at 03/31/19, with the exception of the normative evolutions presented below.

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 04/01/19 (available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission). The impacts on the presentation of the financial statements are detailed in the following paragraph and in note 12 "Leases".

IFRS standards, IFRIC interpretations and amendments applied by the Company as of 04/01/19

Standards, interpretations or amendments	Dates of adoption by the EU	Dates of application ⁽¹⁾ : fiscal years beginning on or after
IFRS 16 “Leases”	11/09/17	01/01/19
Amendments to IFRS 9 “Prepayment features with negative compensation”	03/26/18	01/01/19
IFRIC 23 “Uncertainty over income tax treatments”	10/23/18	01/01/19
Amendments to IAS 28 “Investments in associates”	02/11/19	01/01/19
Amendments to IAS 19 “Plan amendment, curtailment or settlement”	03/14/19	01/01/19
IFRS annual improvements (2015-2017)	03/15/19	01/01/19

(1) Date of application of the European Union.

Application of IFRS 16

IFRS 16 “Leases” is mandatory for fiscal years commencing on or after 04/01/19. The standard provides a single lessee accounting model for all leases: a right-of-use is recognized under assets and a lease liability under liabilities. In the income statement, the lessee recognizes depreciation of the right-of-use asset and interest on the lease liability.

This standard replaces IAS 17 “Leases” as well as interpretations SIC 15 “Operating leases - Incentives,” SIC 27 “Evaluating the substance of transactions involving the legal form of a lease” and IFRIC 4 “Determining whether an arrangement contains a lease”. It removes the distinction between financial leases and operating leases.

Wavestone applies IFRS 16 as of 04/01/19, using the simplified retrospective approach. This method implies no adjustment to comparative periods. The right-of-use asset and lease liability are calculated according to discounted leases still running on 04/01/19. Contract analysis and quantification of

the impacts of the new standard application were carried out using a standardized tool.

The Group applied the exemptions provided for by the standard in terms of contracts with a term of less than or equal to 12 months, or with a value of less than \$5,000. Furthermore, the Group excluded vehicle leases with a non-significant value from the scope of adjustment.

As such, the adjustment period provided for in the standard only applies to real estate leases.

In line with the decision by the IFRIC Interpretations Committee in November 2019, published on 12/16/19, regarding lease duration and useful life of lease improvements, the maximum term of 9 years was retained for so-called 3/6/9 leases in France. This duration is aligned with the term of depreciation for the fittings of such premises.

A unique discount rate of 1% was retained for all entities, corresponding to that prevailing on the main current credit lines.

Reconciliation of lease liability as of 04/01/19, with off-balance-sheet commitments

Amount of off-balance sheet commitments published at 03/31/19	44,097
Contracts not subject to IFRS 16	(3,031)
New gross lease liability as at 04/01/19	41,066
Update	(1,922)
Others	595
New updated lease liability as at 04/01/19	39,739
Reclassification of finance lease liabilities as at 04/01/19 as lease liabilities	1,263
Recognized lease liability as at 04/01/19	41,002

Impacts of the application of IFRS 16

(In thousands of euros)	Published 03/31/19	IFRS 16 application	04/01/19
Goodwill	140,621	0	140,621
Intangible assets	10,094	0	10,094
Property, plant and equipment	17,099	(1,279)	15,820
Rights to use leased assets	0	34,659	34,659
Financial assets - > 1 year	1,961	0	1,961
Other non-current assets	7,635	0	7,635
Non-current assets	177,409	33,380	210,789
Stocks	0	0	0
Trade receivables and related accounts	130,420	0	130,420
Other receivables	25,692	669	26,361
Financial assets	0	0	0
Cash and cash equivalents	50,709	0	50,709
Current assets	206,821	669	207,490
Total assets	384,230	34,050	418,280
Capital	505	0	505
Additional paid-in capital	11,218	0	11,218
Reserves and consolidated income	139,762	0	139,762
Group conversion reserves	(675)	0	(675)
Total shareholders' equity attributable to owners of the parent	150,810	0	150,810
Non-controlling interests	0	0	0
Total shareholders' equity	150,810	0	150,810
Long-term provisions	14,566	0	14,566
Financial liabilities - > 1 year	65,703	(458)	65,245
Lease liabilities - more than one year	0	34,306	34,306
Other non-current liabilities	1,535	0	1,535
Non-current liabilities	81,803	33,848	115,651
Short-term provisions	4,297	(426)	3,871
Financial liabilities - < 1 year	23,720	(805)	22,915
Lease liabilities - less than one year	0	6,697	6,697
Trade receivables and related accounts	19,381	(3,952)	15,429
Tax and social security liabilities	81,369	0	81,369
Other current financial liabilities	22,851	(1,312)	21,539
Current liabilities	151,618	202	151,820
Total liabilities	384,230	34,050	418,280

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 03/31/20.

Standards, interpretations or amendments	Date published by the IASB	Date of application: fiscal years beginning on or after
Amendments to IAS 28 and IFRS 10	09/11/14	Undetermined

The IASB has published standards and interpretations, adopted by the European Union at 03/31/20, that are applicable to reporting periods beginning on or after 01/01/20. The Group has chosen not to early adopt these texts.

Standards, interpretations or amendments	Date of adoption by the EU	Dates of application ⁽¹⁾ : fiscal years beginning on or after
Amendments to conceptual framework references	12/06/19	01/01/20
Amendments to IAS 1 and IAS 8	12/10/19	01/01/20
Amendments to IAS 39, IFRS 7 and IFRS 9	01/16/20	01/01/20
Limited amendments to IFRS 3	04/22/20	01/01/20

(1) Date of EU application.

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 03/31/20 and 03/31/19 are comparable, except for changes in the scope of consolidation and application of IFRS 16.

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 mergers and liquidations mentioned in point 2. "Significant events of the year" have no impact on the consolidated financial statements.

The financial statements of the consolidated companies were all prepared as at 03/31/20.

On 03/31/20, the consolidated financial statements included all Wavestone's companies for twelve months, with the exception of companies acquired during the period: WGroup and its subsidiaries (8 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".

Currencies		Closing exchange rate		Average exchange rate	
		03/31/20	03/31/19	03/31/20	03/31/19
Swiss Franc	CHF	0.944733	0.894374	0.913903	0.874731
Chinese Yuan	CNY	0.128561	0.132631	0.129139	0.128549
Pound Sterling	GBP	1.128121	1.165094	1.142937	1.133603
Hong Kong Dollar	HKD	0.117723	0.113385	0.115307	0.110346
Moroccan Dirham	MAD	0.089728	0.092191	0.093042	0.091234
US Dollar	USD	0.912742	0.890076	0.901036	0.865395

Source: Banque de France.

The average exchange rate is determined by calculating the average monthly closing rate over the period.

The price retained for the inclusion of the WGroup companies acquired is that prevailing on 07/31/19, for inclusion in the scope of consolidation and the eight-month average for the income statement.

Specific exchange rates to the entry of WGroup

Currencies		Closing exchange rate	Scope entry exchange rate	Average exchange rate on 8 months
		03/31/20	07/31/19	03/31/20
US Dollar	USD	0.912742	0.896781	0.906208
Indian Rupee	INR	0.012063	0.013038	0.012597

Source: Banque de France.

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;
- the 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. Uncertainty about the consequences of the Covid-19 epidemic makes this year's exercise more delicate. 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 11% 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 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.

Amortization is 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.

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 and IFRS 9, 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, the calculation of which resulted in an insignificant result.

Retirement benefits for France are based on the following assumptions:

- application of the Syntec no. 3018 collective bargaining agreement;
- staff turnover rate: 15%, versus 18% as of 03/31/19;
- 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: 1.42%, versus 1.04% as of 03/31/19;
- retirement age: 65 years;
- voluntary departure.

Retirement benefits for Switzerland are based on the following assumptions:

- BVG2015 GT mortality table;
- discount rate: 0.50% versus 0.60% for Wavestone Advisors Switzerland and 0.45% for Wavestone Consulting Switzerland as of 03/31/19.

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 03/31/20.

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 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 Xceed 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

On 11/26/19, Wavestone received a rectification proposal following a tax review for the fiscal years ending 03/31/16, 03/31/17 and 03/31/18. The French tax administration estimated that three projects are not eligible for the French research tax credit and is envisaging a rectification of a total amount of €618k. Assisted by specialized advisors, the firm considers it has the necessary arguments to justify the eligibility of these projects and intends to contest the French tax administration’s position. In this respect, an observation letter is to be sent within the requested timeframe. As such, no provision has been set aside in Group accounts. Other items relative to the rectification proposal were accepted. Their amount is not significant.

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 contract entered into with the client:

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. Where appropriate, it is recorded as contract assets (hereafter “bills to issue”) and contract liabilities (hereafter “prepayments”).

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 IFRS 15.

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.

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 within a reasonable period of time 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.

3.21. Change in method

IFRS 16 "Leases" is applied for the first time, implying a change in accounting method. The impacts of applying this new standard to the consolidated financial statements are set out in note 3.1.2.

4. Scope of consolidation

Changes in the Group's scope of consolidation (acquisitions, mergers and liquidations) 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 (4 th Floor) Cornhill London, EC3V 3NF	5896422	Limited Company	100%	United Kingdom	12
Wavestone 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	SASU	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	Immeuble The Artist Avenue des Arts 6/9, 1210 Saint-Josse-ten-Noode	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	CHE-100.782.082	SARL	100%	Switzerland	6
Wavestone HK	21/F, On Hing Building, 1 On Hing Terrace Central, Hong Kong	2403871	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	12

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	12
Metis Consulting Hong Kong	Flat 7107B, 1 Austin Road West, Kowloon, Hong Kong	2381018	Private company	100%	Hong Kong	12
Metis (Shanghai) Management Consulting	N°1045 Huai Hai Zhong Road, Xuhui District, Shanghai	91310000MA1FR9T09X	Limited company	100%	China	9
WGroup	150 N. Radnor Chester Road, Suite A230 Radnor, PA 19087, USA	3191624	Incorporated company	100%	United States	8
UpGrow	150 N. Radnor Chester Road, Suite A230 Radnor, PA 19087, USA	6360853	Incorporated company	100%	United States	8
WGroup Consulting India Project	Flat No 503, 5 th Floor, Tower-8, Uniworld Garden, Sohna Road, Sector-47, Gurgaon, Haryana, India, 122018	U74999HR2019FTC079593	Private limited company	100%	India	8

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	03/31/20	03/31/19
France	360,790	343,976
International	61,252	47,554
Total	422,042	391,530

Revenue is 59% made up of fixed-price contracts, and 41% time based services contracts.

The order book represents 3.5 months of business.

Average staff	03/31/20	03/31/19
France	2,850	2,538
International	392	302
Total	3,242	2,840

Note 2. Purchases

Purchases are limited exclusively to the purchase of subcontracting services.

Note 3. Payroll expenses

Personnel expenses	03/31/20	03/31/19
Salaries and benefits	208,593	187,578
Social contributions	81,284	75,411
Total	289,877	262,989

Average FTE headcount	03/31/20	03/31/19
Engineers and managers	3,186	2,792
Employees	56	48
Total	3,242	2,840

Note 4. Executive directors' compensation

Executive compensation⁽¹⁾	03/31/20	03/31/19
Compensation paid to Management Board members	466	473
Compensation paid to Supervisory Board members	306	251
Total	772	724

(1) Excluding mandatory profit-sharing.

Note 5. External expenses

	03/31/20	03/31/19
Rent and other lease expenses	13,804	13,473
IFRS 16 restatement	(6,603)	0
Professional fees	11,151	11,011
Travel, assignments	15,926	14,426
Other external expenses	12,421	12,520
Total	46,699	51,429

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

For the record, the amortization of customer relationships is recognized as non-current given the non-recurring nature and the scale of the Kurt Salmon transaction.

	03/31/20	03/31/19
Other	1,581	275
Other operating income	1,581	275
Securities trading charges	(1,337)	(607)
Other	(870)	(192)
Other operating expenses	(2,207)	(800)
Net total	(627)	(525)

Various other operating costs broke down on 03/31/20, as removal expenses for €473k and unoccupied lease properties for €397k.

Other operating income is made up of the second additional consideration for Metis, for €1,200k, writebacks from provisions for €217k and reversals of writedowns of lease fittings for €164k.

Note 7. Financial income (loss)

	03/31/20	03/31/19
Net income from sale of cash equivalents	8	10
Interest on borrowings	(2,185)	(1,688)
Cost of net debt	(2,177)	(1,678)
Other financial income and expenses	(1,242)	(120)
Financial profit (loss)	(3,419)	(1,799)

Interest on borrowings mainly relates to the following: interest on the loan linked to the Kurt Salmon acquisition for €1,018k, external growth loans amounting to €461k as well as the cost linked to these borrowings still to be allocated at the time of refinancing. The latter are booked as costs for the current fiscal year, amounting to €531k. The refinancing transaction is presented in the significant events section.

Other financial income and expenses specifically includes hedging instruments for a negative €1,103k.

Note 8. Tax charge

Net impact of profit tax

	03/31/20	03/31/19
Current tax	19,646	17,598
Deferred tax	(685)	2,263
Total	18,961	19,861

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 €4,703k.

Deferred tax

	Consolidated statement of financial position		Income statement	
	03/31/20	03/31/19	03/31/20	03/31/19
Tax loss carryforwards capitalized	4,017	3,077	(734)	902
Temporary time differences on provisions	2,899	3,424	654	1,287
Consolidation entries	3,181	2,692	(566)	60
Total deferred tax assets	10,097	9,193	(645)	2,249
Tax loss carryforwards capitalized	(20)	-	(20)	-
Temporary time differences on provisions	33	54	(20)	14
Total deferred tax liabilities	13	54	(40)	14
Deferred tax charge			(685)	2,263

All deferred taxes generated by transactions carried out over the period have been recognized. From end-March 2020, deferred tax assets and liabilities are classified as non-current and a distinction is no longer made between terms of less and more than a year.

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.

Tax loss carryforwards of Wavestone US were reactivated to the tune of €4,194k stemming from the tax consolidation option chosen between Wavestone US and WGroup Inc.

Tax rationalization

The difference between the theoretical and the effective tax expense breaks down as follows:

	03/31/20	03/31/19
Consolidated net income	31,140	30,770
Tax expense (income)	18,961	19,861
IAS 12: CVAE and other	(4,703)	(4,505)
Tax credits	(1,956)	(3,431)
Pre-tax profit/loss	43,443	42,695
Theoretical tax rate	33.33%	33.33%
Theoretical tax expense (income)	14,479	14,230
Reconciliation:		
Permanent differences	40	1,099
Deactivation (reactivation) of previous deficit	(1,398)	-
Activities taxed at a different rate	1,766	329
Tax credit	(629)	(302)
IAS 12: CVAE and other	4,703	4,505
Effective tax expense (income)	18,961	19,861

Note 9. Earnings per share

	03/31/20	03/31/19
Net income attributable to owners of the parent	31,140	30,770
Weighted average number of shares outstanding ⁽¹⁾	19,872,524	19,953,337
Net undiluted earnings attributable per share (in euros)	1.57	1.54
Number of shares issued at March 31 ⁽¹⁾	19,872,524	19,953,337
Net diluted earnings attributable per share (in euros)	1.57	1.54

(1) Excluding treasury shares.

Note 10. Goodwill on the assets side of the balance sheet

	Net value at 03/31/19	Change in scope	Increase in the year	Translation gains (losses)	Net value at 03/31/20
Wavestone SA	45,200	-	-	-	45,200
Wavestone Advisors UK	2,503	-	-	(79)	2,423
Wavestone Switzerland	2,736	-	-	154	2,890
Kurt Salmon	68,995	-	-	98	69,093
Xceed	11,219	-	925	(368)	11,776
Metis	9,968	-	-	-	9,968
WGroup	-	24,692	-	439	25,131
Total	140,621	24,692	925	244	166,482

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:

	WGroup	Total
Acquisition cost		
Acquisition price	18,362	18,362
Price adjustment	(221)	(221)
Price supplement	7,623	7,623
Total I	25,763	25,763
Assets acquired at acquisition date		
Fixed assets	629	629
Non-current assets	115	115
Current assets	6,558	6,558
Subtotal B	7,302	7,302
Liabilities acquired at acquisition date		
Non-current liabilities	451	451
Short-term provisions	37	37
Current liabilities	5,743	5,743
Subtotal C	6,230	6,230
Total II - Net assets acquired (B-C)	1,071	1,071
Goodwill (I-II)	24,692	24,692

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	> 250,000
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	03/31/19	IFRS 16 application	Change in scope	Increase	Decrease	Translation gains (losses)	03/31/20
Software	5,527	-	98	31	(548)	(62)	5,047
Clients	16,546	-	-	-	-	-	16,546
Intangible assets in progress	-	-	-	-	-	-	-
Total intangible assets	22,073	-	98	31	(548)	(62)	21,592
Other tangible assets	23,898	-	347	1,044	(874)	(9)	24,406
Other lease assets	4,776	(4,776)	-	-	-	-	-
Tangible assets under construction	19	-	-	105	(97)	1	27
Total tangible assets	28,693	(4,776)	347	1,149	(971)	(8)	24,434

Amortization	03/31/19	IFRS 16 application	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/20
Software	3,204	-	38	839	(548)	(40)	3,493
Clients	7,871	-	-	1,553	-	-	9,424
Total intangible assets	11,075	-	38	2,392	(548)	(40)	12,917
Other tangible assets	7,880	-	279	2,714	(659)	1	10,215
Other lease assets	3,497	(3,497)	-	-	-	-	-
Total tangible assets	11,377	(3,497)	279	2,714	(659)	1	10,215

Impairment	03/31/19	IFRS 16 application	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/20
Software	903	-	59	26	(403)	(22)	564
Total intangible assets	903	-	59	26	(403)	(22)	564
Other tangible assets	217	-	16	144	(184)	1	195
Other lease assets	-	-	-	-	-	-	-
Total tangible assets	217	-	16	144	(184)	1	195
Net total intangible assets	10,094	-	1	(2,387)	403	-	8,111
Net total tangible assets	17,099	(1,279)	52	(1,709)	(129)	(10)	14,024

None of Wavestone's tangible and intangible assets are subject to ownership restrictions.

In accordance with IFRS 16, financial leases existing on 03/31/19 were reclassified as right-of-use assets as of 04/01/19.

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 (€1,979k) at 03/31/20, versus €1,666k in the same period last year.

Note 12. Leases

In accordance with IFRS 16, financial leases existing on 03/31/19 were reclassified as right-of-use assets or lease liabilities as of 04/01/19.

Rights of use

Gross value	03/31/19	IFRS 16 application	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/20
Operating lease	-	33,380	565	2,711	(60)	59	36,654
Real estate leasing	-	33,380	565	2,711	(60)	59	36,654
Credit lease	-	4,776	-	-	(785)	6	3,997
Office and computer equipment	-	4,672	-	-	(785)	-	3,887
Transport equipment	-	104	-	-	-	6	110
Total rights of use	-	38,157	565	2,711	(845)	65	40,651

Amortization	03/31/19	IFRS 16 application	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/20
Operating lease	-	-	-	6,346	(60)	6	6,291
Real estate leasing	-	-	-	6,346	(60)	6	6,291
Credit lease	-	3,497	-	753	(761)	3	3,493
Office and computer equipment	-	3,447	-	734	(761)	-	3,420
Transport equipment	-	50	-	19	-	3	73
Total rights of use	-	3,497	-	7,099	(821)	9	9,784

Impairment	03/31/19	IFRS 16 application	Changes in consolidation scope	Increase	Decrease	Translation gains (losses)	03/31/20
Operating lease	-	-	-	255	-	-	255
Real estate leasing	-	-	-	255	-	-	255
Credit lease	-	-	-	-	-	-	-
Office and computer equipment	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-
Total rights of use	-	-	-	255	-	-	255
Total net rights of use	-	34,659	565	(4,643)	(24)	56	30,613

Assets financed by a leasing contract are subject to an ownership restriction.

Lease liabilities

	03/31/19	IFRS 16 application	Changes in consolidation scope	Change	Translation gains (losses)	03/31/20
Liabilities due in more than five years	-	8,000	-	(3,128)	27	4,899
Rental liabilities	-	8,000	-	(3,128)	27	4,899
Leasing liabilities	-	-	-	-	-	-
Liabilities from one to five years	-	26,305	451	(2,059)	19	24,717
Rental liabilities	-	25,847	451	(1,690)	19	24,628
Leasing liabilities	-	458	-	(369)	-	89
Total non-current lease liabilities	-	34,306	451	(5,187)	46	29,616
Rental liabilities	-	5,892	114	1,626	8	7,639
Leasing liabilities	-	805	-	(405)	2	402
Total current lease liabilities (less than one year)	-	6,697	114	1,221	10	8,041
Total lease liabilities	-	41,002	565	(3,966)	56	37,657

Guarantees pledged as collateral against these lease liabilities are described in note 20 below.

Impacts of IFRS 16 on the consolidated income statement at 03/31/20

The table below sets out the impact of IFRS 16 on each of the items in the income statement.

(in thousands of euros)	Published	IFRS 16 impacts	Excluding IFRS 16 impacts
Revenue	422,042	-	422,042
Other income from operations	-	-	-
Purchases consumed	13,007	-	13,007
Personnel expenses	289,877	-	289,877
External expenses	46,699	(6,603)	53,302
Levies and taxes	6,313	-	6,313
Depreciation charges and provisions	10,373	6,494	3,880
Other current income and expenses	73	-	73
EBIT	55,700	110	55,590
Amortization of customer-relationship	1,553	-	1,553
Other operating income and expenses	(627)	-	(627)
Operating profit	53,521	110	53,411
Financial income	8	-	8
Gross cost of financial debt	2,185	(12)	2,197
Net cost of financial debt	2,177	(12)	2,189
Other financial income and expenses	(1,242)	(388)	(854)
Pre-tax profit/loss	50,101	(267)	50,368
Tax expenses	18,961	(65)	19,025
Net income	31,140	(202)	31,343
Non-controlling interests	-	-	-
Net attributable profit to owners of the parent	31,140	(202)	31,343

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 €10,097k (€6,046k at 03/31/19, of total deferred tax assets of €9,193k). From end-March 2020, deferred tax assets and liabilities are classified as non-current and a distinction is no longer made between terms of less and more than a year.

Note 14. Current assets

Trade receivables and related accounts	03/31/19	IFRS 16 application	Changes in consolidation scope	Change	Translation gains (losses)	03/31/20
Client receivables	91,979	-	5,256	(10,825)	133	86,544
Invoices to be issued	39,823	-	112	3,065	-	43,000
Gross value	131,802	-	5,369	(7,760)	134	129,544
Impairment	(1,381)	-	-	243	3	(1,135)
Net book value	130,420	-	5,369	(7,518)	137	128,408

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	03/31/19	IFRS 16 application	Changes in consolidation scope	Change	Translation gains (losses)	03/31/20
Advances and downpayments	523	-	-	785	1	1,309
Tax receivables	19,447	-	-	(4,299)	(39)	15,110
Other debtors	1,312	-	45	(99)	3	1,261
Prepaid expenses	4,427	669	157	367	34	5,655
Gross value	25,710	669	202	(3,246)	(1)	23,335
Impairment of other receivables	(18)	-	-	(35)	-	(53)
Impairment	(18)	-	-	(35)	-	(53)
Net book value	25,692	669	202	(3,281)	(1)	23,282

As of 03/31/20, all deferred tax assets are classified as non-current and are no longer included in tax receivables.

Cash and cash equivalents	03/31/19	IFRS 16 application	Changes in consolidation scope	Change	Translation gains (losses)	03/31/20
Money-market mutual funds (SICAVs) - cash equivalents	1	-	-	(1)	-	-
Liquid assets	50,708	-	986	13,540	(103)	65,131
Gross value	50,709	-	986	13,539	(103)	65,131
Impairment	-	-	-	-	-	-
Net book value	50,709	-	986	13,539	(103)	65,131

Note 15. Capital

At 03/31/20, the capital of the Wavestone parent Company comprised 20,196,492 fully paid-up new shares at €0.025 per unit.

At the same date, the Company owned 323,968 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 07/02/19 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.

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 03/31/20.

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.

	03/31/19	IFRS 16 application	Changes in consolidation scope	Other changes	Increase	Reversal		Translation gains (losses)	03/31/20
						Used	Unused		
Provisions for retirement packages	14,566	-	-	-	1,354	(311)	(330)	65	15,343
Total long-term provisions	14,566	-	-	-	1,354	(311)	(330)	65	15,343
Provisions for risks	4,297	(426)	37	1,219	1,242	(705)	(300)	(15)	5,348
Total short-term provisions	4,297	(426)	37	1,219	1,242	(705)	(300)	(15)	5,348
Total provisions	18,862	(426)	37	1,219	2,596	(1,016)	(631)	50	20,691

Changes in provisions for the fiscal year had a (€1,311k) impact on operating income on ordinary activities and a (€152k) impact on non-recurring operating income.

Provisions for retirement packages

Actuarial gains and losses related to the provision for termination benefits are recognized directly in shareholders' equity. An actuarial loss of €210k reported at 03/31/20 stemmed primarily from changes in assumptions (discount rate, staff turnover rate, etc.).

This had an impact on shareholders' equity of positive €500k, net of deferred taxes, at 03/31/19. It is positive, in the amount of €119k, net of deferred taxes, for the fiscal year ended 03/31/20.

The net expense recognized of €935k breaks down as follows:

- cost of services rendered: €1,101k;
- interest expenses for the year: €145k;
- benefits provided: (€311k).

Hedging assets in Switzerland

The commitment booked in Switzerland in respect of retirement commitments corresponds to the differential observed between the defined-benefit regime and hedging assets made up of contributions already paid.

Wavestone Switzerland is affiliated with the Helvetica Group Foundation for health and social coverage of its employees (Helvetia Sammelstiftung für Personalvorsorge) and

Wavestone Consulting Switzerland was affiliated with the Swiss Life occupational pension plan Foundation. The two Wavestone subsidiaries were merged as of 12/10/19. The plan is fully insured and there are no individual financial statements for each contract. As a result, fair value of the plan's assets corresponds to:

- the fixed-price amount of capital payments by policyholders to the regime combined with actuarial reserves;
- the fixed-price amount of capital savings for retired employees at the closing date;
- the current situation of the corresponding accounts.

Hedging assets	03/31/19	03/31/20
Fondation Helvetia	3,504	4,062
Fondation Swiss Life	832	0
Total	4,336	4,062

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 €740k decrease in actuarial differences (recognized in shareholders' equity) while a 0.25% decrease in the discount rate would represent a €787k increase in actuarial differences.

Note 17. Financial liabilities and net debt

	03/31/19	IFRS 16 application	Changes in consolidation scope	Changes	Translation gains (losses)	03/31/20
Debt > 5 years	-	-	-	23,559	-	23,559
Bank borrowings	-	-	-	23,559	-	23,559
Debt 1 > 5 years	65,703	(458)	-	(32,727)	-	32,517
Bank borrowings	65,245	-	-	(32,727)	-	32,517
Financial debt (leases)	458	(458)	-	-	-	-
Total non-current financial liabilities	65,703	(458)	-	(9,169)	-	56,076
Bonds	-	-	-	-	-	-
Bank borrowings	22,605	-	-	15,500	-	38,104
Financial debt (leases)	805	(805)	-	-	-	-
Bank overdrafts	116	-	3,175	(3,249)	21	63
Accrued interest outstanding	194	-	-	(182)	-	12
Total current financial liabilities (< 1 year)	23,720	(805)	3,175	12,068	21	38,179
Total financial liabilities excluding current bank overdrafts	89,306	(1,263)	1,256	4,893	-	94,193
Total financial liabilities	89,422	(1,263)	3,175	2,900	21	94,255

In accordance with IFRS 16, financial leases existing on 03/31/19 were reclassified as lease liabilities as of 04/01/19.

Breakdown of financial liabilities by interest rate:

Rate	03/31/19		03/31/20	
	Fixed	Variable	Fixed	Variable
Current financial liabilities	737	64,966	152	55,924
Total financial liabilities	1,061	22,659	101	38,079
Total financial liabilities	1,798	87,625	252	94,003

The Group did not default on any of its debt repayment obligations during the period. On 03/26/20, Wavestone signed a new credit line, presented in the significant events section for the fiscal year. Subscriptions and repayments carried out over the fiscal year are presented in the consolidated cash flow statement.

These borrowings are not backed by any guarantees.

The characteristics of the 2020 refinancing loan are as follows:

- nominal: €65,000k;
- rate: variable (Euribor + margin);
- maturity: 03/26/26;
- date of issue: 03/26/20.

Characteristics of the 2020 renewable credit:

- nominal: €30,000k;
- rate: variable (Euribor + margin);
- maturity: 03/26/25;
- date of issue: 03/26/20.

Characteristics of the 2020 loan for acquisitions:

- nominal: €65,000k;
- rate: variable (Euribor + margin);
- maturity: 03/26/27;
- date of issue: 03/26/20.

The contract also provides for an unconfirmed credit of up to €60,000k dedicated to external growth operations.

Cash and cash equivalents	03/31/19	IFRS 16 application	Changes in consolidation scope	Other changes	Translation gains (losses)	03/31/20
Cash equivalents at historic value	1	-	-	(1)	-	-
Liquid assets	50,708	-	986	13,540	(103)	65,131
Bank overdrafts	(116)	-	(3,175)	3,249	(21)	(63)
Total cash net of overdrafts	50,592	-	(2,189)	16,788	(123)	65,068
Fair value adjustment of cash equivalents	-	-	-	-	-	-
Consolidated cash	50,592	-	(2,189)	16,788	(123)	65,068
Financial liabilities excluding bank overdrafts	89,306	(1,263)	1,256	4,893	-	94,193
Net cash/debt	(38,714)	1,263	(2,189)	10,639	(123)	(29,124)

Note 18. Other liabilities

	03/31/19	IFRS 16 application	Changes in consolidation scope	Change	Translation gains (losses)	03/31/20
Other non-current liabilities						
Tax and social security liabilities	170	-	-	23	-	193
<i>o/w tax liabilities</i>	170	-	-	23	-	193
Other debt	1,365	-	-	(599)	-	766
Total	1,535	-	-	(575)	-	959
Current liabilities						
Trade receivables and related accounts	19,381	(3,952)	899	246	12	16,586
Tax and social security liabilities	81,369	-	719	(1,718)	46	80,417
<i>o/w tax liabilities</i>	37,027	-	114	(138)	2	37,005
<i>o/w social security liabilities</i>	44,342	-	604	(1,580)	44	43,411
Other current financial liabilities	22,851	(1,312)	836	(598)	86	21,864
<i>o/w suppliers of assets</i>	1,988	-	-	(1,979)	-	8
<i>o/w other debt</i>	9,454	-	831	(420)	62	9,927
<i>o/w prepaid income</i>	11,409	(1,312)	5	1,801	24	11,928
Total	123,601	(5,264)	2,454	(2,070)	144	118,866
Total other liabilities	125,136	(5,264)	2,454	(2,645)	144	119,826

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 03/31/20	Instrument category						Fair value			Fair value
	Set with hedging	Financial assets measured at fair value through		Assets financial derivatives at cost amortized	Liabilities financial at cost amortized	Value net to statement of financial position	Level 1	Level 2	Level 3	
		Profit	Equity				Prices quoted on a market assets	Model in-house with parameters observable	Model in-house with parameters non observable	
Equity instruments	-	-	-	-	-	-	-	-	-	-
Financial assets at amortized cost and financial receivables	-	-	-	1,986	-	1,986	-	1,986	-	1,986
Derivative instrument assets	397	-	-	-	-	397	-	397	-	397
Current accounts	-	-	-	-	-	-	-	-	-	-
Cash equivalents	-	-	-	-	-	-	-	-	-	-
Liquid assets	-	65,131	-	-	-	65,131	65,131	-	-	65,131
Total assets	397	65,131	-	1,986	-	67,513	65,131	2,382	-	67,513
Bonds	-	-	-	-	-	-	-	-	-	-
Bank loans	-	-	-	-	94,192	94,192	-	94,192	-	94,192
Financial debt (including leases)	-	-	-	-	492	492	-	492	-	492
Bank overdrafts	-	-	-	-	63	63	63	-	-	63
Derivative instrument assets	1,033	-	-	-	-	1,033	-	1,033	-	1,033
Current accounts	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,033	-	-	-	94,747	95,780	63	95,717	-	95,780



At 03/31/19	Instrument category						Fair value			Fair value
	Set with hedging	Financial assets measured at fair value through		Assets financial derivatives at cost amortized	Liabilities financial at cost amortized	Value net to statement of financial position	Level 1	Level 2	Level 3	
		Profit	Equity				Prices quoted on a market assets	Model in-house with parameters observable	Model in-house with parameters non observable	
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

Note 20. Off-balance sheet commitments

	Total amount at 03/31/20	< 1 year	1 > 5 years	> 5 years
Commitments given				
Guarantees and sureties	1,798	469	-	1,328
Pledges	-	-	-	-
Finance lease agreements	8,070	3,656	4,414	-
Total	9,868	4,125	4,414	1,328
Commitments received				
Guarantees and sureties	2,890	1,748	-	1,142
Undrawn credit lines	65,000	-	65,000	-
Liability guarantees ⁽¹⁾	29,711	6,760	22,951	-
Total	97,600	8,508	87,951	1,142

(1) O/w €3,526k in an escrow account and an insurance policy (Kurt Salmon transaction) in the amount of €15,000k.

Following implementation of IFRS 16, off-balance sheet commitments for real estate leases are now reported and no longer appear in the table below. Real estate leases are now reported as lease liabilities:

- 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 lease in Belgium is covered by a €28k rental guarantee from Wavestone SA maturing in 2028.

Wavestone's liability guarantees arose from the acquisitions carried out during the 2014/15, 2015/16, 2018/19 and 2019/20 fiscal years.

	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	2,796	1,751	-	1,045
Undrawn credit lines	45,000	45,000	-	-
Liability guarantees ⁽¹⁾	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.

Note 21. Related-party transactions

None.

Note 22. Subsequent events

An update on Wavestone's business activity at the end of May

Over April and May, business activity experienced a reduction of about -15% to -20%, compared with the pre-lockdown situation.

To arrest this sharp fall, the Company is using vacation-leave measures and short-time-working arrangements (which applied to about 13% of the firm's fee-earning staff over April and May).

On business development, order intake has been severely disrupted since mid-March. However, it is likely to slightly

improve in June. Clarity on clients' future plans and appetite for projects has also been limited. Price effects remain moderate at present, although negotiations are more tender and requests to renegotiate agreements are starting to appear.

Over June, the firm expects activity levels to be broadly similar to April and May. For the whole of Q1 2020/21, the consultant utilization rate is expected to be close to 60%.

Q2 (July-September) could be marked by a further deterioration in business activity, due to low order intake since the beginning of the crisis and the effects of the cost-saving plans being developed by some clients.

Note 23. Auditors' fees

	Mazars				Aca Nexia / Deloitte & Associés ⁽¹⁾			
	Amount	Amount	%	%	Amount	Amount	%	%
	19/20	18/19	19/20	18/19	19/20	18/19	19/20	18/19
Certification & limited review of the individual and consolidated financial statements on a half-yearly basis								
> Issuer	103	103	43%	42%	90	128	87%	100%
> Fully consolidated subsidiaries	139	140	57%	58%	13	-	13%	0%
Subtotal	242	243	100%	100%	103	128	100%	100%
Services other than the legal certification of financial statements								
> Issuer	-	-	0%	0%	-	-	0%	0%
> Fully consolidated subsidiaries	-	-	0%	0%	-	-	0%	0%
Subtotal	-	-	0%	0%	-	-	0%	0%
Services other than the certification of financial statements requested by the entity⁽²⁾								
> Issuer	2	2	27%	100%	1	2	100%	100%
> Fully consolidated subsidiaries	5	-	73%	0%	-	-	0%	0%
Subtotal	7	2	100%	100%	1	2	100%	100%
Total	250	245	100%	100%	104	130	100%	100%

(1) Aca Nexia was appointed Statutory Auditor of Wavestone by decision of the annual Shareholders' Meeting of 09/16/19 in replacement of Deloitte & Associés.

(2) The services provided relate to the issue of the certification on financial ratios and the issuance of the reports relating to the capital increase and reduction of Wavestone Advisors.

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 03/31/20

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 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 Shareholder's Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying Wavestone consolidated financial statements for the financial year ended March 31, 2020. These financial statements were approved by the Board of Directors, on June 2, 2020 based on the information available as that date regarding the evolving context of Covid-19 sanitary crisis.

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 at March 31, 2020 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

Auditing 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, 2019 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.

Emphasis of Matter

We draw attention to the following matter described in note 3.1.2 "Changes to applicable standards" to the consolidated financial statements relating to the change in accounting method regarding the first-time application of IFRS 16 "Leases".

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 taken 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.

Goodwill valuation - Note 3.5 "Business combinations and goodwill" of Section 3 "Accounting principles and methods" and Note 10 "Capitalized goodwill" of Section 5 "Notes relative to certain income statement and balance sheet items"

Risk identified

Over the last few years, the Group continued to expand through numerous targeted acquisitions, in various countries and across all its activities.

As described in note 3.5 and note 5.10 to the consolidated financial statements, such acquisitions gave rise to the recognition of goodwill. As of the closing date, net goodwill represented 37% of the Group's total assets.

The implementation by Wavestone of an integrated operating model whose structure does not correspond to the scope of the various individual companies or businesses acquired by Wavestone throughout its development does not make it possible for separate monitoring of the goodwill initially attached to these various companies or businesses. Wavestone thus constitutes a single cash-generating unit (CGU).

The methodology used for the impairment test is based (i) on the discounted cash-flow method; and (ii) on the use of the fair market value resulting from Wavestone's market capitalization.

Cash flows are determined on the basis of forecasts prepared over a 5-year horizon. An infinite growth assumption is used starting from the sixth year. The cash flows derived from these forecasts are then discounted.

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 test carried out by management and the resulting conclusions.

Our procedures primarily consisted in:

- 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 CGU's. This examination included discussions with management, a review of historical data and an assessment of the reasonableness of the assumptions used for the business plans 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.

Revenue recognition in the case of fixed-price services - Note 3.18 "Revenue recognition" of section 3 "Accounting principles and methods" and Note 1 "Revenue" of Section 5 "Notes relative to certain income statement and statement of financial position items"

Risk identified

As described in note 3.18 and note 5.1 to the consolidated financial statements, revenues are recognized according to the type of contract entered into with the client. Three types of contracts may govern the services supplied by the Group:

- **Time-based services.** Revenues generated by these services 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. Contract assets or liabilities are recognized when the invoicing does not reflect the actual progress of the work.

- **Fixed-price services.** Revenue is recognized as the work progresses, based on costs incurred and future costs. A provision for losses on completion is set aside, contract-per-contract, whenever a loss is anticipated. Contract assets or liabilities are recognized when the invoicing does not reflect the actual progress of the work.
- **Subscription services.** Revenue from subscription services is recognized on a prorated basis over the term of the contract. Contract assets or liabilities are recognized when invoicing does not reflect the prorated amounts.

We considered that the recognition of the revenue from fixed-price services contracts is a key audit matter insofar fixed-price services contracts represent 59% of the Group's turnover and the recognition of such revenue is based on judgments and estimates to be made by management in particular the determination of the result to completion and the financial risks anticipated on these contracts.

Our response

We examined the processes implemented by the Group with respect to forecast revenue and losses to completion and the progress of the fixed-price services contracts over the financial 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 the revenue from fixed-price services contracts consisted in selecting, based on a multi-criteria approach (business volumes or work in progress, the aging of the contracts, finalization of former contracts over the financial year, inception of new contracts over the financial year, project complexity), the projects in respect of which we have:

- assessed the reasonableness of the estimates made by management based on:
 - discussions held with the Projects and Sales Finance Coordination and Management Control teams in order to corroborate the analysis of forecast revenue and losses to completion and the percentages of completion determined for the projects ongoing at the year-end;
 - audit evidence collected to support the financial positions of the various projects (contracts, purchase orders, customer acceptance reports, data covering the tracking of time charged, payroll data);
- implemented arithmetical controls and analytical procedures to measure the revenue generated by fixed-price services contracts.

Specific verifications

We have also verified in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the Board of Directors' management report approved on June 2, 2020. Management has confirmed that events that have occurred and information that has come to light relating to the Covid-19 crisis since the financial statements were closes will be reported to the Shareholders' Meeting held to approve these financial statements.

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

We were appointed as Statutory Auditors of Wavestone by the Shareholder's Meeting held on September 16, 2019 for Auditeurs & Conseils Associés - Aca Nexia and by the Shareholder's Meeting held on July 11, 2014 for Mazars. As of March 31, 2020, Auditeurs & Conseils Associés - Aca Nexia was in the first year of total uninterrupted engagement, and Mazars was in the sixth 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 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.

The Statutory Auditors

Paris and Paris La Défense, June 11, 2020

Auditeurs & Conseils Associés Aca Nexia

represented by
Sandrine Gimat

Mazars

represented by
Paul-Armel Junne

Company financial statements at 03/31/20

Wavestone income statement

(in thousands of euros)	03/31/20	03/31/19
Revenue	332,128	308,967
Operating subsidies	83	1
Reversals on provisions, impairment and transfer of expenses	3,464	4,486
Other operating income	22,703	12,902
Total operating income	358,377	326,357
Purchases consumed	77,069	62,312
Staff expenses	172,302	157,964
Other operating expenses	49,587	43,223
Levies and taxes	7,016	6,712
Depreciation allowances, impairment and provisions	7,079	6,674
Total operating expenses	313,055	276,885
Operating profit	45,323	49,472
Financial income	3,630	2,094
Financial expenses	3,274	1,982
Financial profit (loss)	356	113
Profit from continuing operations	45,679	49,584
Non-recurring profit (loss)	(212)	(2,017)
Company profit	45,466	47,568
Equity interests	3,896	4,162
Income tax	11,560	11,868
Net income	30,010	31,538

Wavestone balance sheet

Assets

(in thousands of euros)	Gross	Depreciation/ Impairment	03/31/20	03/31/19
			Net	Net
Intangible assets	66,616	21,552	45,064	45,486
Tangible assets	21,281	8,876	12,405	14,193
Financial assets	156,706	124	156,581	126,324
Fixed assets	244,602	30,552	214,050	186,003
Trade receivables and related account	114,210	413	113,796	111,985
Other receivables and accruals	27,903	14	27,889	30,344
Trading securities	9,725	276	9,449	8,504
Liquid assets	49,256	0	49,256	30,078
Current assets	201,093	703	200,390	180,911
Total assets	445,695	31,255	414,440	366,914

Liabilities

(in thousands of euros)	03/31/20	03/31/19
	Capital	505
Additional paid-in capital	11,365	11,365
Reserves and retained earnings	148,045	121,079
Profit	30,010	31,538
Regulated provisions	0	0
Shareholders' equity	189,925	164,487
Provisions	6,051	4,912
Bonds	0	0
Bank borrowings	95,017	88,687
Trade receivables and related accounts	44,758	37,974
Other debt and accruals	78,689	70,854
Debt	218,464	197,515
Total liabilities	414,440	366,914

Notes to the Company financial statements

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1. Overview

The fiscal year covers the 12-month period from 04/01/19 to 03/31/20.

These annual financial statements were approved by the Management Board on 06/02/20.

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

\$26,890k loan to Wavestone US to fund the acquisition of WGroup

Wavestone SA issued a loan of \$26,890k, i.e. €24,103k to Wavestone US to fund the acquisition of WGroup carried out on 07/18/19. The amount borrowed includes the first additional consideration of \$5,000k on 02/21/20, i.e. €4,629k.

Acquisition of Wavestone Consulting Switzerland

On 12/05/19, Wavestone SA acquired from Wavestone Advisors, the corporate holdings, representing 100% of the share capital and voting rights of Wavestone Consulting Switzerland.

Wavestone Consulting Switzerland is absorbed by Wavestone Advisors Switzerland

Following the acquisition of shares mentioned above, the merger of Wavestone Consulting Switzerland with Wavestone Advisors Switzerland was implemented in line with the merger contract of 12/10/19. It was effective retroactively to 10/01/19.

Wavestone Advisors Switzerland was then renamed as Wavestone Switzerland.

Recapitalization of Wavestone Advisors

In a decision by the sole partner on 03/27/20, Wavestone SA implemented a recapitalization of Wavestone Advisors.

This transaction was carried out via a €80,958k capital increase, to meet the firm's cash receivables due and a capital reduction of €70,312k offset by tax loss carryforwards.

Upon completion of the transaction, equity investments of Wavestone Advisors were valued at €87,652k.

Financing transaction

On 03/26/20, Wavestone SA signed a financing contract for a total maximum amount of €160,000k with a group of five banks (BNP Paribas, Bred-Banque Populaire, Le Crédit Lyonnais, La Banque Postale and Société Générale).

The first drawdown, to refinance existing debt, amounted to €95,000k, including:

- a refinancing loan tranche of €45,500k to be repaid half-yearly by September 2025, and a €19,500k tranche to be repaid at maturity in six years. The applicable interest rate is equivalent to the Euribor rate for the draw down term to which a variable margin ranging from 0.85% to 1.70% is applied;
- a €30,000k revolving credit line repayable in one year. The applicable interest rate is equivalent to the Euribor rate for the draw down term to which a variable margin ranging from 0.40% to 1.20% is applied.

The €65,000k loan to fund external growth transactions remained undrawn at the closing. In addition, the contract enabled Wavestone to request an unconfirmed credit line for a maximum amount of €60,000k also for external growth.

Wavestone repaid its existing credit lines on 03/26/20, for a total of €83,677k.

Impact of Covid-19 on business

As of 01/30/20, the WHO declared a Public Health Emergency of International Concern.

During March, widespread lockdown measures were implemented in several countries, significantly impacting business levels.

As a result, Wavestone was forced to suspend some of its client assignments owing to the difficulty in delivering them remotely or due to disruptions resulting from the pandemic. Furthermore, some assignments were postponed, and, in some cases, assignments were cancelled. Wavestone also decided to put a freeze on all hiring in place until 06/01/20, a measure which could be extended if necessary.

At the time of the closing of accounts, business was down 15% to 20% compared with the pre-lockdown period.

Owing to persistent uncertainty about the evolution of the crisis at the time of closing accounts, we are not in a position to accurately assess all factors that could impact accounts for fiscal year 2020/21. Nevertheless, despite potential impacts, this should not jeopardize business continuity based on the information available at the time of closing the Group's annual accounts.

3. Accounting rules and methods

3.1. Accounting standards

The financial statements at 03/31/20 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;
- 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 11% 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: 15% versus 18% as of 03/31/19;
- TGHF 2005 mortality table;
- salary increases: 2%;
- payroll tax rate: 45%;
- discount rate: 1.42% versus 1.04% as of 03/31/19;
- 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	2,011
Employees, technicians and supervisors	49
Total	2,059

The average workforce is calculated on a full-time equivalent (FTE) basis.



Note 3. Compensation paid to management and supervisory bodies

	Compensation paid⁽¹⁾
Management Board	466
Supervisory Board	306
Total	772

(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 or Supervisory Board.

Note 4. Non-recurring expenses and income

Non-recurring expenses	Value
Shortfall on treasury share buybacks	2,218
Other non-recurring expenses	312
Total	2,530

Non-recurring income	Value
Gains on treasury share buybacks	61
Other non-recurring income	167
Transfer to personnel expenses of the cost of bonus share grants	2,090
Total	2,318

Note 5. Breakdown of taxes

	Profit before tax	Tax	Profit after tax
Current tax, after profit-sharing	41,782	(13,986)	27,796
Non-recurring			
• o/w short-term	(212)	45	(167)
• o/w long-term	-	-	-
Tax credits		2,381	2,381
Net income			30,010

Tax credits mainly concern the research tax credit for 2019 in the amount of €1,472k.

On 11/26/19, Wavestone received a rectification proposal following a tax review for the fiscal years ending 03/31/16, 03/31/17 and 03/31/18. The French tax administration estimated that three projects are not eligible for the French research tax credit and is envisaging a rectification of a total

amount of €618k. Assisted by specialized advisors, the firm considers it has the necessary arguments to justify the eligibility of these projects and intends to contest the French tax administration's position. In this respect, an observation letter is to be sent within the requested timeframe. As such, no provision has been set aside in Group accounts. Other items relative to the rectification proposal were accepted. Their amount is not significant.

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			Gross value at end of period
		Mergers/ contributions	Acquisitions	Decrease	
Intangible assets					
Goodwill	63,818	-	-	-	63,818
Licenses and software	3,310	-	-	513	2,798
Intangible assets in progress	-	-	-	-	-
Total	67,128	-	-	513	66,616
Tangible assets					
Fixtures and fittings	16,941	-	382	24	17,299
Transport equipment	-	-	-	-	-
Office and computer equipment, furniture	4,049	-	126	193	3,982
Tangible assets under construction	-	-	246	246	-
Total	20,990	-	753	463	21,281
Financial assets					
Other investments	42,195	-	81,399	1,200	122,394
Receivables from controlled entities	82,009	-	26,618	76,592	32,035
Other long-term securities	532	-	2,284	2,141	675
Loans and other financial assets	1,606	-	47	51	1,602
Total	126,342	-	110,348	79,984	156,706
Total fixed assets	214,460	-	111,101	80,960	244,603

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.

The recapitalization of the Wavestone Advisors subsidiary, presented in the significant events section, led to an increase in the value of equity investments of €80,958k, offset against a loan linked to this investment of €76,265k, and a current account of €4,693k.

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. Amortization

	Value at start of period	Increase		Decrease Write-backs	Value at end of period
		Mergers/ contributions	Provisions		
Intangible assets					
Merger cost	-	-	-	-	-
Goodwill	3,174	-	-	-	3,174
Licenses and software	1,890	-	422	513	1,799
Intangible assets in progress	-	-	-	-	-
Total	5,064	-	422	513	4,973
Tangible assets					
Technical installations	-	-	-	-	-
Fixtures and fittings	4,936	-	1,905	24	6,816
Transport equipment	-	-	-	-	-
Office and computer equipment, furniture	1,808	-	411	192	2,027
Tangible assets in progress	-	-	-	-	-
Total	6,744	-	2,316	216	8,843
Total amortization	11,807	-	2,738	729	13,816

All fixed assets are depreciated using the straight-line method.

Note 9. Treasury stock

	Number of shares				At end of fiscal year
	At start of fiscal year	Purchased during fiscal year	Sold during fiscal year	Transferred during fiscal year ⁽¹⁾	
Treasury shares	249,083	217,484	82,375	60,224	323,968

(1) O/w free share allocation for 60,224.

The gross value of treasury stock held at 03/31/20 came out at €10,400k. This breaks down into treasury shares held for:

- external growth: €0k;
- liquidity transactions: €675k;
- free share allocation: €9,724k.

The net value of treasury stock at 03/31/20 totaled €10,022k.

Note 10. Maturities of trade receivables and payables

Receivables	Gross value	< 1 year	> 1 year
Of fixed assets			
Other financial assets	33,636	-	33,636
Of current assets			
Trade receivables and related accounts	114,210	114,210	-
Social security receivables	294	294	-
Tax receivables	11,554	11,553	1
Firm and associates	7,541	-	7,541
Other debtors	2,300	2,300	-
Prepaid expenses	3,922	3,922	-
Total	173,456	132,279	41,178

Debt	Gross value	< 1 year	1 > 5 years	> 5 years
Bond-related debt ⁽¹⁾	-	-	-	-
Bank borrowing S < 1 year when contracted ⁽¹⁾	5	5	-	-
Bank borrowing S > 1 year when contracted ⁽¹⁾	95,012	38,282	33,080	23,650
Other borrowings and financial debt ⁽¹⁾	-	-	-	-
Trade receivables and related accounts	44,758	44,758	-	-
Social security debt	26,781	26,781	-	-
Tax liabilities	24,916	24,641	275	-
Debts on assets and related accounts	8	8	-	-
Firm and associates	11,265	-	-	11,265
Other debt	6,604	6,604	-	-
Deferred income	7,862	7,862	-	-
Total	217,210	148,940	33,355	34,915

(1) Of which borrowings contracted during the fiscal year: €118,220k.
Of which borrowings repaid during the fiscal year: €111,600k.

Note 11. Accrued income

Accrued income included in the following financial position statement items	03/31/20	03/31/19
Receivables from controlled entities	241	70
Trade receivables and related accounts	43,291	35,603
Other receivables	2,923	228
Liquid assets	69	26
Total	46,524	35,927



Note 12. Accrued expenses

Accrued expenses included in the following financial position statement items	03/31/20	03/31/19
Bonds	-	-
Bank borrowings and debt	17	307
Trade payables and related accounts	24,201	21,225
Tax and social security liabilities	22,836	23,253
Other debt	5,822	6,072
Total	52,877	50,857

Note 13. Deferred income and prepaid expenses

The €7,862k in deferred income relates solely to operating income, and the €3,922k in prepaid expenses relates exclusively to operating expenses.

Note 14. Measurement differences of marketable securities

None.

Note 15. Breakdown of share capital

Ordinary shares	Number of shares	(in euros)	
		Nominal value	Share capital
At 03/31/19	20,196,492	0.025	504,912.30
At 03/31/20	20,196,492	0.025	504,912.30

There were no stock option plans in place at 03/31/20.

Note 16. Change in shareholders' equity

	Capital share	Premiums	Reserves and retained earnings	Profit for the fiscal year	Total
At 03/31/19	505	11,365	121,079	31,538	164,487
Appropriation of profit	-	-	26,950	(26,950)	-
Dividends	-	-	16	(4,588)	(4,572)
Profit for the fiscal year	-	-	-	30,010	30,010
At 03/31/20	505	11,365	148,045	30,010	189,925

Note 17. Provisions and impairment

	Value at start of period	Increase		Decrease Write-backs	Value at end of period
		Mergers/ contributions	Provisions		
Regulated provisions	-	-	-	-	-
Provisions ⁽¹⁾					
Disputes	519	-	68	40	547
Fines and penalties	58	-	155	58	155
Other provisions ⁽²⁾	4,334	-	3,968	2,954	5,348
Total	4,912	-	4,191	3,052	6,051
Depreciation					
Intangible assets	16,579	-	-	-	16,579
Tangible assets	53	-	-	20	33
Equity investments	-	-	-	-	-
Other financial assets	18	-	106	-	124
Trade receivables	86	-	402	74	413
Other depreciation	8	-	284	2	290
Total	16,745	-	791	97	17,439
Grand total	21,656	-	4,982	3,149	23,490
Of which appropriations and write-backs					
• operating			4,341	2,718	
• financial			478	350	
• non-recurring			163	80	

(1) Write-back of €2,819k provision for risks and liabilities.

(2) Mainly concerning a provision for free share allocation.

Note 18. Increases and decreases in future tax liabilities

Increase in future tax liabilities	Value (basic)
Regulated provisions	-
Other	1,038
Total	1,038

Relief on future tax liabilities	Value (basic)
Provisions not deductible in the year recognized	
Employee shareholding	3,807
Social welfare contributions	143
Other	
Subsidiary acquisition costs	1,240
Provisions for risks and charges	101
Impairment of receivables	6
Unrealized gains on marketable securities	-
Translation gains or losses on liabilities	1,254
Total	6,550
Deferred losses	386
Long-term capital losses	-

Note 19. Leases

	Value when set up	Theoretical depreciation charge		Net value theoretical	Royalties	
		Fiscal year	Cumulative		Fiscal year	Cumulative
Office and computer equipment	2,295	573	1,828	467	579	1,856

	Royalties outstanding			Total	Residual purchase price	Effective value in fiscal year
	< 1 year	1 ≥ 5 yrs	> 5 yrs			
Office and computer equipment	378	90	0	468	18	579

The information in the above table corresponds to ongoing leases at the end of the period.

Note 20. Hedging instruments

Interest rate hedges

Bank borrowings in the amount of €96,075k on the guarantee date are hedged by two rate caps.

The loan to Wavestone US for \$21,890k at the transaction date is covered by a cap.

	Maturity	03/31/20	
		Nominal value	Market value
Bank loans			
Interest rate option	01/20/21	15,000	0
Interest rate option	01/20/22	17,500	2
Subsidiaries' loans			
Interest rate option	01/20/22	6,656	2

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 loan to Wavestone US for \$21,890k is 100% covered by two cross currency swaps and a cap, and the \$5,000k loan is 100% covered by a forward contract.

The initial \$7,000k loan granted to Wavestone US is 50% hedged with a cross-currency swap.

The £11,984k Xceed securities are 50% hedged with a cross-currency swap.

	Currency	Maturity	03/31/20	
			Nominal value	Market value
Business operations				
None				
Subsidiaries' current accounts				
Long-term sales	USD/EUR	04/30/20	7,451	(65)
Subsidiaries' loans				
Long-term sales	USD/EUR	04/30/20	4,564	52
Cross-currency swap	USD/EUR	01/20/22	22,403	(539)
Subsidiaries' securities				
Cross-currency swap	GBP/EUR	07/20/21	4,130	45

At 03/31/20, Wavestone did not hold any derivatives not designated as hedges (no open positions).

Note 21. Off-balance sheet commitments

	Total value	≤ 1 year	1 ≥ 5 years	> 5 years
Commitments given				
Guarantees and sureties	3,676	937	1,678	1,061
Pledges	-	-	-	-
Pension commitments	9,493	-	-	9,493
Lease commitments	487	390	97	-
Finance lease agreements ⁽¹⁾	37,960	9,589	25,243	3,128
Total	51,616	10,917	27,017	13,682
Commitments received				
Guarantees and sureties	2,650	1,650	-	1,000
Undrawn credit lines	65,000	-	65,000	-
Liability guarantees ⁽²⁾	26,060	6,760	19,300	-
Total	93,709	8,409	84,300	1,000

(1) 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.

(2) 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 €1,241k and an insurance policy (taken out for the Kurt Salmon transaction) worth €15,000k.

Following the work carried out in the context of the preparation of the Group's consolidated financial statements in accordance with 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.

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 20.

Note 22. 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	197	(177)	196
Wavestone Advisors UK 29-30 (4 th Floor) Cornhill EC3V 3NF, London, United Kingdom	100	1	2,202	(207)
Wavestone Switzerland 105 rue de Lyon 1203 Geneva, Switzerland	100	28	1,222	(237)
Wavestone Advisors Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	100	12,303	849	4,060
Xceed Group (Holdings) 29-30 (4 th floor) Cornhill EC3V 3NF, London, United Kingdom	100	33	7	(6)
M3G Tour Franklin 100/101 terrasse Boieldieu 92042 Paris La Défense Cedex	100	56	(1,308)	1,387
Equity interests				
None				

Comprehensive information	Gross value of shares	Net value of shares	Advances⁽¹⁾, loans and current accounts	Dividends paid
Subsidiaries				
French	99,083	99,083	-	1,140
Foreign	23,310	23,310	44	-
Equity interests				
None				

(1) Including advances made to subsidiaries within the context of the Company's centralized cash-management system.

Note 23. Related-party transactions

None.

Note 24. Subsequent events

An update on Wavestone's business activity at the end of May

Over April and May, business activity experienced a reduction of about -15% to -20%, compared with the pre-lockdown situation.

To arrest this sharp fall, the Company is using vacation-leave measures and short-time-working arrangements (which applied to about 12% of the firm's fee-earning staff over April and May).

On business development, order intake has been severely disrupted since mid-March. However, it is likely to slightly improve in June. Clarity on clients' future plans and appetite for projects has also been limited. Price effects remain moderate at present, although negotiations are more tenuous and requests to renegotiate agreements are starting to appear.

Over June, the firm expects activity levels to be broadly similar to April and May. For the whole of Q1 2020/21, the consultant utilization rate is expected to be close to 60%.

Q2 (July-September) could be marked by a further deterioration in business activity, due to low order intake since the beginning of the crisis and the effects of the cost-saving plans being developed by some clients.

Statutory Auditors' report on the financial statements - Year ended 03/31/20

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,

Opinion

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, 2020. These financial statements were approved by the Board of Directors, on June 2, 2020 based on the information available at that date regarding the evolving context of Covid-19's sanitary crisis.

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, 2020 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, 2019 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 (section 3.3 "Investments, other long-term securities and marketable securities" in Note 3 to the Company financial statements "Rules and accounting methods" and note 7 "Fixed assets" in Note 4 to the Company financial statements "Notes relatives to certain income statement and balance sheet items")

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 €154 million represent 42% of total assets as of March 31, 2020. 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 calculate 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.
- Our work on the valuation of equity investments did not reveal any significant anomaly.

Recognition of revenue from fixed price services (section 3.10 “Revenue recognition and partially completed transactions at the end of the fiscal year” in Note 3 to the Company financial statements “Rules and accounting methods” and note 1 “Breakdown of revenues” in Note 4 to the Company financial statements “Notes relatives to certain income statement and balance sheet items”)

Risk identified

As described in Notes 3.10 and 4.1 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 control 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 approved on June 2, 2020 and in the other documents with respect to the financial position and the financial statements provided to Shareholders. Regarding the events that occurred, and elements that have been known since the date of the financial statements were approved and in relation to the effects of Covid-19's crisis, management informed us that this would be subject to a specific communication addressed to the Board of Directors' meeting called to decide on said financial statements.

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*).

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 16, 2019 for Auditeurs & Conseils Associés - Aca Nexia, and on July 11, 2014 for Mazars.

As of March 31, 2020, Auditeurs & Conseils Associés - Aca Nexia was in the 1st year of total uninterrupted engagement, and Mazars was in the 6th 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;
- evaluate 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 Paris, June 11, 2020

The Statutory Auditors

Mazars

Paul-Armel Junne

Auditeurs & Conseils Associés Aca Nexia

Sandrine Gimat

Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ending March 31, 2020

This is a free translation into English of the Statutory Auditors' special report on regulated agreements with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements 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 reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions 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.

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, 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, 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 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 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 submitted to the approval of the Shareholders' Meeting

Agreements authorized during the year

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L.225-86 of the French Commercial Code (*Code de Commerce*).

Agreements previously approved by the Shareholders' Meeting

Agreements 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, approved by the Shareholders' Meeting during previous financial years, continued during the previous financial year.

Rights resulting from the employment contract of Mr Patrick Hirigoyen

- 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 Paris, June 11, 2020

The Statutory Auditors

Mazars
Paul-Armel Junne

Auditeurs & Conseils Associés Aca Nexia
Sandrine Gimat

LEGAL INFORMATION

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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 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 new "Wavestone 2021" strategic plan.

2018

Takeover of Xceed Group in April 2018. Takeover of Metis Consulting in November 2018.

2019

Takeover of WGroup in July 2019.

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 and distribution 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.

Notice and meeting of 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 and 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 videoconferencing 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' Meetings 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' Meetings 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' Meetings.

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.

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.

Types of shares (Article 9 last paragraph of the Firm's Articles of Association)

Shares are nominal, or bearer at the choice of the shareholder, and in line with legal provisions.

Shares are freely tradeable excluding the exceptions provided for in current regulations.



Pursuant to the provisions of Article L.211-4 of the French Monetary and Financial Code and decree no. 83-359 of 05/02/83, relative to the treatment of securities, the rights of shareholders are represented by a bearer account held in their name:

- at an approved financial intermediary of their choice for bearer shares,
- at the issuer, and, if they so desire, at an approved financial intermediary of their choice for registered shares.

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 03/31/20.

Details of the share buyback program submitted for shareholder approval at the combined ordinary and extraordinary Shareholders' Meeting on 07/28/20 called to approve the Group's financial statements for the fiscal year ended 03/31/20 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 03/31/20, 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 2019/20 fiscal year, please refer to section 3.2 of this chapter.

2.4. Pledges, guarantees and sureties

Current pledges of issuer shares held in direct registered accounts as at 03/31/20

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 03/31/20 (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	45.1	n/a	None
On tangible assets	None	None	None	12.4	n/a	None
On financial assets	None	None	None	156.6	n/a	None
Total	None	None	None	214.1	n/a	None

2.5. Shareholders' agreements

Provisions related to shareholders

None.

The shares comprising the share capital have no nominal value, but have a par value of €0.025.

2.2. Potential share capital

All past stock options were exercised as of 03/12/20.

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 09/16/19 remain valid. More details on these authorizations are given in the Corporate governance report in Chapter 2 of this report.

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 03/31/20:

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	11,163,433	55.27%	13,923,223	58.04%	13,923,223	58.83%
<i>Pascal Imbert</i>	941,978	4.66%	1,883,956	7.85%	1,883,956	7.96%
<i>FIH (family holding company of Pascal Imbert)⁽³⁾</i>	4,847,158	24.00%	4,847,158	20.21%	4,847,158	20.48%
Subtotal Pascal Imbert	5,789,136	28.66%	6,731,114	28.06%	6,731,114	28.44%
<i>Michel Dancoisne</i>	1,195,179	5.92%	2,390,358	9.96%	2,390,358	10.10%
<i>FDCH (family holding company of Michel Dancoisne)⁽⁴⁾</i>	2,827,509	14.00%	2,827,509	11.79%	2,827,509	11.95%
Subtotal Michel Dancoisne	4,022,688	19.92%	5,217,867	21.75%	5,217,867	22.05%
<i>Delphine Chavelas</i>	1,228,400	6.08%	1,746,800	7.28%	1,746,800	7.38%
Subtotal Dancoisne - Chavelas family	5,251,088	26.00%	6,964,667	29.03%	6,964,667	29.43%
Patrick Hirigoyen	86,453	0.43%	159,170	0.66%	159,170	0.67%
Other directors and corporate officers	36,756	0.18%	68,272	0.28%	68,272	0.29%
Employees	1,655,746	8.20%	2,317,948	9.66%	2,317,948	9.79%
Treasury stock	323,968	1.60%	323,968	1.35%	0	0.00%
Free float	7,053,345	34.92%	7,424,551	30.95%	7,424,551	31.37%
Total	20,196,492	100.00%	23,989,690	100.00%	23,665,722	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.

(4) Michel Dancoisne retains the majority of shares and exclusive control of FDCH.

Total voting rights attached to registered shares: 16,424,872 (1) for 12,631,674 shares.

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

Total bearer shares with single voting rights: 20,196,492 - 12,631,674 = 7,564,818 (2).

Total theoretical voting rights: (1) + (2) = 23,989,690.

Total shares in treasury: 323,968 (3).

Total exercisable voting rights: (1) + (2) - (3) = 23,665,722.

According to a review of identifiable registered and bearer shares on 03/31/20, approximately 62% of the shares were held by institutional funds and 38% by private shareholders on that date.

28.66% of Wavestone's shares are held by Pascal Imbert, the Chairman of the Management Board, and 26.00% by Dancoisne - Chavelas family. These shareholders, acting in concert, therefore together hold 54.66% of Wavestone's share capital and 57.87% of the valid voting rights as at 03/31/20.

The analysis of identifiable bearer shares on 03/31/20 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, Benjamin Clément and Christophe Aulnette (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 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

For the record, 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:

- 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 284,832 shares;
- 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 44,132 shares.

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:

Shareholders	03/31/20 ⁽³⁾				03/31/19 ⁽³⁾				03/31/18 ⁽³⁾			
	Number of shares ⁽¹⁾	% capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% capital	% of theoretical voting rights	% of exercisable voting rights	Number of shares	% capital	% of theoretical voting rights	% of exercisable voting rights
Executive and corporate officers⁽²⁾	11,163,433	55.27%	58.04%	58.83%	11,170,833	55.31%	62.59%	63.17%	2,796,439	56.30%	69.30%	69.64%
<i>Pascal Imbert</i>	941,978	4.66%	7.85%	7.96%	941,978	4.66%	7.03%	7.10%	1,447,284	29.14%	37.06%	37.24%
<i>FIH (family holding company of Pascal Imbert)</i>	4,847,158	24.00%	20.21%	20.48%	4,847,158	24.00%	18.09%	18.26%	-	-	-	-
Subtotal P. Imbert	5,789,136	28.66%	28.06%	28.44%	5,789,136	28.66%	25.13%	25.36%	1,447,284	29.14%	37.06%	37.24%
<i>Michel Dancoisne</i>	1,195,179	5.92%	9.96%	10.10%	4,022,688	19.92%	30.03%	30.32%	1,005,672	20.25%	25.75%	25.88%
<i>FDCH (family holding company of Michel Dancoisne)</i>	2,827,509	14.00%	11.79%	11.95%	-	-	-	-	-	-	-	-
Subtotal M. Dancoisne	4,022,688	19.92%	21.75%	22.05%	4,022,688	19.92%	30.03%	30.32%	1,005,672	20.25%	25.75%	25.88%
<i>Delphine Chavelas</i>	1,228,400	6.08%	7.28%	7.38%	1,228,400	6.08%	6.52%	6.58%	307,100	6.18%	5.59%	5.62%
Subtotal Dancoisne - Chavelas family	5,251,088	26.00%	29.03%	29.43%	5,251,088	26.00%	36.55%	36.90%	1,312,772	26.43%	31.34%	31.50%
Patrick Hirigoyen	86,453	0.43%	0.66%	0.67%	90,953	0.45%	0.63%	0.63%	24,338	0.49%	0.62%	0.62%
Other directors and corporate officers	36,756	0.18%	0.28%	0.29%	39,656	0.20%	0.28%	0.28%	12,045	0.24%	0.27%	0.27%
Employees⁽⁴⁾	1,655,746	8.20%	9.66%	9.79%	1,631,835	8.08%	8.21%	8.29%	296,471	5.97%	5.30%	5.32%
Treasury stock	323,968	1.60%	1.35%	0.00%	249,083	1.23%	0.93%	0.00%	37,551	0.76%	0.48%	0.00%
Free float	7,053,345	34.92%	30.95%	31.37%	7,144,741	35.38%	28.27%	28.54%	1,836,421	36.97%	24.92%	25.04%
Total	20,196,492	100.00%	100.00%	100.00%	20,196,492	100.00%	100.00%	100.00%	4,966,882	100.00%	100.00%	100.00%

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

(2) Messrs Dancoisne and Imbert as well as Ms. Delphine Chavelas are acting in concert.

(3) Under Article 223-II 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 AMF recommendation no. 2009-16, 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 03/31/20, in accordance with AMF position-recommendation no. 2014-14.

There were no significant disposals of shares by corporate officers as at 03/31/20.

It is recalled that Michel Dancoisne completed this year an intra-group reclassification that had no impact on the control of the Company (see section 2.5.2. 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	06/03/19	Sale	1,000	€26.15
Sarah Lamigeon	07/26/19	Sale	1,200	€25.00
Sarah Lamigeon	01/08/20	Sale	150	€25.95
Patrick Hirigoyen	02/04/20	Sale	4,500	€27.15
Sarah Lamigeon	03/06/20	Sale	150	€24.55

3.4. Crossing shareholding thresholds and declarations of intent

Crossing shareholding thresholds and declarations of intent on 04/03/19

In a letter received on 04/03/19, the FIH⁽¹⁾ company, acting together with Messrs Pascal Imbert and Michel Dancoisne declared having crossed above the 5%, 10%, 15%, 20%, 25%, 30%, and 1/3 shareholding and voting rights thresholds and the 50% threshold for voting rights of the Wavestone group. Together, they declared that they held 9,811,824 Wavestone shares representing 14,776,490 voting rights, i.e. 48.58% of the share capital and 55.16% of the Firm's voting rights⁽²⁾.

At that time, (i) Mr. Michel Dancoisne declared having individually crossed above the 30% threshold for voting rights in the firm as a result of the reduction in Wavestone voting rights, (ii) FIH⁽¹⁾ declared having individually crossed above the 5%, 10% and 15% thresholds for shares and voting rights and the 20% threshold for shares in the Firm, and (iii) Mr. Pascal Imbert declared that he had broken below the 30% threshold for voting rights and the 25%, 20%, 15% and 10% threshold for shares and voting rights, and below the 5% threshold for shares in the Firm.

In the same letter, the FIH⁽¹⁾ group, acting alone and jointly, declared its intentions.

The crossing of the 30% shareholding and voting rights threshold for Wavestone by FIH⁽¹⁾ as well as the crossing of the 30% voting rights threshold in Wavestone by Mr. Michel Dancoisne were subject to a special exemption from the requirement to file a proposed public offer confirmed by the D&I 219C0493 decision of 03/20/19.

Crossing threshold declaration of 08/07/19

By letter received on 08/07/19, Mr. Michel Dancoisne declared, that on 08/05/19, he had individually crossed below the threshold of 30% of Wavestone's share capital. On that specific date, he held 4,022,688 Wavestone shares, representing 8,045,376 voting rights, i.e. 19.92% of the share capital and 29.95% of the Firm's voting rights⁽³⁾.

The crossing of this threshold arose from an increase in the voting rights of Wavestone.

On this occasion, the concert formed by FIH⁽¹⁾, Pascal Imbert and Michel Dancoisne did not cross any threshold and holds 9,811,824 Wavestone shares representing 14,776,490 voting rights, i.e. 48.58% of the share capital and 55.00% of the Firm's voting rights⁽³⁾.

Declarations of crossing shareholding thresholds and declarations of intent on 12/17/19

By letter received on 12/12/19, and a further letter on 12/16/19, the French Financial Markets authority (AMF) was notified of the crossing of the following thresholds, effective on 12/10/19:

- Mr. Michel Dancoisne declared the following: he had individually crossed below the 25% and 20% thresholds for voting rights and the 15% and 10% thresholds for shares and voting rights, and he individually held 1,195,179 Wavestone shares representing 2,390,358 Wavestone voting rights, i.e. 5.92% of the share capital and 9.95% of the Firm's voting rights⁽⁴⁾;
- FDCH⁽⁵⁾ declared having individually crossed above the 5% and 10% thresholds for shares and voting rights in Wavestone and individually holds 2,827,509 shares. This represents an equivalent amount of voting rights, i.e. 14.00% of the share capital and 11.77% of the Firm's voting rights⁽⁴⁾;

(1) Non-commercial company, domiciled at 90 rue Michel Ange, 75016 Paris, France, controlled by Mr. Pascal Imbert.

(2) Based on capital of 20,196,492 shares representing 26,790,744 voting rights.

(3) Based on capital of 20,196,492 shares representing 26,864,566 voting rights.

(4) Based on capital of 20,196,492 shares representing 24,014,536 voting rights.

(5) Non-commercial company, domiciled at 6 place de la Madeleine, 75008 Paris, France, controlled by Mr. Michel Dancoisne.

- Mr. Michel Dancoisne declared that he had directly and indirectly, via FDCH⁽⁵⁾, crossed below the 25% threshold for voting rights. Moreover, he directly and indirectly held 4,022,688 Wavestone shares representing 5,217,867 voting rights, i.e. 19.92% of the share capital and 21.73% of the Firm's voting rights⁽⁴⁾;
- Ms. Delphine Chavelas, Mr. Michel Dancoisne and FDCH⁽⁵⁾, acting in concert, declared having crossed above the 5%, 10%, 15%, 20% and 25% thresholds for shares and voting rights of the Wavestone group. Together, they declared that they held 5,251,088 shares representing 6,964,667 voting rights, i.e. 26.00% of the share capital and 29.00% of the Firm's voting rights⁽⁴⁾;
- FDCH⁽⁵⁾, acting in concert with Mr. Pascal Imbert, FIH⁽¹⁾, Mr. Michel Dancoisne and Ms. Delphine Chavelas, declared having crossed above the 5%, 10%, 15%, 20%, 25%, 1/3 and 50% thresholds for shares and voting rights in Wavestone. Together, they declared that they held 11,040,224 Wavestone shares representing 13,695,781 voting rights, i.e. 54.66% of the share capital and 57.03% of the Firm's voting rights⁽⁴⁾;
- Ms. Delphine Chavelas acting in concert with Mr. Pascal Imbert, FIH⁽¹⁾, Mr. Michel Dancoisne and FDCH⁽⁵⁾, declared having crossed above the 5%, 10%, 15%, 20%, 25%, 1/3 and 50% thresholds for shares and voting rights in Wavestone. Together, they declared that they held 11,040,224 Wavestone shares representing 13,695,781 voting rights, i.e. 54.66% of the share capital and 57.03% of the voting rights of the Firm's voting rights⁽⁴⁾;
- FIH⁽¹⁾ declared having individually crossed above the 20% thresholds for voting rights in Wavestone and individually holds 4,847,158 shares. The latter represents an equivalent amount of voting rights, i.e. 24.00% of the share capital and 20.18% of the Firm's voting rights⁽⁴⁾;
- Mr. Pascal Imbert, Ms. Delphine Chavelas, Mr. Michel Dancoisne, FIH⁽¹⁾ and FDCH⁽⁵⁾, acting in concert, declared having crossed above the 50% threshold for share capital of the Wavestone group. Together, they declared that they held 11,040,224 Wavestone shares and 13,695,781 voting rights, i.e. 54.66% of the share capital and 57.03% of the Firm's voting rights⁽⁴⁾.

The crossing of these thresholds stems from⁽⁶⁾ (i) the transfer by Mr. Michel Dancoisne of 2,827,509 Wavestone shares, i.e. 14% of the share capital, to FDCH⁽⁵⁾, via (a) the completion of a contribution to FDCH⁽⁵⁾ of 2,655,032 Wavestone shares, i.e. 13.15% of the Firm's capital and (b) by the sale to FDCH⁽⁵⁾ of 172,477 Wavestone shares, i.e. 0.85% of the Firm's share capital, and (ii) a donation from Mr. Michel Dancoisne of shares in FDCH⁽⁵⁾ in favor of Ms. Delphine Chavelas (who joins the "Michel Dancoisne sub-concert"), as well as her children.

In the same letters, Mr. Pascal Imbert, both personally and via FIH⁽¹⁾ which he controls; Mr. Michel Dancoisne, both personally and via FDCH⁽⁵⁾ which he controls, as well as via the sub-concert made up of FDCH⁽⁵⁾ and Ms. Delphine Chavelas; Ms. Delphine Chavelas, personally and via the sub-concert made up of FDCH⁽⁵⁾ and Mr. Michel Dancoisne; FDCH⁽⁵⁾, both individually and via the sub-concert made up of Mr. Michel Dancoisne and Ms. Delphine Chavelas; and FIH⁽¹⁾ individually, declared their intentions.

It should be noted that: (i) the crossing above, in concert, the 30% capital and voting rights threshold in Wavestone by FDCH⁽⁵⁾, (ii) the crossing above, in concert, the 30% threshold for capital and voting rights in Wavestone by Ms. Delphine Chavelas, and (iii) the increase in the capital held by the concert made up of Mr. Pascal Imbert, FIH⁽¹⁾, Mr. Michel Dancoisne, FDCH⁽⁵⁾ and Ms. Delphine Chavelas, initially between 30% and 50%, by more than 1% over less than 12 consecutive months were exempt from the requirement to launch a public offer, as confirmed by the D&I decision 219C2568 of 12/04/19.

4. Issuer as a member of a group

Wavestone does not belong to any group.

(1) Non-commercial company, domiciled at 90 rue Michel Ange, 75016 Paris, France, controlled by Mr. Pascal Imbert.

(2) Based on capital of 20,196,492 shares representing 26,790,744 voting rights.

(3) Based on capital of 20,196,492 shares representing 26,864,566 voting rights.

(4) Based on capital of 20,196,492 shares representing 24,014,536 voting rights.

(5) Non-commercial company, domiciled at 6 place de la Madeleine, 75008 Paris, France, controlled by Mr. Michel Dancoisne.

(6) It is specified that the individual crossing of the threshold of 10% of Wavestone's voting rights by FIH results from the decrease in the total number of Wavestone's voting rights as a result of the abovementioned transactions.

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⁾
03/31/19	19,877,822	€0.23	100%
03/31/18	5,004,501	€0.81	100%
03/31/17	4,929,431	€0.61	100%

(1) The Company's treasury shares are not eligible for the dividend. For the record, this is the number of shares after the 4-for-1 stock split of 09/04/18.

(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 03/31/20

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.

In view of the uncertainty still prevailing on business trends in 2020, the Management Board proposed to the annual General Meeting on 07/28/20 not to pay out dividends for the fiscal year ending 03/31/20.

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

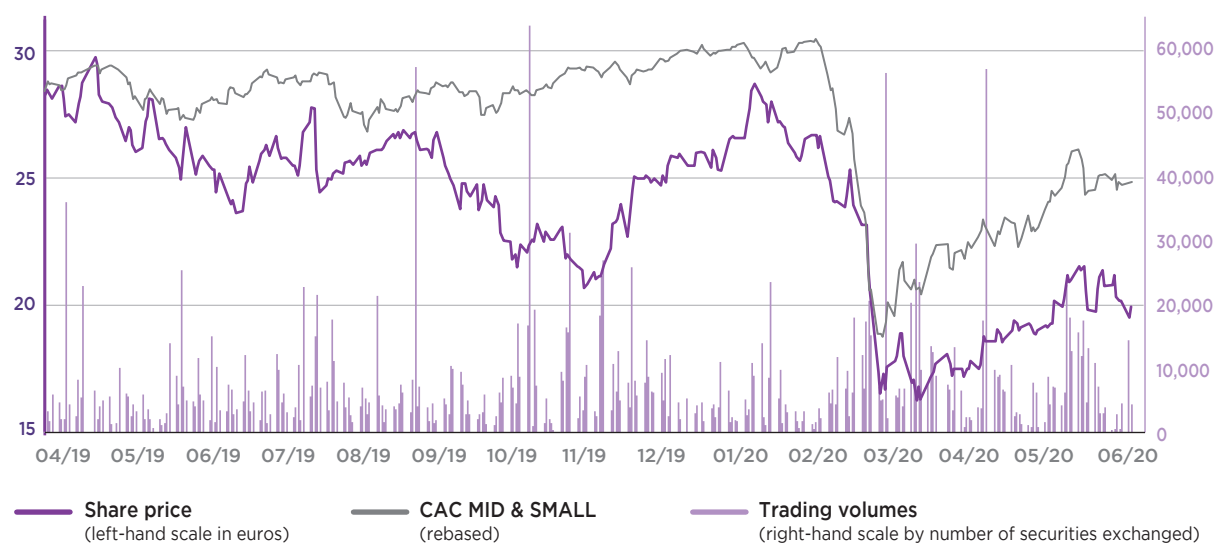
The Company is listed in compartment B of Euronext Paris.

Trends in the Wavestone share price from 04/01/19 to 06/30/20

Date	Lowest price	Highest price	Last listed price	Total volume	Volume of traded capital
04/19	€26.90	€29.80	€27.80	119,454	€3,348,053
05/19	€23.55	€28.40	€27.00	107,219	€2,785,963
06/19	€23.40	€26.80	€24.85	106,015	€2,645,947
07/19	€23.10	€28.10	€24.95	162,275	€4,207,499
08/19	€24.65	€26.90	€26.90	110,580	€2,867,466
09/19	€23.65	€27.00	€24.75	138,763	€3,596,370
10/19	€20.80	€25.20	€22.60	178,507	€4,010,661
11/19	€20.20	€24.80	€24.00	200,551	€4,381,034
12/19	€22.70	€26.55	€26.00	137,800	€3,426,972
01/20	€24.45	€29.00	€28.00	113,184	€3,077,559
02/20	€23.20	€28.00	€24.10	69,370	€1,780,783
03/20	€15.50	€26.00	€17.08	221,499	€4,421,465
04/20	€15.70	€19.20	€18.60	206,603	€3,615,033
05/20	€17.20	€20.50	€20.20	95,414	€1,816,682
06/20	€19.50	€22.15	€19.96	162,460	€3,363,169

Source: Euronext

Trends in the Wavestone share price from 04/01/19 to 06/30/20



Source: Euronext

7. Legal organization chart at 03/31/20

At 03/31/20, Wavestone was comprised of the parent company, Wavestone SA, and six direct subsidiaries:

- Wavestone Advisors Morocco Sarl, 95.5% owned;
- Wavestone Advisors UK Limited, wholly owned;
- Wavestone 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 eleven subsidiaries at 03/31/20:

- 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 HK Limited, wholly owned by Wavestone Advisors SAS;
- Xceed Group Limited, wholly owned by Xceed Group (Holdings) Limited;
- Wavestone Consulting UK Limited (formerly Xceed Consultancy Services Limited), 94.2% owned by Xceed Group Limited;
- Metis Consulting SAS, wholly owned by M3G SAS;
- Metis Consulting HK Limited, wholly owned by M3G SAS;
- WGroup Incorporated, wholly owned by Wavestone US Incorporated:
- WGroup Consulting India Project Limited, 99.9% owned by WGroup Incorporated:
- UpGrow LLC, wholly owned by WGroup Incorporated.

For more information on the key figures in each subsidiary's income statement at 03/31/20, see the Management Board Report in Chapter 1 of this universal 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 03/31/20 is provided in the table below.

Clients	Suppliers																	
	Wavestone SA	Wavestone Advisors UK Ltd	Wavestone 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) Limited	Xceed Group Limited	Wavestone Consulting UK	Xceed (2007) Inc	M3G SAS	Metis Consulting	WGroup	WGroup Consulting India
Wavestone SA	-	1,073	220	66,008	1,572	825	500	156	412	112	-	-	866	-	-	368	-	-
Wavestone Advisors UK Ltd	280	-	-	-	35	-	-	-	-	-	-	-	1,090	-	-	-	-	-
Wavestone Switzerland Sàrl	484	32	-	63	-	0	-	-	535	-	-	-	95	-	-	-	-	-
Wavestone Advisors (SAS)	16,370	16	199	-	228	1,261	299	-	278	-	-	-	36	-	-	252	-	-
Wavestone US Inc	275	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wavestone Luxembourg SA	201	-	-	16	-	-	148	-	157	-	-	-	-	-	-	-	-	-
Wavestone Belgium SA/NV	169	-	-	0	-	48	-	-	-	-	-	-	-	-	-	-	-	-
Wavestone Advisors Morocco (SARL)	496	-	-	95	-	15	-	-	-	-	-	-	-	-	-	-	-	-
Wavestone Consulting Switzerland Sàrl	1	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	-
Wavestone HK Ltd	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Xceed Group (Holdings) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Xceed Group Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wavestone Consulting UK	206	821	-	-	103	-	-	-	-	-	-	-	-	-	-	-	-	-
Xceed (2007) Inc	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-
M3G SAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Metis Consulting	107	-	-	248	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WGroup	-	-	-	-	40	-	-	-	-	-	-	-	-	-	-	-	-	-
WGroup Consulting India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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)	03/31/18	03/31/19	03/31/20
Tangible and intangible assets	3,379*	3,333**	1,098***

*of which €1,367k in finance leases.

**of which €214k in finance leases.

***of which €30k in finance leases.

9. Offices

Registered office:

Tour Franklin
100-101 Terrasse Boieldieu
92042 Paris la Défense Cedex
France

Wholly-owned subsidiaries:

Belgium

The Artist building
Avenue des Arts 6/9, 1210 Saint-Josse-ten-Noode

United States

1330 Avenue of the Americas, 9th floor
New York, NY 10019

150 Radnor Chester Road, Suite A-230
Radnor, PA 19087

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

India

WGroup Consulting India Private Limited

Flat No 503, 5th Floor, Tower-8, Uniworld Garden, Sohna Road,
Sector-47,
Gurgaon, Haryana, India, 122018

Luxembourg

10 rue du Château d'Eau
L-3364 Leudelange

Morocco

157, Bd Anfa
Immeuble Racine d'Anfa
20100 Casablanca

United Kingdom

29-30, 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

The impacts of the Covid-19 health crisis on Wavestone are described in the “Management Board Report - *Risk factors and their management*”.

To the Company’s knowledge, there are no other 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.

**2020 COMBINED ORDINARY
AND EXTRAORDINARY GENERAL
MEETING**

05

234 DESCRIPTION OF THE SHARE BUYBACK PROGRAM

236 RESOLUTIONS TO BE PROPOSED TO THE COMBINED EXTRAORDINARY
AND ORDINARY SHAREHOLDERS' MEETING OF 07/28/20

Description of the share buyback program to be submitted for the approval of the shareholders at the combined ordinary and extraordinary General Meeting on 07/28/20

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 07/28/20, 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 09/16/19.

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 07/28/20.

2. Breakdown by objective of the equity securities held by Wavestone at 04/30/20

At 04/30/20, Wavestone owned 314,921 shares, equivalent to 1.56% of the Company's share capital. These shares were distributed in the following manner:

- 19,312 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");
- 295,609 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 14 submitted for the approval of the combined and extraordinary Shareholders' Meeting on 07/28/20, 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 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 14 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/28/20, the maximum number of shares the Management Board will be authorized to buy is equivalent to 10% of the share capital at 04/30/20, i.e. 20,196,492 shares. Given the shares held in treasury at 04/30/20, Wavestone would be able to buy back a total of 1,704,728 shares, equivalent to around 8.44% 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).

Maximum purchase prices are calculated using the same formula as in previous years.

The maximum purchase price is capped at:

- €51 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
- €38 per share (excluding acquisition costs) for all other authorizations granted to the Management Board under the resolution 14.

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:

- €86,941,128 (1,704,728 shares x €51) for purchases to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider;
- €64,779,664 (1,704,728 shares x €38) for all other authorizations granted to the Management Board under resolution 14.

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 14 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/28/20, 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 07/28/20. This authorization cancels the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting on 09/16/19.

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 07/28/20

1. Ordinary annual Shareholders' Meeting resolutions

Resolution 1:

Approval of the annual reports and financial statements for the fiscal year ended March 31, 2020

Summary of resolution 1:

Purpose:

Approve the Company's individual financial statements at March 31, 2020 showing net income of €30,010,469.

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, 2020 showing net income of €30,010,469, 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 €19,937, as well as the theoretical tax for these expenses and charges, for a total of €6,864.

Resolution 2:

Approval of the consolidated annual reports and financial statements for the fiscal year ended March 31, 2020

Summary of resolution 2:

Purpose:

Approve the Company's consolidated financial statements at March 31, 2020.

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, 2020, 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, 2020

Summary of resolution 3:

Purpose:

In light of the uncertainties related to the Covid-19 pandemic and the adoption of furlough measures, it was proposed not to pay out dividends for the fiscal year ending March 31, 2020 and to allocate fiscal year profit totaling €30,010,469 to "Retained earnings."

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, after ensuring that the legal reserve is fully funded, resolves to allocate the profit as follows, on a proposal of the Management Board:

Net income:	€30,010,469
Retained earnings account:	€130,031,617
Net distributable profit:	€160,042,086
Dividend:	€0
Balance allocated in full to the retained earnings account:	€160,042,086

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, 2019	19,877,822	€0.23	100%
March 31, 2018	5,004,501	€0.81	100%
March 31, 2017	4,929,431	€0.61	100%

(1) After deduction of treasury shares.

(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

Summary of resolution 4:

Purpose:

Acknowledge that no new agreements were authorized, concluded or entered into during the fiscal year ended March 31, 2020.

Approve the Statutory Auditors' special report on the previously approved agreement which was still in effect during the fiscal year ended March 31, 2020 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 were authorized, concluded or entered into during the fiscal year ended March 31, 2020;
- acknowledges the information relating to the previously approved agreement, which remained in effect during the fiscal year ended March 31, 2020.

Resolution 5:

Reappointment of Ms. Marie-Ange Verdickt as a member of the Supervisory Board

Summary of resolution 5:

Purpose:

Reappointment of Ms. Marie-Ange Verdickt 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, 2024.

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, renews Ms. Marie-Ange Verdickt'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, 2024.



Resolution 6:

Reappointment of Mazars as Statutory Auditor

Summary of resolution 6:

Purpose:

*Reappointment of Mazars as Statutory Auditor.
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, 2026.*

The annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, acknowledges that the term of office of Mazars as Statutory Auditor and of Fidus as substitute Statutory Auditor has expired, and asks you to reappoint Mazars 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, 2026.

Resolution 7:

Approval of information relating to compensation of corporate officers mentioned in Article L.225-37-3, I. of the French Commercial Code, in respect of the fiscal year ended March 31, 2020

Summary of resolution 7:

Purpose:

Approve the information relating to the compensation paid or awarded to each corporate officer in respect of the fiscal year ended March 31, 2020 and presented in the corporate governance report in accordance with the new provisions of Article L.225-100 II. of the French Commercial Code.

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, approves, pursuant to Article L.225-100 II of the French Commercial Code, the components of compensation paid or allocated in respect of the fiscal year ended March 31, 2020 to corporate officers mentioned in Article L.225-37-3, I. of the French Commercial Code, as presented in the above-mentioned report.

Resolution 8:

Approval of the fixed, variable and exceptional components of total compensation and other benefits paid or awarded to the Chairman of the Management Board in respect of the fiscal year ended March 31, 2020

Summary of resolution 8:

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, 2020.

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, approves, pursuant to Article 225-100 III of the French Commercial Code, the components of compensation and benefits-in-kinds paid or allocated in respect of the fiscal year ended March 31, 2020 to Mr. Pascal Imbert, in his role as Chairman of the Management Board, as presented in the above-mentioned report.

Resolution 9:

Approval of the fixed, variable and exceptional components of total compensation and other benefits paid or awarded to the COO and member of the Management Board in respect of the fiscal year ended March 31, 2020

Summary of resolution 9:

Purpose:

Approve the fixed and variable components of total compensation and other benefits paid or awarded to Mr. Patrick Hirigoyen, in his role as COO and member of the Management Board, in respect of the fiscal year ended March 31, 2020.

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, approves, pursuant to Article L.225-100 III of the French Commercial Code, the components of compensation and benefits-in-kind paid or allocated in respect of the fiscal year ended March 31, 2020 to Mr. Patrick Hirigoyen, in his role as COO and member of the Management Board, as presented in the above-mentioned report.

Resolution 10:

Approval of the fixed, variable and exceptional components of total compensation and other benefits paid or awarded to the Chairman of the Supervisory Board in respect of the fiscal year ended March 31, 2020

Summary of resolution 10:

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, 2020.

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, approves, pursuant to Article L.225-100 III of the French Commercial Code, the components of compensation and benefits-in-kind paid or allocated in respect of the fiscal year ended March 31, 2020 to Mr. Michel Dancoisne, in his role as Chairman of the Supervisory Board, as presented in the above-mentioned report.

Resolution 11:

Approval on compensation policy for the Chairman of the Management Board in respect of the fiscal year commencing April 1, 2020

Summary of resolution 11:

Purpose:

Approval of the compensation components for Mr. Pascal Imbert in his role as Chairman of the Management Board in respect of the fiscal year starting April 1, 2020.

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.225-82-2 of the French Commercial Code, approves the compensation components allocated in respect of the fiscal year starting April 1, 2020 to Mr. Pascal Imbert, in his role as Chairman of the Management Board, as presented in the above-mentioned report.

Resolution 12:

Approval on compensation policy for the COO and member of the Management Board in respect of the fiscal year commencing April 1, 2020

Summary of resolution 12:

Purpose:

Approval of the compensation components for Mr. Patrick Hirigoyen in his role as COO and member of the Management Board in respect of the fiscal year starting April 1, 2020.

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.225-82-2 of the French Commercial Code, approves the compensation components allocated in respect of the fiscal year starting April 1, 2020 to Mr. Patrick Hirigoyen, in his role as COO and member of the Management Board, as presented in the above-mentioned report.

Resolution 13:

Approval on compensation policy for the members and Chairman of the Supervisory Board in respect of the fiscal year commencing April 1, 2020

Summary of resolution 13:

Purpose:

Approval of the compensation components for the members and Chairman of the Supervisory Board in respect of the fiscal year starting April 1, 2020.

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.225-82-2 of the French Commercial Code, approves the compensation components allocated in respect of the fiscal year starting April 1, 2020 to the members and Chairman of the Supervisory Board, as presented in the above-mentioned report.



Resolution 14:

Authorization delegating power to the Management Board to trade in the Company's shares

Summary of resolution 14:

Purpose:

Authorize your Management Board to buy back the Company's shares. The maximum purchase price, determined according to the same formula as in previous years, is capped at €51 (excluding expenses) for transactions to promote the market for the Wavestone share and boost liquidity, and at €38 (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.

Considering the uncertain economic backdrop, and in line with the third resolution relative to the decision not to pay out dividends and furloughing measures implemented, contrary to previous fiscal years, the proposal was made to remove the buyback target considering the cancellation of the new share buyback program.

The Company may buy back its shares:

- *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 28, 2020.

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 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 transactions are 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, determined according to the same formula as in previous years, is (i) €51 (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) €38 (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 €103,002,099, subject to available reserves;
- this authorization cancels the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting on September 16, 2019. 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 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 15:

Harmonization of Article 18 III of the Articles of Association concerning the procedures for appointing employee representative members of the Supervisory Board

Summary of resolution 15:

Purpose:

To harmonize the Articles of Association with the new provisions of Article L.225-79-2 of the French Commercial Code resulting from the Pacte Law of May 22, 2019, we request you approve the amendment of Article 18 III of the Articles of Association of the Firm concerning the procedures for appointing employee representative members of the Supervisory Board.

The Shareholders' Meeting, deliberating with the quorum and majority required for extraordinary Shareholders' Meetings, after a reading of the Management Board's report, decides to amend Article 18 III "COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD" as follows:

Former text	New text
<p>"ARTICLE 18: COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD</p> <p>.../...</p> <p>III - EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD</p> <p>The Supervisory Board includes, pursuant to Article L.225-79-2 of the French Commercial Code, one or two employee representatives appointed by the Firm's Social and Economic Committee.</p> <ul style="list-style-type: none"> • If, at the time of the appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting is equal to or less than twelve, one employee representative is appointed. • If, at the time of appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting of Shareholders is greater than twelve, two employee representatives are appointed. <p>.../..."</p>	<p>"ARTICLE 18: COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD</p> <p>.../...</p> <p>III - EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD</p> <p>The Supervisory Board includes, pursuant to Article L.225-79-2 of the French Commercial Code, one or two employee representatives appointed by the Firm's Social and Economic Committee.</p> <ul style="list-style-type: none"> • If, at the time of the appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting of Shareholders is equal to or less than eight, one employee representative is appointed. • If, at the time of appointment of the employee representatives, the number of members of the Supervisory Board appointed by the annual General Meeting is greater than eight, two employee representatives are appointed. <p>.../..."</p>

The rest of Article 18 III remains unchanged.

The Shareholders' Meeting grants full powers to the Board of Directors to carry out the formalities relating to these changes with the Trade and Companies Registry.

Resolution 16:

Amendment of the Articles of Association in order to authorize the Supervisory Board to take certain decisions by written consultation and related amendment of Article 19 of the Articles of Association

Summary of resolution 16:

Purpose:

To harmonize the Articles of Association with the new provisions of Article L.225-82 of the French Commercial Code stemming from the Soilihi Law of July 19, 2019, and authorizing the approval of Supervisory Board, by written agreement, of Board member appointments, authorization of guarantees and confirmations, and compliance of the articles of association with the legal and regulatory provisions relative to the calling of annual General Meetings and the transfer of the headquarters to the same French department, we request you amend Article 19 of the Articles of Association of the Firm relative to the organization and decision-making of the Supervisory Board.

The Shareholders' Meeting, deliberating with the quorum and majority required for extraordinary Shareholders' Meetings, after a reading of the Management Board's report, decides to amend Article 19 "ORGANIZATION AND DELIBERATIONS OF THE SUPERVISORY BOARD" as follows:

"ARTICLE 19 - ORGANIZATION AND DELIBERATIONS OF THE SUPERVISORY BOARD

Addition to 11th paragraph as follows:

The Supervisory Board may make decisions by written consultation of its members pursuant to the conditions provided for by current law.

.../..."

The rest of Article 19 remains unchanged.

The Shareholders' Meeting grants full powers to the Board of Directors to carry out the formalities relating to these changes with the Trade and Companies Registry.

Resolution 17:

Harmonization of Article 20 of the Articles of Association relative to the powers of the Supervisory Board

Summary of resolution 17:

Purpose:

To harmonize the Articles of Association with the new provisions of Article L.225-68 of the French Commercial Code resulting from the Soilihi Law of July 19, 2019, we request you approve the amendment of Article 20 of the Articles of Association relative to the powers of the Supervisory Board.

The Shareholders' Meeting, deliberating with the quorum and majority required for extraordinary Shareholders' Meetings, after a reading of the Management Board's report, decides to amend Article 20 "POWERS OF THE SUPERVISORY BOARD" as follows:

Former text	New text
<p>"ARTICLE 20 - POWERS OF THE SUPERVISORY BOARD</p> <p><i>Paragraphs 6 and 7</i></p> <p><i>Pursuant to Article L.225-68 of the French Commercial Code, sureties, endorsements and guarantees require the Supervisory Board's approval.</i></p> <p><i>The Supervisory Board may give the Management Board prior approval to conduct one or more of the abovementioned transactions within the limit of the determined maximum amounts, conditions and timeframe.</i></p>	<p>"ARTICLE 20 - POWERS OF THE SUPERVISORY BOARD</p> <p><i>Paragraph 6 and deletion of paragraph 7</i></p> <p><i>The provision of security, as well as sureties and guarantees by the Firm to guarantee third-party commitments is authorized by the Supervisory Board pursuant to conditions laid down by current law.</i></p> <p><i>The Supervisory Board may give the Management Board prior approval to conduct one or more of the abovementioned transactions within the limit of the determined maximum amounts, conditions and timeframe.</i></p> <p><i>.../..."</i></p>

The rest of Article 20 remains unchanged.

The Shareholders' Meeting grants full powers to the Board of Directors to carry out the formalities relating to these changes with the Trade and Companies Registry.

Resolution 18:

Amendment of Article 24 of the Articles of Association concerning the rules for appointing Statutory Auditors

Summary of resolution 18:

Purpose:

To remove the reference to Statutory Auditors and substitute Statutory Auditors in the firm's Articles of Association, we request your approval to amend Article 24 of the Firm's Articles of Association.

The Shareholders' Meeting, deliberating with the quorum and majority required for extraordinary Shareholders' Meetings, after a reading of the Management Board's report, decides to amend Article 24 "THE STATUTORY AUDITORS" as follows:

Former text

"ARTICLE 24 - THE STATUTORY AUDITORS

The approval of the Firm's accounts is carried out by one or more Statutory Auditors or substitute, pursuant to the conditions set by current law."

New text

"ARTICLE 24 - THE STATUTORY AUDITORS

*The approval of the Firm's accounts is carried out **by one or more Statutory Auditors**, pursuant to the conditions set by current law."*

The Shareholders' Meeting grants full powers to the Board of Directors to carry out the formalities relating to these changes with the Trade and Companies Registry.

Resolution 19:

Amendment of Article 16 of the Articles of Association concerning the procedures for holding Management Board meetings

Summary of resolution 19:

Purpose:

To enable (i) Management Board members to be represented and (ii) to authorize Management Board meetings via all telecommunication or videoconferencing, we request you approve the following amendment of Article 16 of the Firm's Articles of Association.

The Shareholders' Meeting, deliberating with the quorum and majority required for extraordinary Shareholders' Meetings, after a reading of the Management Board's report, decides the following amendment of Article 16 "DELIBERATIONS OF THE MANAGEMENT BOARD" as follows:

Former text	New text
<p>"ARTICLE 16 - DELIBERATIONS OF THE MANAGEMENT BOARD</p> <p><i>Paragraphs 3 and 4</i></p> <p><i>Meetings take place at Wavestone's registered office or at any other location specified in the notice of meeting.</i></p> <p><i>The Management Board's deliberations are valid only where at least one half of its members are present. Decisions are made by majority vote of the members present or represented.</i></p> <p><i>.../..."</i></p>	<p>"ARTICLE 16 - DELIBERATIONS OF THE MANAGEMENT BOARD</p> <p><i>Paragraphs 3 and 4</i></p> <p><i>Meetings take place at Wavestone's registered office or at any other location specified in the notice of meeting. The Management Board may also convene meetings using telecommunication or videoconferencing, enabling the identification and guaranteeing effective participation of members.</i></p> <p><i>The Management Board can only deliberate validly if at least half of its members are present or represented or participate in the meeting using telecommunication or videoconferencing. A Management Board member may be represented at a meeting by another Management Board member who cannot hold more than one mandate. Decisions are made by majority vote of the members present or represented or participating through telecommunication or videoconferencing.</i></p> <p><i>.../..."</i></p>

The rest of Article 16 remains unchanged.

The Shareholders' Meeting grants full powers to the Board of Directors to carry out the formalities relating to these changes with the Trade and Companies Registry.

Resolution 20:
Powers for formalities

Summary of resolution 20:

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.

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Documents available to the public

The Universal 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 Universal 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 Universal Registration Document.

Persons responsible

Person responsible for the Universal Registration Document

Pascal Imbert, CEO.

Statement by the person responsible for the Universal 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 34 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, 07/23/20.

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.

Auditeurs & Conseils Associés, member of the National Association of Statutory Auditors, 31 rue Henri Rochefort, 75017 Paris, appointed by the annual Shareholders' Meeting of 09/16/19; mandate due to expire at the close of the annual Shareholders' Meeting called to approve the financial statements for the year ended 03/31/25, represented by Mrs. Sandrine Gimat.

Substitute Statutory Auditors:

Pimpaneau & Associés, member of the National Association of Statutory Auditors, 31 rue Henri Rochefort, 75017 Paris, appointed by the annual Shareholders' Meeting of 09/16/19; mandate due to expire at the close of the annual Shareholders' Meeting called to approve the financial statements for the year ended 03/31/25, represented by Mr. Olivier Juramie.

Person responsible for financial information

Pascal Imbert, Chairman of the Management Board.

Wavestone

Tour Franklin
100/101 Terrasse Boieldieu
92042 Paris La Défense Cedex

Tel.: +33 (0)1 49 03 20 00 - Fax: +33 (0)1 49 03 20 01

Email: action@Wavestone.com



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na: not applicable

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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.

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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.

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PHOTO CREDITS: Xavier Renaud

DESIGN, WRITING AND PRODUCTION: Wavestone's Communication Department and Actus agency

TRANSLATION: Word Class