

# WAVESTONE

**Universal Registration Document  
2020/21**





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This Universal Registration Document is available at [www.wavestone.com](http://www.wavestone.com) and from the company head office.

WAVESTONE

**CORPORATE PROFILE**

2020/21



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## Joint interview with...

### Pascal Imbert

Chairman of Wavestone's  
Management Board

### Michel Dancoisne

Chairman of Wavestone's  
Supervisory Board



**The 2020/21 financial year took place against the backdrop of the health crisis. Nevertheless, the firm's results are excellent...**

**MD:** It's true that with a decline in revenue of only 1%, Wavestone largely outperformed the market. Remember that in France, Syntec Conseil estimated the market decline at 11%, and on a global scale, Source Global Research reported a 13% decline. We can only salute the extraordinary commitment of all the firm's teams in implementing the Battle plan initiated at the beginning of the year.

**PI:** We are all the more pleased with this result because at the beginning of the crisis, we were far from imagining such an outcome. In the first few weeks of the exercise, we had completely frozen recruitment and we had implemented partial activity measures in all the countries where it was possible! However, throughout the year, thanks to a remarkable commercial mobilization, we gradually regained control of the situation and increased the utilization rate of our teams month after month.

**Wavestone's profitability held up very well, with a current operating margin just 0.4 points below that recorded a year earlier. How do you explain this?**

**PI:** At the beginning of the year, given the scale of the shock that was emerging, a performance plan has been implemented to lower the firm's breakeven point. This plan enabled us to make savings of nearly €20m, but without ever having to adjust our workforce. In addition to this plan, the rapid recovery in activity in the second half of the year enabled us to offset the drop in sales prices. This is more than enough to meet our objective of a double-digit annual EBIT margin.

**MD:** It should also be noted that this performance is all the more remarkable in that it also includes a provision for the reimbursement of monies received under furlough arrangements... In addition to profitability, the very strong cash generation during the year enabled Wavestone to reduce its debt and even post a net cash position of more than €30m at the end of the year. This is a favorable situation to return to an offensive attitude and resume growth.

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**You mentioned the plan to reimburse monies received under furlough arrangements. Why do you propose this?**

**MD:** In view of the very solid performance of the financial year, this proposal was obvious and in line with the corporate social responsibility values the firm promotes. The Management Board, in agreement with the Supervisory Board, will therefore submit this proposal to the shareholders for approval at the Annual General Meeting on 27 July 2021. I would like to point out that these indemnities, more than €3 million, were received in France, the United Kingdom, Switzerland and Luxembourg.

**You started a new financial year in April. Is the macroeconomic context more favorable?**

**PI:** Consulting spending remains under tight control with our clients. This is putting a strain on business as usual and routine assignments. On the other hand, major transformation projects are multiplying, and I would even say that they are accelerated by the crisis. For example, mergers and acquisitions, carve-outs, prelude to asset disposals, are continuing at a sustained pace. Or, every month, new large-scale digital transformation initiatives appear.

**MD:** Wavestone intends to return to growth in 2021/22. The year has begun with the acquisition of Everest Group's consulting practice in Dallas, USA. I hope that this merger will lead to other targeted transactions, primarily in the United States but also in other geographical areas, especially in France.

**What are Wavestone's strengths to maintain good performance in 2021/22?**

**PI:** We will capitalize on the strengths that have proven successful in 2020. First and foremost, we will invest heavily in sales. This investment will enable us to ward off any possible rebound from the crisis, and of course will fuel the resumption of growth in our business. We will also continue the sectoral movements begun in 2020 by directing our efforts towards the most buoyant sectors of activity such as the pharmaceutical industry, utilities, the public sector, not forgetting banking and insurance.

**MD:** The firm's human resources expertise will also be put to good use in the new financial year. A more positive market and the resumption of growth will put recruitment and turnover back at the top

of our agenda. We have set ourselves an ambitious recruitment target this year; we plan to hire 800 people whilst also working to contain the rebound in staff turnover to around 15% after the historically low level of 11% recorded during the crisis.

**In terms of human resources, you have announced the launch of the Smartworking@Wavestone project. What should we learn from this?**

**PI:** The health crisis has led to a profound transformation in the way people work, and there is no doubt that some of these changes are irreversible. We believe that this is a great opportunity for the firm to reinvent the way we do business. This is the purpose of the Smartworking@Wavestone project.

**MD:** This project will be carried out in line with the strong «intrapreneurial» culture that drives our employees. As soon as the health constraints are lifted, an experiment will begin during which all the firm's teams will actively contribute to defining and testing our future work organization.

**PI:** The expected benefits are many: development of collaboration between teams, better use of our skills, improvement of the quality of life at work, strengthening of the firm's attractiveness, retention of our employees... not forgetting the reduction of our carbon footprint.

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**The health crisis has led to a profound transformation in the way people work, and there is no doubt that some of these changes are irreversible.**

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**CSR seems to be taking on an increasingly important role at Wavestone, both for employees and for the firm's external stakeholders: clients, candidates, investors, etc.**

**PI:** CSR is an essential lever for sustainable performance. Wavestone's policy in this area is expressed in five commitments to our stakeholders. Firstly, towards our clients: we want to improve their satisfaction and help them achieve sustainable performance. Secondly, to our employees: our ambition is to strengthen their commitment, their well-being and their quality of life at work. Our third commitment is to act for diversity and to create an inclusive working environment, one where everyone is free to be themselves and has the same opportunities to reveal their potential.

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**We want to improve the client satisfaction and help them achieve sustainable performance.**

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**MD:** In addition to these commitments, we are committed to being an ethical and responsible corporate citizen. This concerns the fight against corruption, business ethics, the transparency of our financial information and the quality of our governance. Finally, our last commitment concerns the environment. We wanted to give concrete expression to our desire to take our share of responsibility in the face of the climate challenge by committing to a significant reduction in our CO<sub>2</sub> emissions, particularly by reducing our travel.

**Before the crisis, Wavestone was**

**committed to implementing its Wavestone 2021 strategic plan. Is this plan still relevant?**

**PI:** The Wavestone 2021 strategic plan was put on hold last year in order to focus all the teams on the Battle plan launched to deal with the crisis, which of course led us to question the objectives we had set ourselves.

**MD:** At the same time, the crisis has brought about a lot of changes. Today, new challenges and opportunities are beginning to emerge for our firm. So, we decided to reflect on our future and to draw up a trajectory for the years to come.

**PI:** It is in this context that a strategic reflection has just been launched within the firm, aimed at defining Wavestone's orientations for the next 4 to 5 years. All of the firm's employees will contribute to this process. We will also be seeking the opinion of our external stakeholders. There will be many exciting debates ahead. We look forward to seeing you in December 2021 to discover the results of this reflection and the new Wavestone strategic plan!

# Key figures

**3,453**  
employees worldwide

**8**  
countries

**€ 417.6 m**  
revenue

# Wavestone on the global stage



New York  
Philadelphia  
Dallas

Paris  
Nantes  
Lyon  
Marseille  
London  
Brussels  
Luxembourg  
Geneva  
Casablanca

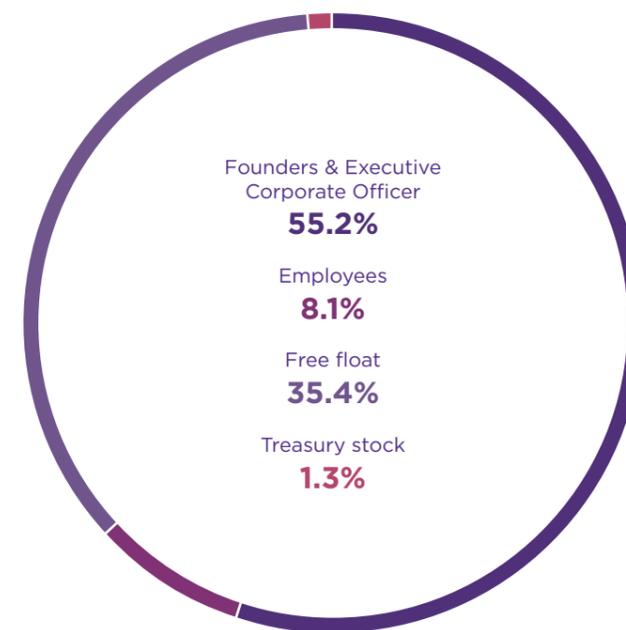
Hong Kong

# Key data for 2020/21 fiscal year

## CAPITAL BREAKDOWN AS OF MARCH 31, 2021

### SIMPLIFIED CONSOLIDATED INCOME STATEMENT

| Audited consolidated figures<br>(in €m)               | 2020/21              | 2019/20              | Change      |
|---|----------------------|----------------------|-------------|
| <b>Revenue</b>  | <b>417.6</b>         | <b>422.0</b>         | <b>-1%</b>  |
| <b>EBIT</b><br><i>EBIT margin</i>                     | <b>53.3</b><br>12.8% | <b>55.7</b><br>13.2% | <b>-4%</b>  |
| <b>Operating income</b>                               | <b>43.3</b>          | <b>53.5</b>          | <b>-19%</b> |
| <b>Group share of net income</b><br><i>Net margin</i> | <b>25.4</b><br>6.1%  | <b>31.1</b><br>7.4%  | <b>-19%</b> |



### CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2021

| Audited consolidated figures<br>(in €m)                   | 03/31/2021   |
|---|--------------|
| <b>Non-current assets</b>                                 | <b>212.6</b> |
| <b>Current assets excluding cash and cash equivalents</b> | <b>145.8</b> |
| <b>Cash and cash equivalents</b>                          | <b>88.0</b>  |
| <b>Total</b>  | <b>446.5</b> |

| Audited consolidated figures<br>(in €m) | 03/31/2021   |
|---|--------------|
| <b>Shareholders' equity</b>             | <b>206.1</b> |
| <b>Financial liabilities</b>            | <b>56.2</b>  |
| <b>Lease liabilities</b>                | <b>30.3</b>  |
| <b>Non-financial liabilities</b>        | <b>154.0</b> |
| <b>Total</b>                            | <b>446.5</b> |

Cash and cash equivalents of €31.8m compared to net debt of €29.1m at 03/31/2020

### FINANCIAL CALENDAR

- **07/26/2021**  
Q1 2021/22 revenue
- **07/27/2021**  
Annual General Meeting
- **10/28/2021**  
HY 2021/22 revenue
- **12/06/2021**  
HY 2021/22 results
- **01/27/2022**  
Q3 2021/22 revenue
- **04/27/2022**  
FY 2021/22 revenue
- **05/31/2022**  
FY 2021/22 results

### STOCK MARKET DATA

**Share price at 06/30/2021**  
€40.00

**Number of shares**  
20,196,492

**Market capitalization**  
€808m

**Company value (market capitalization at 06/30/2021 – cash at 03/31/2021)**  
€776m

**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.



**ADAPT  
TODAY**

# A crisis that accelerated transformations

**Naziha Ades, Account Director in charge of the pharmaceutical industry, and Chadi Hantouche, Partner in charge of Wavestone's Hong Kong office, discuss the impact of the crisis on client demand.**



**Naziha Ades**  
Account director



**Chadi Hantouche**  
Partner

**The health crisis has impacted all economic activities, particularly the consulting market. Naziha, you are an Account Director in France, how has this impacted your business?**

**Naziha:** The year 2020 has indeed been full of movement and more evolving than ever! I was keen to get involved where commercial energy was needed. I contributed to the creation of a new client portfolio for the middle market which was a key element of the Battle plan implemented by the firm to deal with the crisis. This creation was a very rich experience, as we explored another type of client that Wavestone had not previously addressed.

In October 2020, I took over the commercial management of clients in the pharmaceutical industry. This is a high-potential sector for Wavestone with international accounts and a leading industry, in line with the firm's international growth strategy.

**Chadi, you are a Partner in Wavestone's Hong Kong office, how has the crisis affected activities outside France?**

**Chadi:** Different locations were not affected

all at once by the crisis. For example, we experienced the health restrictions in Asia before they were generalized in Europe or the US. The lifting of these restrictions and the gradual recovery of activity followed the same pattern.

The industries most affected were those most dependent on physical travel: distribution, transport and the hotel industry. Conversely, the financial, insurance, pharmaceutical and tech industries held up well. However, all companies were very cautious in the last nine months of 2020 due to market uncertainties, even in the most resilient one.

In Hong Kong in particular, the market saw a 15% to 20% drop in activity at the start of the pandemic. However, we have continued to win assignments by being more proactive in seeking out projects and by stepping up our sales effort.

**Has the nature of the projects changed?**

**Naziha:** We have seen a greater number of projects related to cost rationalization. Clients have tended to focus on their highest priority projects, with a guaranteed return

on investment. On the middle market and pharmaceutical accounts where I was particularly involved, the issues addressed were not always directly related to the crisis, although I did observe some pressure on prices.

On the other hand, the duration of the assignments was shortened, as the clients chose to incorporate a certain amount of prudence into their projects.

**Chadi:** I have seen two major changes. First, there was an explosion of digital projects in general, particularly those aimed at improving remote working conditions. For example, these were IT transformation projects (infrastructure, solutions) but also projects to adapt processes within companies, for example to integrate dematerialized signatures. Secondly, the more indirectly affected customers focused on the most critical projects. These clients maintained their confidence in us and continued to call on us because of Wavestone's positioning on the most important transformation projects.

**In terms of the expertise requested by clients, was it the same as before the crisis?**

**Chadi:** As I mentioned, digitalization was a key issue in 2020, particularly in the digital workplace and e-commerce. We have, among other things, supported a French cosmetics company in accelerating the deployment of its new online sales site in Asia.

The demand for cybersecurity related topics was even stronger than before, to deal with remote working projects in a secure manner, but also because the pandemic was the ground for a significant increase in cyber-attacks. For example, we carried out a security assessment project for an airline company on their international entities. In the Hong Kong office, we also saw requests for new expertise, such as cost optimization, particularly in the field of digital or supply chain.

**Would you say that the crisis has contributed to the acceleration of our clients' transformation?**

**Naziha:** From my point of view, the transformations were already well underway for our clients. The crisis has not been a brake on these transformations, which have continued despite the context of the pandemic.

**Chadi:** In my opinion, the crisis has contributed to the acceleration of business transformations, the most important of which is the digital transformation, with particular focus on the rise of remote working. This new way of working has also led to a transformation of business processes.

Finally, we can observe a transformation of the offers. Some companies have decided to adapt their offers to respond to the new consumption and working patterns brought about by the crisis, such as the launch by Accor of a flexi-working offer.

# Supporting the most critical transformations

**At the convergence of management and digital consulting, Wavestone supports leading 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 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.»

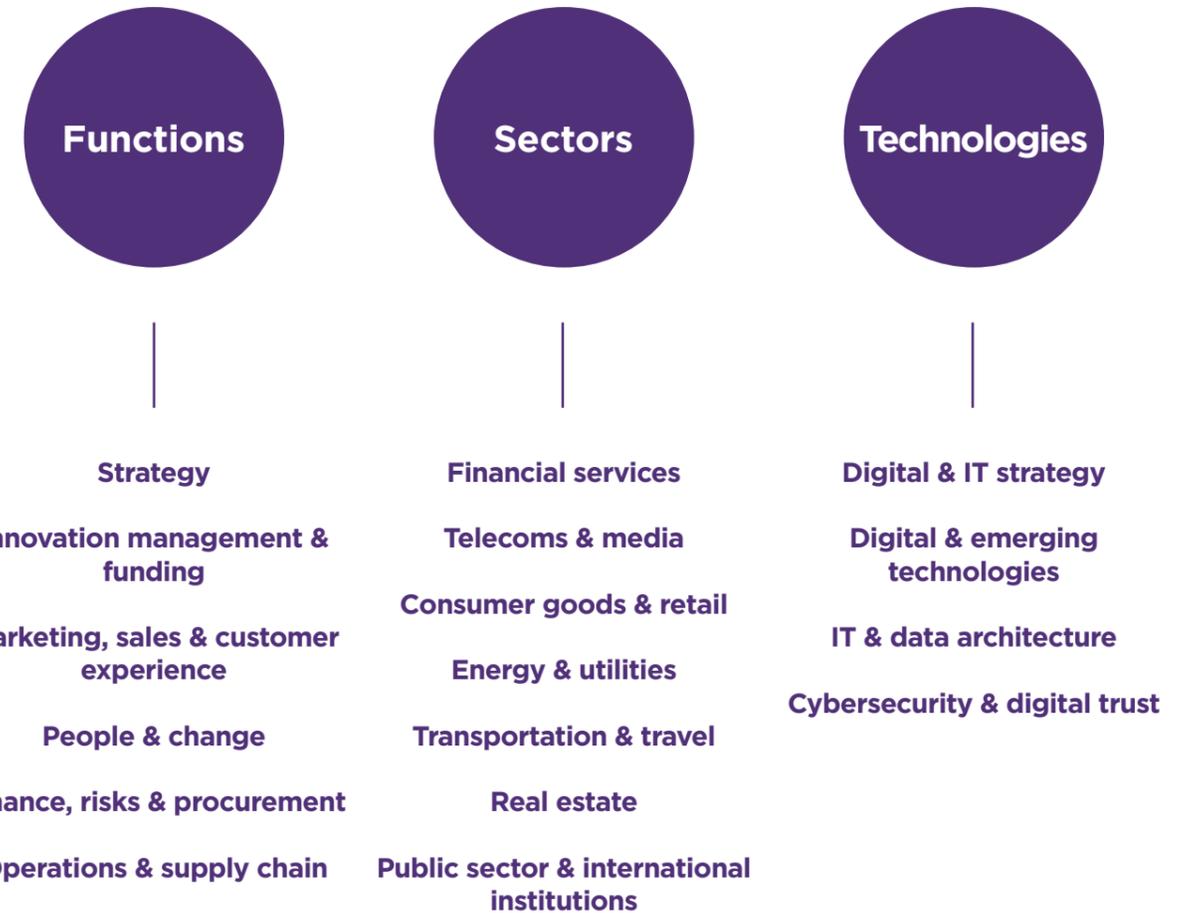
A mindset that drives our 3,000 consultants on a daily basis, and which is driven by our taste for challenge, our ability to imagine new paths and the pleasure of succeeding together. Wavestone offers its clients a broad palette of expertise of three distinct types:

/ 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.

# Creadesk, an asset to meet the needs of our clients remotely

Apolline Houssin, Senior Consultant in the Energy, Utilities & Transport practice, looks back at how the Creadesk has supported its teams and clients during the crisis.



**Apolline Houssin**  
Senior Consultant

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**We are aware of the fears that can be generated by the transformation projects that we support on a daily basis, and we are convinced that change management is often easier when teams are placed at the heart of projects that directly concern them, thanks to collective intelligence.**

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**How did the mobilization of the Creadesk make a difference, despite the distance?**

Many used a whiteboard like Mural, making a lasting impression on clients who were convinced by the way we brought them on board. The solutions made available to the consultants and the facilitation methods proposed were decisive in ensuring the continuity of activity at a distance, particularly when it came to seminars or co-construction workshops. I have the case of a kick-off organized for a client in mind at the beginning of the 1<sup>st</sup> lockdown, a real challenge since we had to allow the face-to-face and remote participants to have coherent and convergent experiences through the creation of physical and virtual mood boards. The event proved to be a success with 100% satisfaction from the participants regarding the co-creative exercises and the remote facilitation.

**What can we learn from this crisis?**

While we already knew the power of collaborative approaches and the commitment they generate within teams, the crisis demonstrated that it was completely possible to transpose these approaches remotely, provided certain good practices are respected. To name but a few, 100% digital animation requires meticulous preparation and even more demanding timing. We were surprised by the level of efficiency achieved when it came to working collectively and remotely on complex subjects, such as the co-construction and mapping of new processes. For other activities such as team building or pure creativity, it is clear that face-to-face sessions are still more suitable, particularly for appealing to the perceptions and feelings of the participants. It is likely that our next challenge will be to develop «hybrid» activities with teams that are partly physical and partly remote.

**What role does Creadesk play at Wavestone?**

The Creadesk is Wavestone's asset dedicated to collective intelligence and innovation. It is an entity at the service of internal teams, with the ambition to help consultants evolve their way of working to maximize the engagement of our clients' teams. We are aware of the fears that can be generated by the transformation projects that we support on a daily basis, and we are convinced that change management is often easier when teams are placed at the heart of projects that directly concern them, thanks to collective intelligence. To this end, we offer our employees methods, facilitation resources and digital tools, as well as training in facilitation techniques and seminar design. This system is completed by three creative spaces in our premises at La Défense, where we regularly welcome our clients.

**In the particular context of the Covid-19 epidemic, what have you put in place?**

The Creadesk team continued to provide support in two areas: tools and training. In particular, the Creadesk facilitated the adoption of solutions such as Mural and Beekast which were already used before the crisis to keep collective intelligence alive, despite the impossibility of meeting in person. In addition to providing employees with a greater number of licenses, the team increased the number of training courses and support for skills development. At the same time, we offered support to teams wishing to organize remote seminars or events for their clients. For example, we distributed a guide on remote facilitation, webinars and tutorials.

# Wavestone GO, the application to stay in touch

**Thibaut Carval, Senior Consultant in the Digital & Emerging Technologies practice, is one of the instigators of the Wavestone GO application. He tells us about its creation.**



**Thibaut Carval**  
Senior Consultant

## How did the idea of developing Wavestone GO come about?

At Wavestone, I work on a wide range of subjects such as infrastructure, the digital workplace and more recently on UX Design and design thinking.

The idea of creating Wavestone GO, an internal application that allows all of the firm's employees to meet randomly every week, was born shortly before the first health and containment measures.

## What are the objectives of Wavestone GO?

Wavestone GO has three main objectives. Firstly, we want the application to encourage encounters by creating a «virtual coffee machine», where you can meet any colleague, from any team, to discuss professional or personal projects or passions.

Secondly, these exchanges are intended to create synergies. We find that we work almost exclusively with the same teams

and very little with colleagues from other teams or other functions of the firm. However, when we talk to them, we realise that the projects we are working on are not always so far apart, and that we would benefit from being inspired by them and sharing our best practices.

Finally, Wavestone GO has allowed us to maintain a sense of belonging to a group, especially during this year of remote work. It is important to realise that we are not alone and that there is a whole group around us.

**We want the application to encourage encounters by creating a «virtual coffee machine», where you can meet any colleague, from any team, to discuss professional or personal projects or passions.**

## How has the application developed within Wavestone and how do you see it evolving in the future?

The development went fairly quickly; we made a first version and tested it on a first perimeter. It worked well straight away and the application was promoted at various internal events within the firm. Today, Wavestone GO is available in all offices, and is also presented to new employees

who join us.

We now have 700 users of the application, which means that we meet many people every week in France and abroad.

In the future, we intend to maintain this application, even if we come back to the office more regularly.



# 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.

# Wavestone, a resilient player in a consulting market affected by the crisis

**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 affected by the crisis in 2020

In France, where Wavestone generates 85% of its revenue, the consulting market has been strongly impacted by the Covid-19 health crisis, with a decline of over 11% in 2020 (source: Syntec Conseil). On a global scale, Source Global Research reported a 13% decline in the market.

The health crisis put strong pressure on sales in the first months of the year, marked by a slowdown in investments by clients and in demand. Despite this uncertain economic environment, Wavestone was able to show resilience, with revenue finally showing a limited decline of -1% for the full year 2020/21.

Throughout the year, Wavestone was able to leverage the most buoyant business sectors, such as the pharmaceutical industry, utilities, the public sector and insurance. The firm is also well positioned in the areas of expertise most in demand by its clients to support them in their transformation: cybersecurity, operational efficiency, IT optimization, and M&A.

## The competitive environment

**Wavestone has four major types of competitor:**

/ Consulting divisions of the "Big Four" international auditing firms: Deloitte, EY, KPMG, PwC.

/ The consulting divisions of major IT consultants: Accenture, Capgemini Consulting etc.

/ Independent management consultancies: BearingPoint, Eurogroup Consulting, Sia Partners, PA 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.

# The London office's response to the crisis

Mike Newlove, Partner in the Wavestone UK office, shares his thoughts on the year 2020, its challenges and what the London office has implemented to overcome the crisis.



**Mike Newlove**  
Partner

## The health crisis has hit the whole of Europe hard whilst UK was also facing Brexit. How has this affected business?

The Covid-19 crisis and multiple lockdowns had a huge impact on the UK economy. Many companies had to make redundancies and place their staff on furlough. While the UK was being hit hard by the pandemic, Brexit took a backseat. The consulting market was not spared and faced huge disruptions as well. We felt this impact first-hand when opportunities didn't materialise as our client cut budgets and froze several programmes.

## More specifically, how did Wavestone UK office manage in this context and what decisions have been made to face the difficulties?

The UK office is a small office and the situation was difficult from a business performance perspective. Our client base was not diverse enough to mitigate the risks and our utilisation rate dropped considerably, and the order intake was very low. As in other offices of the firm, we had to furlough some employees. However, we did our best to keep the team connected to keep their engagement and motivation up during the challenging times. To face these difficulties, the UK office was part of the wider Wavestone Battle plan initiative, and we launched in September 2020 a UK-specific Recovery Plan. This plan included intensifying our sales efforts, strengthening our sales team and increasing pitches, focusing on and pushing a small number of specific value propositions, increasing utilisation

(including cross-staffing), and reviewing expenses.

In addition to the Recovery Plan, the team established new ways of working initiatives from the start of the crisis, training the team on new tools and ways to run engagements and workshops remotely.

## What are the results of the Recovery Plan?

The results have been good and quicker than expected. Our increased pitch efforts have yielded positive results and we have seen our average rolling order intake increase significantly between Q2 and Q4 of 2020/21, and we even achieved a record order intake for the UK practice the last working week in December. We have also seen our utilisation rate increases steadily month on month, and we are now consistently achieving over 70%. To support this increase, we have re-started recruitment efforts.

**To face these difficulties, the UK office was part of the wider Wavestone Battle plan initiative, and we launched in September 2020 a UK-specific Recovery Plan.**

## What is the outlook for the consulting market in the UK in 2021?

The sector has demonstrated its ability to recover and work in new conditions, whilst continuing to support clients, and according to the [Management Consultancies Association](#) (MCA), the UK consultancy industry is expected to grow by 9% in 2021, with the greatest area of growth in new technology and digital, highlighting the critical importance of the sector in the economic recovery and urgent digital transformation of UK businesses.

# Carve-out: what are the keys to success?

**Philippe Pestanes, Partner in charge of the Strategy and M&A offer, talks about carve-outs, projects regularly conducted by Wavestone for its clients, allowing the identification of best practices and the establishment of a proven methodology.**



**Philippe Pestanes**  
Partner

## **Carve-out projects have multiplied in recent months. What do these operations involve?**

A carve-out corresponds to all the operations carried out in preparation for the sale of an asset of a company or group of companies.

There are several reasons why a company may decide to dispose of an asset. Firstly, it may become non-strategic in relation to other more essential activities on which the company wishes to concentrate. Secondly, the company may want to dispose of an asset to make a profit, which was particularly the case in 2020 in the context of the crisis. Finally, the asset sold may prove to be underperforming within the group, or even loss-making.

## **A carve-out is a very transformative operation for the company that carries it out. What are the main challenges and stakes of these operations for Wavestone's clients?**

Carve-outs are both strategic and major transformations that bring many challenges for the transferring company.

The first is to define the scope of the assets to be sold. This concern, among other things, operations, employees, contracts, .... This can be complicated in a group where many synergies exist between the different activities.

Another issue is the strategy for the disposal of the asset, depending on the nature of the buyer. For example, if the buyer is a manufacturer, it is to be expected that he will have the skills to absorb the new activity. On the other hand, if the buyer is an investment fund, it will be necessary to make the business being sold as autonomous as possible. Identifying the buyer therefore determines the way in which the carve-out will be conducted. Once the business being sold has been taken over and the sale strategy defined, it is necessary to be able to create an autonomous structure from an operational point of view in order to make it attractive to the buyer. This contributes to the continuity of the business, which is essential in this type of operation.

Finally, the last challenge of these operations is to minimize the negative impacts by limiting the disruption to the divested asset and the divesting company

as much as possible, and by reassuring all the stakeholders in the project (key employees and talents, suppliers, strategic clients, etc).

## **What role does Wavestone play in these strategic transactions and what expertise does it bring to the table?**

Wavestone is regularly involved in this type of operation and has therefore developed a proven methodology.

The first step consists of thinking about the disposal strategy: helping clients to identify the assets to be sold, identifying all the dependencies between the asset and the parent company, finding the most efficient ways to cut these dependencies and, if necessary, setting up transition service agreements (TSAs), which are essential for securing the buyer and maximizing the success of the transaction.

The second stage concerns the operational preparation of the sale. We assist with the structuring of the actions necessary for the separation, focusing on two key dimensions. Firstly, the technological dimension; we must be able to identify all the elements inherent in the IS and provide technical solutions to make the asset being sold autonomous on these subjects. Secondly, the human dimension. A carve-out often generates questions and even stress for the teams concerned. Dialogue and change management are therefore essential to secure the operation.

Finally, the last stage concerns the execution of the carve-out. The aim is to minimize the impact on the operational business, with the Wavestone team helping to absorb the workload and identify the necessary corrective measures once the

asset has been separated. Post-closure, we can assist in managing the TSA and streamlining the cost structure.

Wavestone is particularly well equipped to successfully carry out this type of operation thanks to its model: the combination of key expertise such as the mastery of support functions (HR, finance, purchasing), change management and the IT dimension (ERP, IS, infrastructure, security). We have supported this type of operation in many sectors: health, distribution, media, etc.

## **Has the health crisis accelerated these operations? In your opinion, will this acceleration continue? What is Wavestone's role in this dynamic?**

The health crisis initially slowed down mergers, acquisitions and carve-outs. In the second half of 2020, the momentum picked up and will continue into 2021, as the context is favorable for this type of transaction. Indeed, companies are looking for cost rationalization and/or acquisitions at reasonable prices. However, this is a perennial problem that will not disappear after the crisis.

For Wavestone, the challenge is to continue to gain recognition for our expertise in these operations in order to gain more and more market share.

# 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.

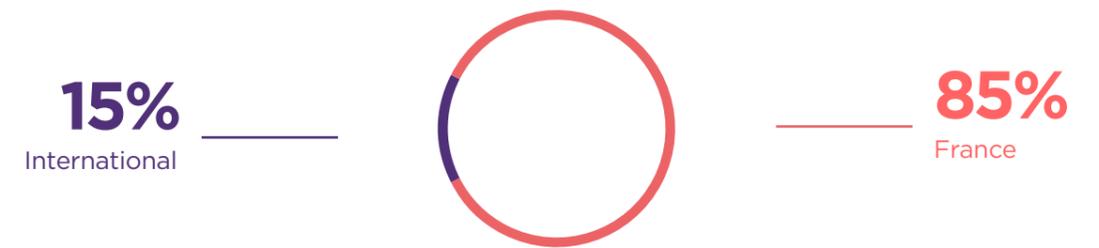
In each practice and office, client management is provided by a hybrid team of consultants and sales executives tasked with developing the full range of the Wavestone value proposition to all the clients it manages. This collaboration provides the

stimulation required to guarantee that the solutions proposed combine strategic expertise with proven implementation.

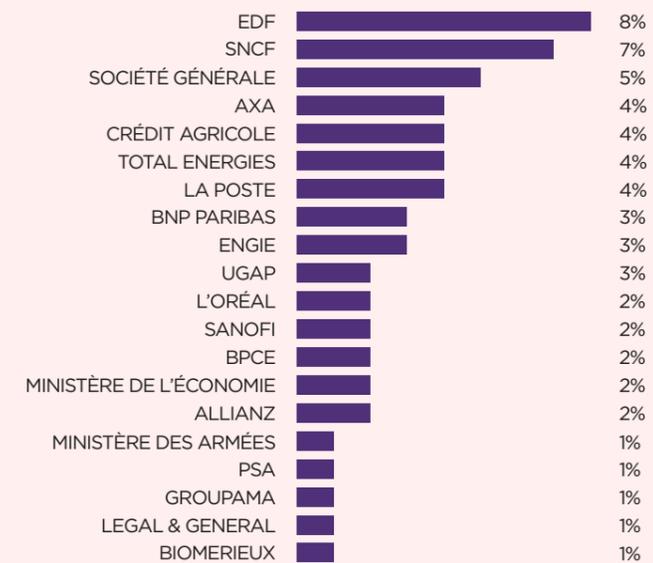
**Wavestone's client management has two key missions:**

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

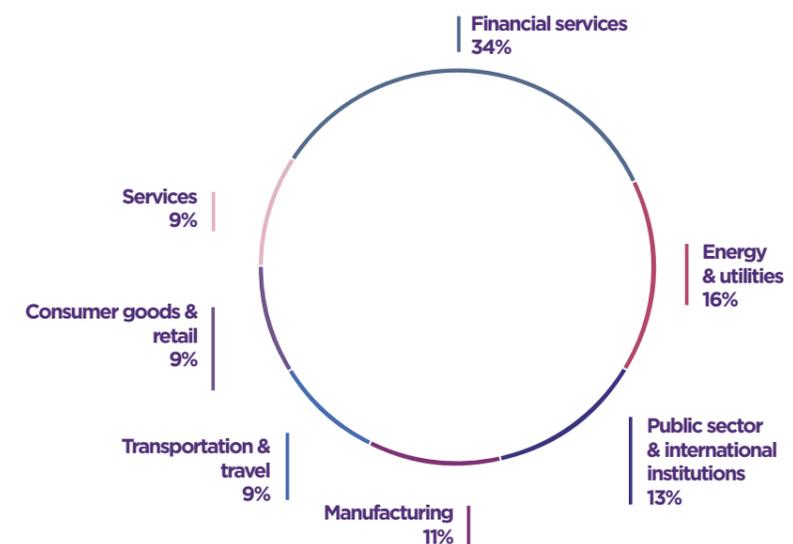
Geographical breakdown of 2020/21 revenue:



Our Top 20 clients in 2020/21:



Sectorial breakdown of 2020/21 revenue:



# Wavestone supports the European Commission in its strategy to fight online abuse

**Debora Di Giacomo, Senior Manager at the Luxembourg office, looks back on a project with digital and societal dimensions conducted for the European Commission.**



**Debora Di Giacomo**  
Senior Manager

## Wavestone is supporting the European Commission in the fight against some types of online abuse. How did the firm take part in this project?

Wavestone's teams in Luxembourg have developed extensive track record on the digitalization of the European public sector, as well as on digital policies. In this case, a study was launched by the European Commission to put forward a new framework to tackle child sexual abuse online, an issue that the Covid-19 crisis has only made worse. With the rapid development of emerging technologies, criminals are more numerous. In particular, the study is intended to help identify recommendations to improve the hotlines operations from a legal, operational, technological, and organisational viewpoint.

This study was part of an open public procurement, several partner organisations contacted Wavestone to take part leveraging our expertise on the assessment of digital policies.

## What was the methodology and what are its findings?

Given the sensitiveness of the study and the scope covering all European Member States and Canada, the study followed a very strict and structured research methods.

To provide evidence-based recommendations, our team collected data through desk research. At the same time, an extensive survey targeting European Hotlines was launched. Data was complemented through workshops with experts in the field and the resulting recommendations were reviewed by an expert panel.

The study identifies the current challenges faced by hotlines in the EU Member States. These challenges consider, in particular, the global dimension of operations of the global network, and the partners the hotlines operate with, such as the internet industry or the law enforcement. To give concrete

## The study is intended to help identify recommendations to improve the hotlines operations from a legal, operational, technological, and organisational viewpoint.

recommendations, we identify gaps in the way the hotlines fight against the spread of illicit content and identified actions to be taken to prevent it from being posted online.

involved to the European Commission on assignments where Wavestone can bring our best skills which includes European Policies, cybersecurity, emerging technologies and digital transformation.

## What was the stake for Wavestone Luxembourg ?

It was very rewarding for Wavestone to be involved in initiatives that aim to make our society better, especially when it concerns children. Our goal is to continue to be

To learn more about this client story, check out our client stories on [www.wavestone.com](http://www.wavestone.com).



# Human resources in 2020/21: actions to meet the challenges of the crisis

Clémence Lagu, HR Manager at Wavestone, in charge of the Financial Services practice and the US office, discusses the challenges raised by the Covid-19 health crisis on human resources management.



**Clémence Lagu**  
HR Manager

## What are the major challenges that the health crisis has brought to light on our ways of working?

With the switch to teleworking for all employees, one of the main challenges was team management and maintaining proximity between employees. At Wavestone, the creation of links between people and daily closeness are strong markers; the crisis put a stop to a whole series of rituals that punctuated our daily lives and created a sense of belonging (Friday breakfast, regular festive events, etc). We had to reinvent our leadership methods and find ways to maintain the pleasure of working together despite the distance. Team meetings were reviewed and adapted to the remote working context and many more informal initiatives were introduced: photo contest, sports challenge, cooking classes, etc. The process

of integrating new employees has been completely rethought and many training courses have been adapted to be delivered remotely.

The urgent nature of the crisis has led to a very strong mobilization of many employees. This is made more relevant in the context of national lockdown where the boundary between professional and personal life is more tenuous and where decompression periods are greatly reduced. This over-investment in the professional sphere has led to numerous imbalances in the work-life balance. The challenge today is to create the conditions for employees to return to a more serene and satisfying work rhythm, which is one of our priorities in 2021/22.

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**The challenge today is to create the conditions for employees to return to a more serene and satisfying work rhythm, which is one of our priorities in 2021/22.**

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## What is Wavestone's position on this issue?

About work-life balance, we still have a long way to go. In our internal Wavestone Mood survey of December 2020, only 60% of employees felt they had a satisfactory work-life balance. For several months now, we have been implementing actions to make this balance a reality for everyone: a «lunch slot» has been set aside, the principle of no meetings beyond a defined time slot has been established, awareness-raising workshops have been held for management, and regular content has been published to share advice and best practices for finding a work-life balance and maintaining it over the long term.

We also rely heavily on the exemplarity of management. In addition, we are conducting tests in certain areas to gain a better understanding of the situations experienced by the teams. For example, to enable them to indicate on a monthly basis whether they feel that their work-life balance is respected. And finally, we pay particular attention to employees' leave-taking.

In order to measure the impact of our HR actions, we have organized our HR surveys in a more structured way. The concerning nature of the crisis has made it necessary to gauge employees' state of mind on a more

regular basis, which gave rise to Pulse@Wavestone. This survey, which is rich in information, will continue for the 2021/22 financial year. The objective is to measure employee commitment and identify their needs.

## What do you personally expect from the Smartworking@Wavestone project?

I expect the project to reinvent our way of working by making the most of the benefits of teleworking that we have seen this year: flexibility, better quality of life, greater efficiency, a lever for attracting and retaining teams, better synergies between offices, etc, while limiting the pitfalls (staying out of touch or losing the feeling of belonging, for example). I expect us to be inventive, disruptive and to land on new ways of working that reinforce Wavestone's «Great Place to Work» dimension.

**To find out more about the Smartworking@Wavestone project, read pages 36-37.**

**PREPARE  
FOR  
TOMORROW**



# Smartworking@Wavestone, a project to invent tomorrow's working environment

Fanny Rouhet, Human Resources Director at Wavestone, presents the Smartworking@Wavestone project and its expected benefits for the firm.



**Fanny Rouhet**  
Human Resources Director

## The Covid-19 health crisis has profoundly changed the way all Wavestone employees work. Looking back, how does Wavestone view remote working since the beginning of the crisis?

The crisis has definitely changed many things. Remote working has become the norm since mid-March 2020 for all of the firm's teams. Remote working was already a widespread practice at Wavestone, and we found that we could continue to work effectively by all being remote.

But this new structure brought some challenges. After more than a year of working remotely, it appears that employee motivation remains good, although there are disparities between teams and experience. In the early months of the crisis, we all saw the many benefits of remote work: less fatigue from travelling, more flexibility to manage work-life balance, better efficiency, breaking down geographical barriers between offices and countries, etc. But over time, limits have appeared. Social ties are weakening, the

integration of newcomers is more difficult, some employees do not have optimal remote working conditions, and finally, we lack the reference points that used to punctuate our days in the office.

However, we are convinced that working patterns have changed permanently and that we will not go back to the pre-crisis structure of work. This is why we have launched Smartworking@Wavestone.

## What is Smartworking@Wavestone?

It's an ambitious project that aims to build the work environment of tomorrow with a new mix of face-to-face and distance working. This project, which will start as soon as the health constraints are over, is built as an experimental approach. For several months, each team in the firm will independently test new ways of working and new ways of operating: face-to-face/remote mix, IT tools, office layout, managerial practices, etc.

Once these experiments have been carried out, we will share the feedback in order

to identify best practices and define a coherent operation at the Wavestone level.

## How can we make the experiment a success?

We have defined 5 rules to ensure that the experimentation takes place in the best possible conditions.

First of all, in order to be as close as possible to the operational realities of each business, the experiment will be carried out by practice, by office or by department. It will also have to be part of a participative approach, with management ensuring that all employees feel part of the project.

Our objective is not limited to finding a new face-to-face/remote mix. This project should help us to address the issues of welcoming new employees, changes in HR and managerial practices, office layout, etc.

During the experiment, employees can remotely work from the location of their choice, within their home country. Smartworking@Wavestone will thus be an opportunity to experiment with relocation outside of one's home region without contractual change. These situations will be recorded and monitored in order to share an assessment and specify Wavestone's HR policies in this area at the end of the experiment.

Finally, remote working must remain an asset for employees and for Wavestone. In order for it to be positive for everyone, everyone must ensure that it does not cause any disruption to operations, whether it's to our clients, our employees, our teams or our managers.

## What are the next steps?

The real next step is to be able to get to the heart of the matter by starting the experiment. While waiting for the health constraints to be lifted, we are using this time to reflect on what we will want to experiment with in each team as soon as we can. We are also taking advantage of this time to organize the management of the project at the Wavestone level and in particular, to identify the employees who will be the «ambassadors» of the project within their teams.

## What are the expected benefits of this project?

Of course, we expect an improvement in efficiency, quality of life at work and work-life balance for our employees. But this new working environment could also strengthen the synergies between our offices around the world, reduce the firm's carbon footprint thanks to the reduction in our travel, and finally improve our brand image in the eyes of our clients or our attractiveness to candidates or future companies joining Wavestone in the context of M&A transactions.

# Setting the benchmark as an employer

**Wavestone is committed to be 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.**

## 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. In addition to the recruitment team, composed of recruitment professionals, a community of around 1,000 consultants conducts 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. Le cabinet met un point d'honneur à aborder chaque phase du recrutement comme un moment d'échange privilégié, avec une attention portée à la qualité du parcours candidat, quelle que soit l'issue du processus. Cela passe notamment par la formation de tous les recruteurs et la conformité à la charte du recrutement.

## Offering rapid and diversified career opportunities

In order to give everyone a clearer view of their career prospects, career paths - called Wavestone Horizon - are formalized for all of the firm's functions. For each level of responsibility in a given job, the expected competencies and the benchmark salary are clearly defined and are the same for all. A mobility scheme also enables employees to broaden their horizons by changing jobs, areas of expertise or offices. Career paths are led by 500 local managers, the Career Development Managers, supported by HR relays (one for approximately 140 employees).

To support its growth ambitions, Wavestone encourages the development of its employees in management. Each year, many of our employees are put in charge of projects or teams, and a training program helps them take on this responsibility. In this context, the firm aims to share a common culture and best practices, regardless of job, field of expertise or geographic location.

## Developing an environment that fosters professional and personal growth

The attention paid to the work-life balance of employees is part of a more global approach to quality of life at work that is intended to be sustainable and in continuous progress. This approach includes not only the measures that contribute to the quality of career paths, but also the workspaces within Wavestone's offices, flexible working initiatives such as telecommuting or co-working, measures to support parenthood and all initiatives that allow employees to be involved in the company's project.

Under the impulse of the firm's CSR approach, new reflections and initiatives have also emerged around the theme of diversity and the development of a more inclusive work environment: mission handicap, equality between women and men, LGBT+... These subjects are all new opportunities to continue to develop a quality work environment for all Wavestone employees.

## Labels and HR certifications

Happyindex®  
Trainees

Label HappyIndex® /  
Trainees France 2021



HUMPACT

2<sup>nd</sup> place in the «Youth» category  
of the Grand Prix Humpact Emploi  
France 2020

## A necessary adaptation in times of health crisis

In the context of the health crisis, successive confinements and widespread teleworking, Wavestone has set up ad hoc mechanisms to communicate regularly with the teams and maintain the social link within the firm.

Global Talks are regularly organized for employees from all offices, allowing them to ask questions of all kinds (HR, work organization, strategic vision, business situation, etc.) or to obtain information on the firm's situation and crisis management. In a less formal setting, the firm also organizes «What's Up Wavestone» meetings during which employees share the firm's news.

On another note, Wavestone Go (see dedicated article) has been deployed throughout the firm. Finally, as the health crisis has caused a great deal of concern and tension within the company, Wavestone has launched the Wavestone Mood surveys. This survey format, which is very short and directly linked to current events, is a way to put our current issues or action plans into perspective, to take the pulse of the teams and to identify potential points of fragility or concern, thus allowing corrective actions to be taken at the right time.

# Skills sponsorship, a strong social commitment for Wavestone

**Hélène Cambournac, CSR Manager, discusses Wavestone's social commitments, particularly in terms of skills sponsorship.**



**Hélène Cambournac**  
CSR Manager

constraints linked to the partial activity, we were able to support organizations such as the APHP and the French Red Cross on issues directly linked to the Covid-19 crisis. In addition, practices have been mobilized in this particularly troubled period to achieve a high level of social commitment. In the 2020/21 financial year, we therefore devoted 0.79% of total staff time to social commitment. This rate was even achieved without Powerday, which contributes 0.2% each year.

## What is the outcome of these actions and what are Wavestone's long-term objectives?

If we take stock of the 2020/21 financial year, around 200 consultants were involved in 80 pro-bono missions, for around thirty associations. We have therefore greatly accelerated our commitment. With the return to more sustained activity, the staffing of these missions will become even more challenging. The needs of associations and foundations are still numerous, and we wish to maintain our commitment in particular to our five key partners: Make.org, Share it, La Croix Rouge, Femmes@Numérique and Solidarité Internationale.

In 2021/22 we intend to continue to accelerate our investment in skills sponsorship and aim to devote at least 1% of the firm's time to general interest organizations. To achieve this, we have set up new actions such as the reorganization of the sponsorship team to be even more efficient in the management of demand, or the launch of our «solidarity campaign» for which we asked our employees about the theme they wished to prioritize in the context of these missions. The fight against climate change was the most popular theme. As a result, 20% of the contribution in skills sponsorship will be dedicated to projects related to this subject.

## What are Wavestone's social commitments?

As part of our CSR approach, our commitments aim to establish Wavestone as a good corporate citizen and to support projects with social value. At Wavestone, this commitment to society is reflected in our contribution to sponsorship, firstly through mentoring actions where our employees provide help and support on a particular theme. For example, in France, we support the students of the Georges Villebon Institute, or the association Elles bougent, which aims to increase the number of women in the tech industry. Secondly, Wavestone makes the skills and expertise of its employees available to organizations with a social mission, through free consultancy assignments. The organization of Powerday, Wavestone's international solidarity day, aims to help organizations with concrete projects in the field or through skills sponsorship. Finally, the Wavestone Foundation, through financial sponsorship, supports associations that work for disadvantaged children.

## Can you tell us more about skills sponsorship at Wavestone?

Skills sponsorship consists of carrying out consultancy assignments on behalf of associations or foundations, without being invoiced. The challenges of these missions can be like those of traditional consulting missions, i.e., IT transformation, organization, logistics or change management.

These so-called «pro-bono» missions require the same skills, the same high standards and the same commitment as usual consulting missions, and we impose the same quality of delivery during their execution. Any consultant can be asked to contribute his or her expertise to this type of mission.

## What impact has the Covid-19 crisis had on Wavestone's commitment to sponsorship?

The crisis has led to an explosion in the needs of associations and the firm has organized itself to meet this demand. We set up a sponsorship crisis unit to contact our various non-profit partners and foundations and identify their urgent support needs. Despite our staffing

## Share it x Wavestone: the digital transformation of social impact projects

Share it is a Tech for Good accelerator at Station F. Through a support program, Share it codes digital solutions for social entrepreneurs and associations. The goal: to help social entrepreneurs increase their impact and support more beneficiaries.

To meet the needs of social entrepreneurs, Share it relies on the business and technological expertise of Wavestone consultants. For example, Share it worked with Ticket for Change, which creates engagement programs that reach over 70,000 people to create a dashboard that automates the measurement of the impact of their training. Wavestone consultants have also worked with Share it and Signes de Sens to develop a plug-in that instantly translates any word on the web into sign language video: La Bulle Elix.

Over the past 2 years, Wavestone has supported 10 projects, which have had an impact on tens of thousands of people.

To find out more, visit Wavestone's website, section «[Read our client stories](#)».

## Wavestone commits to the feminization of the digital industry with the Femmes@Numérique foundation

The Femmes@Numérique foundation was created in 2018 under the aegis of the Fondation de France, to fight against the chronic lack of women in digital.

Committed to professional equality between women and men, Wavestone is involved with the Foundation with the desire to have a positive impact on society and inequalities. The firm has been supporting Femmes@Numérique for over a year on all its projects. A dozen consultants from different practices (public sector, cybersecurity) have been involved in projects such as the strategic support of the Foundation, the development of its reputation or the hosting of a community of female professionals committed to the feminization of digital professions.

To find out more, visit Wavestone's website under the heading «[Read our client stories](#)».

# Embodying and sharing our own values

**Engaged in a CSR approach for 10 years now, Wavestone has made it a key part of its strategy.**

Wavestone is recognized for its extra-financial performance and aims to remain a cutting-edge company in terms of CSR. Wavestone has been in the top 3 in its category in the Gaïa Rating for the past 5 years (2<sup>nd</sup> place in the category of companies with revenues between €150m and €500m in 2020).



# Wavestone, recognized for its commitment to CSR

|   |  |
|---|--|
|  <p><b>2<sup>nd</sup> in our class in 2020</b></p> |  <p><b>2<sup>nd</sup> in the «Youth» category</b></p> |
|  <p><b>Score B-</b></p>                            |  <p><b>90% favorable recommendations</b></p>          |
|  <p><b>4<sup>th</sup> in class in 2020</b></p>   |  <p><b>72/100 «Gold» Commitment</b></p>             |



“Despite a difficult context in 2020, the year was rich in CSR news: continued implementation of our client satisfaction policy, development of our investment in skills sponsorship, management of the health crisis in a responsible way for all our stakeholders, and finally the integration of ESG criteria in our financing contract”.

*Hélène Cambournac, CSR Manager*

# Integrating CSR issues into the heart of our business with the Responsible Consulting approach

Eric Gency-Piriou, Senior Account Manager, presents the Responsible Consulting approach, which aims to proactively integrate CSR issues into the heart of Wavestone's business.



**Eric Gency-Piriou**  
Senior account manager

## What does Wavestone's responsible consulting approach consist of?

As part of its CSR strategy, Wavestone has formulated five commitments, one of which relates to its consulting business: to support our clients towards sustainable performance. This is an expectation of our stakeholders: employees or candidates, investors, shareholders, and clients. Moreover, the latter now include CSR criteria in the selection of their partners.

Our responsible consulting approach is a response to this proactive commitment. It enriches the way we carry out the most standard assignments by taking proactive action to:

- / enlighten our clients on the CSR challenges of their transformation projects;
- / propose concrete and measurable actions, which are the sources of sustainable performance.

This approach is part of our day-to-day consulting work, regardless of the industry concerned. It is not a new offer.

## In concrete terms, how do you integrate CSR commitments into your assignments?

Our consulting business offers us a privileged position to act at the heart of our clients' transformations and to generate positive and sustainable impacts for society. We are not in a declaration of intent, but in an intention to act.

We have chosen to focus on four themes: the impact on individuals, respect for privacy, greenhouse gas emissions and waste management.

The approach is based on a pragmatic method that everyone can use. At the start of an assignment, after an initial inventory, diagnoses guide the reflection on the four themes to direct our consultants towards a set of operational accelerators:

- / documentary resources;

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**Our consulting business offers us a privileged position to act at the heart of our clients' transformations and to generate positive and sustainable impacts for society. We are not in a declaration of intent, but in an intention to act.**

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- / capitalized methodologies and tools;
- / committees of experts who can be mobilized.

Once our convictions have been forged, we enlighten our clients on the CSR challenges of their projects and, ultimately, propose tangible actions for each impact that we evaluate.

This approach is not intended to be applied to all projects. It will be applied as a priority to assignments where we have a real influence on decisions or directions.

## Have you already carried out assignments using this approach?

Since the beginning of 2021, we have tested the approach on several dozen projects and have completed 5 of them with concrete results.

On a program to redesign a collaborative tool for a major banking group, we shed light on the impact of digital consumption on greenhouse gas emissions and proposed the implementation of new storage rules to reduce the digital footprint, without disrupting users. The amount of storage space used could eventually be halved. Another example: as part of a study of new logistics scenarios for a major international luxury goods group, we integrated the measurement of CO<sub>2</sub> emissions from the new associated transport scheme.

Finally, we introduced a new «environmental impact and waste management» criterion

in the selection grid for the future supplier of office automation services for an energy giant.

We intend to capitalize on the momentum that has been created to roll out a broad-ranging responsible consulting approach, covering an increasingly wide range of projects throughout the firm

## What are Wavestone's ambitions for responsible consulting in 2021/22?

Based on our initial findings, we estimate that there are between 300 and 600 eligible projects each year, i.e., projects where Wavestone is in a position to influence decisions and orientations and where we could apply the approach.

We favor concrete and tangible results to be able to measure the positive impacts generated in the long term and we have set ourselves a target of at least 25 missions in the current financial year.

We are already committed to the long term with a minimum target of more than 100 projects by 2024.

## Client satisfaction, a key challenge for the coming years

**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 survey conducted among existing and previous Wavestone clients.**

## 2021 client satisfaction survey results: an NPS... that continues to progress

**A NPS (net promoter score) that continues to rise to 54.2 (+3 points)**

The 5<sup>th</sup> edition of the annual satisfaction survey was conducted in April 2021 among clients in all countries where Wavestone is present. More than 3,000 clients were surveyed, and 23.3% of them responded, demonstrating once again this year the strong interest of our clients in this approach.

After a bump in Wavestone's NPS last year (from 30 in 2019 to 51 in 2020), it remains slightly above last year's level, with a score of 54.2. This result is in line with Wavestone's objective of increasing NPS each year.

The other results of the survey show a great stability in the level of satisfaction of our clients compared to last year, which was marked by a clear improvement compared to previous years. Thus, 94% of our clients are satisfied or very satisfied with Wavestone's consulting services, as in 2020.

However, while the rate of clients reporting dissatisfaction is at its lowest level in 5 years, 39% of them are not fully satisfied with Wavestone's response, the same as in 2019, but down from 27% in 2020. The ability of our teams to quickly take the right action in the face of customer dissatisfaction therefore remains a priority. Finally, in the context of the health crisis, our clients almost unanimously (97%) consider that the transition to remote working was well managed by Wavestone, and 86% of them plan to continue using remote working with our teams, at least in part, once the sanitary measures are lifted. This year, action plans adapted to each scope (practices and international offices) will be put in place in line with our objectives of increasing the NPS and improving the management of client dissatisfaction. In particular, under the leadership of our quality champions, we will be significantly increasing the use of quality assessments, which enable us to evaluate the level of client satisfaction during an assignment.

# Quality Assessment, a new tool for customer satisfaction

**Laurent Bellefin, Partner in charge of major transformation projects, reveals the background to a new customer satisfaction approach: the Quality Assessment, a tool he had the opportunity to try out during the year.**



**Laurent Bellefin**  
Partner

## Why is client satisfaction a major issue for Wavestone?

As with all companies, but even more so in consulting, client satisfaction is the key to a lasting relationship with our clients. It allows us to maintain the firm's reputation, to establish solid business relationships, therefore securing a sustainable growth in our turnover. Wavestone aims to be among the best in the consulting market in terms of client satisfaction and is indeed recognized as a player that delivers quality services, as demonstrated by our NPS (Net Promoter Score) level, which has risen for the third consecutive year.

We usually teach our teams that there is no reason why a client should not be satisfied with each of our services. And it is this quasi-obsession that allows us to create relationships of trust with our clients and ultimately to be positioned and to win increasingly strategic projects.

## Has the Covid-19 health crisis changed our relationship with customer satisfaction?

Yes, it has indeed changed our relationship with customer satisfaction. Carrying out assignments remotely has made it more difficult for us to perceive weak signals of client dissatisfaction. We have therefore had to pay more attention and ask them more regularly to express their perception of our work. In this way, we have adopted new reflexes that will last beyond the crisis.

## You tried out a new feature of our customer satisfaction system, the Quality Assessment. To begin with, what is it about?

In 2020, Wavestone was mobilized for an important mission, a project to set up synergies between two players in the bancassurance sector as part of their merger. The objective of the project was to optimize common operations and identify new business synergies.

Six months after the start of this mission, we wanted to carry out a Quality Assessment, i.e. an evaluation of the quality of our service.

This process consists of interviewing the main stakeholders on various subjects: why they chose Wavestone, what their perception of our intervention is on different dimensions such as the quality of the deliverables, the relevance of our recommendations, and the methodology and the investment of our teams. Finally, we ask them for an NPS score, which indicates their level of satisfaction and whether they would recommend us to other clients.

## How did the Quality Assessment go for you and what did you learn from it?

The clients gave us excellent feedback, particularly on the expertise we provide,

on our ability to bring out clear and shared guidelines and on the involvement of our teams. They have also given us a very good NPS rating. We have also been able to identify that they expect us to provide advice with conviction, without hesitating to challenge them even more whenever we consider it necessary.

The other lesson of the Quality Assessment is that the client perceives this type of action as a proof of great maturity on the behalf of the firm, which demonstrates our desire to constantly improve to best meet their needs!



# A new marketing function to support Wavestone's international development

Beth Thomas, Chief Marketing Officer, talks about the creation of the new marketing function and its objectives to support Wavestone's market positioning and international development.



**Beth Thomas**  
Chief Marketing Officer

## Why did Wavestone decide to create a new global marketing function?

Wavestone is committed to grow and develop internationally. It is with this idea of performance and development that the new marketing function has been created. We have done a lot of great things for Wavestone US in this field, especially in the Philadelphia office, and we are now looking to replicate this work to the other practices. The main mission of the new marketing function within Wavestone is to drive and execute marketing activities to generate new demands and attract new clients, through the delivery of marketing campaigns based on proven practices in the US.

## Which kind of results do you expect?

Our efforts are going to result with new pitches that are going to be converted into pipeline and then into new wins. We will measure the return on investment of our marketing actions with KPIs to ensure we are going in the right direction. Relevant KPIs in marketing include the conversion rates from marketing qualified leads (MQLs) to pitches

to pipeline to new wins. For example, in the US, we've successfully deployed a campaign for the "New CIO". We monitor the announcements of newly appointed CIOs knowing these individuals are a strong target for us. In parallel, we turn on targeted digital advertising ads and initiate inside sales calling efforts. This, coupled with emails offering an asset like the "CIO Radar" ensure we increase our chances of brand awareness and trust in our thought leadership. We have successfully scheduled initial pitches that have converted into closed business for the US from this multichannel and multitouch campaign. Both are key because in marketing, it takes at least 8 touchpoints before someone will engage with us!

## What's the priority for 2021?

We will focus our efforts on a limited number of perimeters. UK and Switzerland to be more precise and may be other practices in the second half of the year. We want to make sure we are securing some quick wins and leverage on them to encourage other offices.

# Wavestone's expansion in the United States

Jeff Vail, Partner and CEO of the Wavestone US office, shares his thoughts on the outlook for the consulting market in the US in 2021 and what is the future for the North American office.



**Jeff Vail**  
Partner

## How the US market is performing following the easing of health restrictions and what is the outlook for the consulting market in the US in 2021?

After months of severe sanitary measures, restrictions have eased significantly in the early part of 2021, in some states, totally. Since, the economy is on a fast rebound and we are on the road to recovery. From a challenging double-digit decline in 2020, the US market is expected to rebound to 2019 pre-pandemic levels in 2021. As companies reconsider their workforce model and their external services relationships, they fully embrace the criticality of digitization, we have an exciting year ahead.

## How is Wavestone managing in this context?

We are focusing on our customers and critical executive relationships to ensure

their success as they work through this reemergence. Virtual work has allowed us to be agile and flexible to provide the right people, with the right expertise and skill when clients have needs.

We are focusing on three main areas. First, we are positioning ourselves to win the talent war (new HR leadership, best-place-to-work focus, expanding benefits, workplace flexibility, training, team building, and recruiting). Secondly, we are getting ahead of competitors in returning to face-to-face sales activities. Finally, we aim to over-deliver client expectations at every opportunity. These efforts are showing results, our commercial activity is rebounding. In the first months of the new fiscal year, we are seeing order intake higher than prior year, as well as our leading indicators of pipeline and pitch activity.

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**As companies reconsider their workforce model and their external services relationships, they fully embrace the criticality of digitization, we have an exciting year ahead.**

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**Now that WGroup is fully integrated and that Everest Group's consulting practice has joined Wavestone, how do you see the future of the Wavestone US office?**

First, it's a pleasure to represent US office(s) - plural! We now have a presence in three critical US metropolitan areas - New York, Philadelphia, and Dallas. Having a presence in Dallas is vital as it is the fastest emerging region for businesses in the US. The addition of the consulting practice of Everest Group takes us to a new level and increases our visibility as a consulting player in the US. There is no challenge, no project for any client, of any size, that we can't deliver on.

**What are your expectations regarding the partnership with Everest Group on the research space?**

Research and market intelligence fuel our customer value. Everest Group is a well-known brand in providing high-value insights to the marketplace. We are pleased to have these foundational insights to better serve and offer higher value to our clients in the US.

**Wavestone opens a new chapter in the US with the acquisition of Everest Group Consulting**

Founded in 1991 and headquartered in Dallas, Texas, Everest Group is a research and consulting firm. Its research on the professional services market is recognized worldwide. Everest Group is a company made of two practices: Consulting and Research- the former being acquired by Wavestone.

For the past thirty years, Everest Group *Consulting* has focused on delivering high value-added consulting services on business process optimization, sourcing, and transformation to corporate and IT leaders.

Everest Group *Consulting* serves Global 500 clients across a variety of industry sectors, including Financial Services, Utilities, Retail, and CPG.

This acquisition accelerates the development of Wavestone in the US, which is a high priority market in Wavestone's international development strategy.

**"This acquisition is perfectly in line with our strategic plan in the US. We were impressed with the practice's first-class client base and the strategic character of its assignments. The skills and talent quality of the team are an ideal fit for us as Wavestone continues to expand in the US market."** Pascal Imbert, CEO of Wavestone.

In addition to this acquisition, Wavestone and Everest Group have established a strategic alliance. Wavestone will become the exclusive consulting partner of Everest Group in North America. The partnership will extend to Europe, where Wavestone will support Everest Group's ambition, while leveraging its research to bring more value to clients.



# Leveraging the strength of French cybersecurity expertise internationally

Matthieu Garin, Partner Cybersecurity & Digital Trust, looks back at the development of cybersecurity expertise in Wavestone's different regions.



**Matthieu Garin**  
Partner

## Cybersecurity is one of Wavestone's traditional areas of expertise... How has the subject evolved over the last few years, both in the market and at Wavestone?

The subject of cybersecurity is nothing like it was when I joined Wavestone 15 years ago. Cyber-attacks were still anecdotal, and the regulators had little interest in them. So, consulting in this area was limited to security policies, awareness, and fundamentals.

Today, everything is different; cyber-attacks are multiplying, some major accounts are investing hundreds of millions of euros per year in security, executive committees are involved, and the subject has even become political! In response to these developments, we have had to broaden our spectrum of intervention. It is now a question of responding to the strategic needs of our clients while being able to provide cutting-edge technological expertise. In

2020, we intervened in more than 60 client crises, including 8 major ones, which was 50% more than in 2019. I would like to point out that in June 2020 we obtained the qualification of «Security Incident Response Provider» from the French National Cybersecurity Agency. We are the first and still the only ones to have it today.

## You have been supporting the development of cybersecurity in the UK for a few months. How mature is the cybersecurity market in this country and what are the challenges?

The UK cybersecurity market is a little ahead of the French market. It is similar to that of the United States, driven by American and British security publishers. Unlike French companies, who still rely heavily on consultancy to choose security technologies, UK customers are more likely to be looking for partners to help them optimize and rationalize all these new solutions.

## We have set up an international cyber community. With 600 consultants and the ability to think and act to meet all needs in a coherent way on an international scale

The other major difference between the two markets is operational resilience, which is much more developed in the UK. This is about anticipating all the scenarios that could lead to a major impact on a sector or businesses and ensuring that an action plan is in place to minimize the risks in the event of an incident. The subject is so vital across the UK that we have renamed the office's cybersecurity arm to 'Cybersecurity & Operational Resilience'.

## Who are the leaders in cybersecurity consulting worldwide? What is Wavestone's position and where does the firm fit in?

Today, the leaders in cybersecurity consulting worldwide are largely the main audit firms, followed by the major players in technology consulting. Wavestone has a dual positioning: we are among the leaders in this field in France, but we are still outsiders in the international offices where we have a cybersecurity strike force (United States, United Kingdom, Hong Kong, Europe, Morocco). In these areas, we need to take advantage of our French expertise, which is why we have set up an international

cyber community. With 600 consultants and the ability to think and act to meet all needs in a coherent way on an international scale, this strike force is a real lever, particularly when we work with major international accounts.

# Artificial intelligence at the service of companies

Ghislain de Pierrefeu, Partner IT & Data Architecture, gives his vision of artificial intelligence, a technology at the service of clients which can be both ethical and sustainable.



**Ghislain de Pierrefeu**  
Partner

## Artificial Intelligence is a subject that has been very fashionable in recent years, but difficult to grasp easily. Can you give us a definition?

The complexity of the subject lies in the fact that the areas covered by what is called Artificial Intelligence (AI) have evolved over time: the first expert systems of the 1950s/1960s were already called AI because they reproduced a minimal part of the functioning of the brain: the ability to analyze a situation to make a decision based on predefined rules.

Today, AI has become the capacity offered by the machine to perform tasks usually associated with human cognitive capacities: perception, analysis, prediction, decision... the main difference is related to the volumes of data available and the calculation capacities that allow

to take many more inputs to perform these tasks.

In today's realities, AI is often associated with machine learning, i.e. the ability for computer programs to make decisions based on learned data, rather than being explicitly programmed to perform a task. They learn and improve over time when exposed to new data.

I would like to point out that despite all this progress and its undeniable contribution to an infinite number of concrete problems, AI is still a long way from reproducing all human cognitive capacities. It is infinitely more efficient than our brain in analyzing and taking into account a large number of parameters, but remains very weak in terms of situational and emotional intelligence or intuition...

## Our conviction is that AI must become an asset among others, serving the company's strategic projects, whose main concern remains customers and employees.

### Where do we stand today? What recent advances have been made on the subject?

We are in the process of moving away from «shiny» AI (a time where these two letters alone were enough to raise funds) to AI that serves the core business processes of companies. Of course, there are significant scientific advances every day, for example in reinforcement learning, computer vision, frugal AI, interpretability of algorithms, emotional Natural Language Processing... but the biggest advance, in my opinion, is that it is becoming a real acceleration tool for companies that are now looking for tangible results: marketing/sales, fraud detection, personalization of offerings, optimization of the supply chain...

### Many digital players and consulting firms have taken up the subject of AI. How is Wavestone's approach different?

Wavestone is an independent consulting firm that has no vocation to sell products, licenses, or algorithms... This gives us a very pragmatic view of the real benefits of AI. Our clients, who are

used to demonstrations of strength by market players, are generally surprised by our very reasoned discourse on the value of AI. For example, we are very wary of data-centric or AI-centric approaches... which don't really make sense. Our conviction is that AI must become an asset among others, serving the company's strategic projects, whose main concern remains customers and employees. It is therefore key to engage the business departments so that they integrate AI and Data into their strategic projects. The target must now be to use AI to «transcend» the company's key assets and not to systematically «disrupt» them.

In this context, our strength lies in our ability to combine - seamlessly - highly specialized AI skills with precise business expertise in each of the sectors we work for.

Another key dimension for our clients lies in the fact that we do not claim any intellectual property and that we pass on all the models and skills developed to the client teams. This is so that they can take full ownership of the AI developed and can supervise and develop it over time.

### In your experience, in which areas has AI proved particularly successful?

There's a lot of talk about sectors being ahead or behind in AI. This is somewhat true, for example e-commerce and technology companies are generally ahead of other sectors like utilities or construction. But the big difference is between the major business functions. To date, the only functions that have experienced real AI transformations at scale are marketing/sales and anti-fraud. The other functions are still far behind. A good way to measure the contribution of AI is by measuring the real impact it has on business processes; if your business processes do not change and you do not feel the need to transform processes, then AI is not very useful or has not yet been scaled up!

### What are the concrete examples of value added by AI in the context of projects carried out for clients?

For a brokerage company, we improved the processing of customer files for credit allocation, with the ability to process twice as many files thanks to supervised learning. For a leading banking company, we worked on the detection of data leakage fraud. The result: a 90% reduction in false positives and the detection of true positives that had not been detected before. Another example in the retail sector was the drastic improvement of the assortment in shops by clustering

shops, allowing for much finer management of supplies, which brings both gains in revenue and operational gains in the supply chain. And finally, in the public sector, we have developed a recommendation engine for HR mobility plans, with the aim of drastically reducing the analysis time of HR teams and, above all, increasing employee satisfaction. In each case, direct performance is achieved for the organizations concerned.

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### The subject that is closest to our heart is to accompany companies in their AI assisted transformations.

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### What is Wavestone's ambition about AI?

The subject that is closest to our heart is to accompany companies in their AI assisted transformations. The idea is that all the strategic subjects of companies integrate an AI component and use all the capabilities that this can bring, whether in the supply chain, operations, sales, marketing, HR... We are convinced that there are many places where AI can bring value, even if it is not simple because the data was not originally designed for it. In any case, we consider that in two- or three-years' time, most strategic projects will not be possible without artificial intelligence. Our second ambition is to use AI

responsibly. There is a great deal at stake in building AI that does not use data without the knowledge of the people concerned. We also know that AI can introduce biases into the analysis, notably by reproducing human biases from the past. We will therefore have to systematically balance what AI can bring and what humans should bring. Wavestone works a lot on this whole ethical dimension, notably with the European Commission and groups of

which the firm is a member to ensure that what we produce is virtuous. Most of the research we do about AI focuses on the issues of ethics and responsibility, and on the aspects of security and robustness of algorithms so that they do not drift and create «monsters».

To sum up, our ambition is to introduce AI in a more massive way in business functions, and to do it in a responsible way by using robust and secure AI.



# The efficiency of an integrated organization

**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

## Operational entities

The key entity in the Wavestone operating model is the practice. A practice brings together those teams responsible for concentrating the expertise of Wavestone in one of its areas of excellence and/or in a geographical area. In June 2021, Wavestone had 21 practices.

Each practice is also responsible for new business development across all Wavestone services within a portfolio of clients. This business development is carried out by both the practice's consultants and dedicated account managers.

Practices are managed by Practice steering

teams, led by practice leaders. Each practice leader reports to a member of the Executive Committee.

Because some skills draw on multiple areas of expertise, they are structured cross-functionally as communities of experts based in multiple practices; 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 16).

## Functional departments

Wavestone's functional departments are responsible for supporting the firm's operations, steering investments that will drive Wavestone's future growth and controlling risks.

There are six functional departments: human resources, recruitment, marketing, communication, finance and IT.

Each of them is responsible for the entire scope of the firm and some of them include referents within Wavestone's practices.

## Wavestone's Executive Committee (EXCOM)

The firm is managed by an Executive Committee, led by the General Management, which is composed of the members of the Wavestone Management Board.

The members of this Executive Committee are:

**Pascal Imbert**, Chairman of the Management Board

**Hélène Cambournac**, CSR Manager

**Laurent Stoupy**, Partner, in charge of finance and IT

**Patrick Hirigoyen**, General Director and member of the Management Board

**Laure Michel**, Recruitment Director

**Philippe Dajean**, Partner

**Reza Maghsoudnia**, Development Director

**Laurent Bellefin**, Partner, in charge of marketing and communication

**Benoît Darde**, Partner

**Guillaume Durand**, Partner

**Anne Régnier**, Commercial Director

**Beth Thomas**, Marketing Director

**Frédéric Goux**, Partner

**Mike Newlove**, Partner, UK

**Fanny Rouhet**, HR Director

**Jeff Vail**, Partner, US

## Strategic Committee (STRATCOM)

The Strategic Committee's role is to discuss strategy, action plans, the evolution of the value proposition and Wavestone's international expansion.

The members of this Strategic Committee are:

Salma Bennani

Philippe Dajean

Reza Maghsoudnia

Sarah Lamigeon

Benoît Darde

Joël Nadjar

Laure Michel

Guillaume Durand

Nicolas Nepomiastchy

Florence Noizet

Chadi Hantouche

Philippe Pestanes

Anne Régnier

Jim Hennigan

Laurent Stoupy

Fanny Rouhet

Patrick Hirigoyen

Alessandro Zambon

Gérôme Billois

Pascal Imbert

## Operational and Business Committee (OBCOM)

This body brings together practice leaders, key business players, and managers of marketing, communication and recruitment functions. It addresses operational issues (delivery, business, client satisfaction, etc.) and enables all players to be aligned with current priorities. It is composed of approximately 40 people.



## The Management and Supervisory Boards

As of March 31, 2021, the composition of Wavestone’s governance bodies is as follows.

### Management Board



**Pascal Imbert**  
Chairman of the Management Board



**Patrick Hirigoyen**  
Member of the Management Board

### Supervisory Board



**Michel Dancoisne**  
Chairman of the Supervisory Board



**Rafaël Vivier\***  
Supervisory Board Member



**Marie-Ange Verdickt\***  
Vice-Chairman of the Supervisory Board



**Sarah Lamigeon**  
Supervisory Board Member



**Christophe Aulnette\***  
Supervisory Board Member



**Benjamin Clément**  
Supervisory Board Member



**Jean-François Perret\***  
Supervisory Board Member

\* independent members

WAVESTONE

FINANCIAL  
REPORT

2020/21

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# MANAGEMENT REPORT

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## Management Board report presented to the combined ordinary and extraordinary shareholders' Meeting of 07/27/21

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<sup>(1)</sup> and its subsidiaries.

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

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

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

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

# Management Board Report - General Report

## 1. Key events and outlook

### A strong end-of-year position for 2020/21: decline in annual revenue limited to -1%

At the end of the 2020/21 fiscal year, Wavestone's consolidated revenue stood at €417.6m.

Buoyed by a progressive improvement in business activity in H2, the company recorded a limited decline in annual revenue of -1% (identical decline at constant scope and exchange rates). This trend demonstrates the firm's solid outperformance of the market, in a consulting sector where revenue fell by about 13% worldwide over 2020 (source: Source Global Research), and by 11% in France (source: Syntec Conseil).

### Recruitment plan targets exceeded: 3,453 employees at the end of March 2021

Wavestone achieved about 450 gross hires over the 2020/21 fiscal year, exceeding the target of 400 hires set at the point where it resumed recruitment activity in September 2020.

With staff turnover reducing to 11% over the fiscal year (compared with 14% a year earlier), the contraction in Wavestone's workforce was limited to -1% over the 12-month period.

At 03/31/21, Wavestone had 3,453 employees, compared with 3,498 a year earlier.

### A marked increase in consultant utilization rate over the year, but sales prices eroded

As a result of good levels of order intake in H2, the consultant utilization rate was 71% for the whole of the 2020/21 fiscal year - an identical level to 2019/20. It reached 75% over H2, rising from 65% at the end of H1 2020/21.

The average daily rate stood at €842 in 2020/21; down -4% compared with the average price of €878 recorded in 2019/20. This decline is in line with the -3% to -5% range forecast at the start of the fiscal year.

The firm's order book stood at 4.1 months of work at 03/31/21, compared with 3.7 months at the end of September 2020, and 3.5 months at the end of March 2020.

### A resilient EBIT margin of 12.8%

EBIT amounted to €53.3m in 2020/21, a reduction of -4% compared with the 2019/20 fiscal year.

As a reminder, this EBIT figure includes a provision of -€3.2m, reflecting the decision by Wavestone's Management Board to submit, for shareholder approval, at the Annual General Meeting of 07/27/21, the reimbursement of monies received under furlough arrangements during the 2020/21 fiscal year.

The performance plan initiated at the beginning of the fiscal year, aimed at reducing the firm's cost base in challenging business conditions, resulted in savings of €19.5m in 2020/21 - exceeding the €15m initially targeted.

EBIT margin was 12.8% for the fiscal year, compared with 13.2% in 2019/20. The objective of delivering a double-digit EBIT margin has therefore been solidly achieved.

To reflect the effects of the Smartworking@Wavestone project, €8.3m of provisions and depreciation were accounted for under other operating income and expenses. As a reminder, Smartworking@Wavestone aims to reinvent the organization of work within the company, and will result in a reduction of about 40% in the footprint of Wavestone's Paris office<sup>(1)</sup>. For information, only €5.3m of the €8.3m figure relates to future disbursements.

After taking into account these provisions and depreciation, other non-current charges (mostly comprising the €0.2m related to the acquisition of Everest Group's consulting practice in the US in May 2021), and the depreciation of client relationships (€1.5m), operating income stood at €43.3m in 2020/21, down by -19% compared with 2019/20.

The cost of net financial debt was halved to €1.1m in 2020/21, following the establishment of the new financing contract in March 2020 and deleveraging.

Other financial incomes and expenses amounted to €1.5m and include forex effects and costs related to hedging instruments.

After taking into account the tax charge, the group share of net income was €25.4m: a decrease of -19%, an identical level to the decline in operating income. Net margin stood at 6.1% in 2020/21, compared with 7.4% a year earlier.

(1) Read the press release of 04/27/21.

**Record cash flow from business activities in 2020/21: €70.8m**

In 2020/21, Wavestone generated a record operating cash flow of €70.8m, up 28% compared with the previous fiscal year – a result of the rigorous optimization of working capital requirements.

With no external growth activity during the year, and due to the prudent approach taken throughout the period, investment operations consumed only €0.8m over the fiscal year.

Financing flows amounted to €47.2m, which includes €38.3m in net loan repayments, and €7.8m in lease liability repayments (under IFRS 16).

**Net cash position of €31.8m at 03/31/21**

At 03/31/21, Wavestone's equity had increased to €206.1m.

Driven by cash flow generation, the net cash position<sup>(1)</sup> amounted to €31.8m at the end of the 2020/21 fiscal year, against a net financial debt<sup>(1)</sup> of €29.1m at the end of March 2020.

As a reminder, the firm has not taken a French-government-provided loan (PGE) and has not refinanced its trade receivables.

At the Shareholders' Annual General Meeting of 07/27/21, the Management Board and Supervisory Board will propose the payment of a dividend of €0.23 per share for the 2020/21 fiscal year; this is identical to the dividend paid in 2019 for the 2018/19 fiscal year, prior to suspending the dividend payment in 2020 as a result of the Covid-19 crisis. Exceptionally, this dividend represents a payout ratio of 18%, compared with the usual policy of paying a dividend of 15% of the group share of net income.

**A strong start to the 2021/22 fiscal year, maintaining of a bullish stance**

The strong momentum built at the end of the 2020/21 continued over the first two months of the new 2021/22 fiscal year.

Wavestone confirms the continuation of its more bullish approach in the new fiscal year, with the return to growth a priority.

Given this, recruitment and staff turnover have again become key areas of focus for the firm. Wavestone plans to recruit 800 new employees in 2021/22 (compared with 450 gross hires in 2020/21 and 900 in 2019/20). The company anticipates a rise in staff turnover rate, after the low reached in 2020/21, but aims to limit this to about 15% over the whole of the fiscal year.

On sales prices, pressure remains high. After the decline recorded in 2020/21 (-4%), Wavestone has set an objective of stabilizing average daily rates over 2021/22, compared with the last fiscal year.

In addition, consultant utilization rate is expected to remain robust. The firm's goal is to maintain a rate close to that of H2 2020/21 (75%) for the whole of the new fiscal year.

**2021/22 financial objectives**

At the end of April 2021, Wavestone gave some initial indications of its objectives for the 2021/22 fiscal year: revenue of about €450m and an EBIT margin close to 13%, including the re-emergence of growth-related expenses which will be partially offset by savings from Smartworking@Wavestone.

After acquiring the consulting practice of Everest Group in the US, which has been integrated into Wavestone's consolidated financial statements since 05/01/21, the firm has increased its revenue objective to €460m.

The profitability objective remains to generate an EBIT margin of about 13%.

These objectives are calculated on a constant forex basis and exclude new acquisitions.

After the completion of this initial operation in the United States, Wavestone aims to continue its policy of targeted acquisitions throughout the fiscal year; acquisitions in the US will remain the priority, but this does not rule out tactical acquisitions in France.

(1) Excluding lease liabilities.

## 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 fiscal year.

(in thousands of euros)

|                         | 2020/21 | 2019/20 | % change |
|-------------------------|---------|---------|----------|
| Revenues                | 417,608 | 422,042 | -1%      |
| EBIT                    | 53,275  | 55,700  | -4%      |
| Operating profit        | 43,263  | 53,521  | -19%     |
| Net income, Group share | 25,377  | 31,140  | -19%     |

At end 2020/21, consolidated revenue amounted to €417,608k, representing a 1% decrease on the 2019/20 figure of €422,042k.

Operating income on ordinary activities stood at €53,275k (after employee profit-sharing), down by 4% on the previous year's figure of €55,700k.

- Taking into account other non-recurring operating charges, operating income amounted to €43,263k, down by 19% compared with the 2019/20 figure of €53,521k.
- Customer-relationship intangible asset depreciation amounted to €1,493k.

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

### 2.2. Consolidated financial statements

The consolidated financial statements at 03/31/21 comprised the financial statements of Wavestone SA, Wavestone Advisors UK, Wavestone Advisors Switzerland, Wavestone Advisors Morocco, Wavestone Advisors and its subsidiaries (Wavestone Luxembourg, Wavestone Belgium, and Wavestone HK), Wavestone US and its subsidiaries (WGroup and WGroup Consulting India), M3G and its subsidiaries (Metis Consulting, and Metis Consulting HK).

The consolidated financial statements at 03/31/20 comprised the financial statements of Wavestone SA, Wavestone Advisors UK, Wavestone Switzerland, Wavestone Advisors Maroc, 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)).

Other operating charges breakdown mainly as follows:

- Provisions and depreciation in relation to the Smartworking@Wavestone project for €8,265k<sup>(1)</sup>;
- €348k in acquisition costs.

The cost of net financial debt came to €1,138k over the period. This amount comprised financial income of €5k and financial expenses of €1,144k. The cost of net financial debt for the previous fiscal year amounted to €2,177k. This decline can be mainly attributed to (i) the decline in applicable margins and commissions on credit lines for €347k, and (ii) the fact that charges from the previous fiscal year included costs incurred for the March 2020 refinancing operation totaling €531k.

(1) The project aims to reinvent the organization of work within Wavestone and will result in the reduction of about 40% of the Parisian offices.

Other financial income and expenses amounted to (€1,451k), including negative exchange rate effects for (€820k), interest on capital lease debt and leasing charges for (€331k) and the net cost of financial instruments for (€300k). This item amounted to (€1,242k) for the prior fiscal year.

Pre-tax income over the period declined by 19% compared with the previous fiscal year, from €50,101k to €40,674k.

Income tax expense in 2020/21 amounted to €15,297k, versus €18,961k the previous year.

Net income for the period is down by 19% year-on-year to €25,377k, from €31,140k.

Given the absence of non-controlling interests, the Group share of net income is also down by 19% in 2020/21 to €25,377k from €31,140k.

(in thousands of euros)

|                                  | 31/03/21       | 31/03/20       | % change   |
|----------------------------------|----------------|----------------|------------|
| Non-current assets               | 212,639        | 232,750        | -9%        |
| <i>o/w goodwill</i>              | 162,035        | 166,482        | -3%        |
| Current assets (excluding cash)  | 145,822        | 151,690        | -4%        |
| Cash and cash equivalents        | 88,009         | 65,131         | 35%        |
| Shareholders' equity             | 206,063        | 177,142        | 16%        |
| Non-current liabilities          | 87,774         | 101,993        | -14%       |
| <i>o/w financial liabilities</i> | 48,013         | 56,076         | -14%       |
| Current liabilities              | 152,633        | 170,435        | -10%       |
| <i>o/w financial liabilities</i> | 8,152          | 38,179         | -79%       |
| <b>Total balance sheet</b>       | <b>446,469</b> | <b>449,571</b> | <b>-1%</b> |

The consolidated Group boasted net cash of €206,063k at end-March 2021, up 16% from €177,142k at end-March 2020.

Restated for bank borrowings (overdrafts and accrued interest), net cash was up from €65,068k at end 2019/20 to €88,003k at end-March 2021.

Financial liabilities totaled €56,165k at end-March 2021, versus €94,255k the previous year. Excluding bank overdrafts, financial liabilities came to €56,160k, of which €56,133k related to bank loans. For the record, financial liabilities before bank overdrafts totaled €94,192k at end-March 2020.

Wavestone posted net cash<sup>(1)</sup> of €31,843k at end-March 2021, versus net debt of (€29,124k) in 2019/20.

(1) Gross cash less financial liabilities..

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

| <b>(in thousands of euros)</b>                                  | <b>31/03/21</b> | <b>31/03/20</b> |
|---|-----------------|-----------------|
| Self-financing capacity before net financial debt and tax costs | 67,030          | 49,371          |
| Tax paid  | (17,038)        | (19,167)        |
| Change in WCR   | 20,828          | 5,927           |
| <b>Net cash flow from operations</b>                            | <b>70,820</b>   | <b>55,298</b>   |
| Net cash flow from investments                                  | (849)           | (29,530)        |
| Net cash flow from financing operations                         | (47,173)        | (11,168)        |
| <b>Change in cash and cash equivalents</b>                      | <b>22,798</b>   | <b>14,599</b>   |

These mainly include:

- a gross cash flow margin of €67,030k, plus a €20,828k decline in working capital requirements, leading to net cash flow from operations after paid tax of €70,820k over the period;
- investments amounting to €849k;
  - current investments were particularly low thanks to the cost-savings plan;
  - there was no impact stemming from external growth transactions;
- treasury share purchases amounted to €137k;
  - the low level of treasury share purchases was related to the lack of free share plans over the period;
- the lack of a dividend payout in respect of the fiscal year ended March 2019/20 (see 2.9);
- the repayment of the €38,320k loan (o/w €30,000k relates to a short-term business credit line which the firm had drawn down as a precautionary measure in March 2020).

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 €332,918k, representing a 0.2% increase on the 2019/20 figure of €332,128k.

Operating income before employee profit-sharing was down 2% year-on-year from €45,323k to €44,635k, resulting in an operating margin of 13%, versus 14% at end-March 2020.

The company recorded €(861)k in financial loss in 2020/21, compared with a financial income of €356k at end-March 2020, which can be broken down as follows: €865k in income from equity holdings, €(214k) from net additions to and reversals of financial provisions, €(504k) from net forex losses, €15k in interest received on cash investments, €(573k) from net cost of financial instruments, and €(878k) in interest and non-use fees.

Exceptional losses totaled (€7,987k), largely comprising a provision for unoccupied premises amounting to (€5,004k), a writedown on furniture and fitting for the premises totaling (€3,565k), net capital gains on the liquidity contract for €192k, and monies received net of donations to the Wavestone Foundation relative to commercial disputes amounting to €249k. The Company booked exceptional losses of (€212k) in the previous fiscal year.

Income tax came to €10,836k in 2020/21, compared with €11,560k the previous year.

Employee profit-sharing amounted to €4,201k in 2020/21, compared with €3,896k in 2019/20.

Taking all the above into consideration, net income came to €20,749k at the fiscal year-end, compared with €30,010k at end-March 2020.

Shareholders' equity totaled €210,675k at end-March 2021, an increase on the previous year's figure of €189,925k.

Factoring in the bank loan of €56,740k, net cash at end-March 2021 was €23,026k, compared with a net debt of €(36,037)k at end-March 2020.

## 2.4. Trade payables and receivables

In accordance with the provisions of the French Commercial Code (Articles L. 441-14-1 and D. 441-46), the year-end balances of trade payables and receivables are presented in the table below.

These amounts exclusively concern Wavestone SA.

| (in euros)  | Article D.441 I-1:<br>invoiced received unpaid on year-end date<br>with an expired deadline |                 |                  |                  |                     |                   | Article D.441 I-2:<br>invoiced issued unpaid on year-end date<br>with an expired deadline |                 |                  |                  |                     |                                    |
|---|---|-----------------|------------------|------------------|---------------------|-------------------|---|-----------------|------------------|------------------|---------------------|------------------------------------|
|   | Not<br>expired  | Total           |                  |                  |                     |                   | Not<br>expired  | Total           |                  |                  |                     |                                    |
|   | 0 day   | 1 to 30<br>days | 31 to 60<br>days | 61 to 90<br>days | 91 days<br>and more | 1 day and<br>more | 0 day   | 1 to 30<br>days | 31 to 60<br>days | 61 to 90<br>days | 91 days<br>and more | 1 day and<br>more                  |
| <b>(A) Late payment installments</b>  |   |                 |                  |                  |                     |                   |   |                 |                  |                  |                     |                                    |
| Number of invoices concerned  | 366   |                 |                  |                  |                     | 47                | 2,260   |                 |                  |                  |                     | 277                                |
| Total amount of invoices concerned, incl. tax   | 22,853,775  | 86,390          | -                | 3,352            | 658,910             | 748,852           | 60,319,418  | 3,414,545       | 1,047,043        | 607,575          | 4,359,985           | 9,429,148                          |
| Percentage of total amount of purchases in the fiscal year, incl. tax   | 17.2%   | 0.1%            | 0.0%             | 0.0%             | 0.5%                | 0.6%              |   |                 |                  |                  |                     |                                    |
| Percentage of revenue in the fiscal year, incl. tax   |   |                 |                  |                  |                     |                   | 14.4%   | 0.8%            | 0.2%             | 0.1%             | 1.0%                | 2.3%                               |
| <b>(B) Invoices excluded from (A) related to debt and contested or unrecognized receivables</b>   |   |                 |                  |                  |                     |                   |   |                 |                  |                  |                     |                                    |
| Number of invoices  |   |                 |                  | 6                |                     |                   |   |                 |                  |                  |                     | 67                                 |
| Total amount of invoices concerned, incl. tax   |   |                 |                  | 65,222           |                     |                   |   |                 |                  |                  |                     | 601,665                            |
| <b>(C) Benchmark payment terms used (contractual or legal terms - Article L.441-6 or Article L.443-1 of the French Commercial Code)</b> |   |                 |                  |                  |                     |                   |   |                 |                  |                  |                     |                                    |
| Payment terms used to calculate payment delays  | Contractual terms   |                 |                  | 60 days          |                     |                   | Contractual terms   |                 |                  |                  |                     | 30 or 60 days depending on clients |
|   | Legal terms   |                 |                  | 60 days          |                     |                   | Legal terms   |                 |                  |                  |                     | 60 days                            |

At end-March 2021, accrued trade payables comprised payments due to external suppliers in the amount of €7,425k and to internal suppliers in the amount of €12,370k.

Unbilled receivables at the end of the period comprised payments owed by external suppliers in the amount of €29,518k and by internal suppliers in the amount of €7,612k.

## 2.5. Legal developments in 2019/20

### 2.5.1. Creation of the Wavestone Individual Shareholders Advisory Committee (Comité Consultatif des Actionnaires Individuels, CCAI) on 04/29/20

With an unwavering ambition to strengthen ties with individual shareholders, Wavestone created an Advisory Committee for its Individual Shareholders (CCAI) on 04/29/20.

Wavestone CCAI aims to provide the firm with a platform to listen to its individual shareholders by facilitating regular, purposeful dialogue as well as gathering the opinions of their representatives on various aspects of its communication with them and to improve the targeted communication media.

The CCAI is an effective advisory think-tank. Its mandate covers a range of assignments, including the communication of expectations for all of the firm's individual shareholders.

Made up of six members, including Wavestone individual employee shareholders and external individual shareholders, the CCAI holds at least two annual plenary sessions.

Its members must hold at least 10 Wavestone shares and are nominated to represent the Company's individual shareholder base. The term of appointment for each member is set at three years.

### 2.5.2. Wavestone acquires a minority interest in the Cyber Campus

On 12/23/20, Wavestone SA acquired a minority stake of 6.98% in the Cyber Campus project.

Wavestone is one of the founding members of the Cyber Campus. Founded on the initiative of the French President, from fall 2021, the Cyber Campus venue will be a hub bringing together the leading national and international players in cybersecurity.

In particular, it will provide a single hub for companies (large corporations and SMEs), government departments, training organizations, research players, and associations and charities. The Cyber Campus plans to initiate actions to unite the cybersecurity community and generate synergies between these different players.

### 2.5.3. Simplification of UK companies' legal structure

To continue simplifying the Group's legal structure, during the fiscal year, Wavestone simplified its legal structure in the United Kingdom.

In this context, on 06/05/20, Wavestone SA sold 100% of Xceed Group (Holding) Limited to Wavestone Advisors UK, which simultaneously and as payment of the disposal, issued shares to Wavestone SA for an amount equal to the carrying value of Xceed Group (Holding) Limited, i.e., around €13.5 million.

A transfer of business and business assets from Wavestone Consulting UK to Wavestone Advisors UK took place on 09/30/20.

### 2.5.4. Intra-group reclassification of shares in the Wavestone US subsidiary and its recapitalization

On 12/14/20, Wavestone SA acquired 100% of the shares of Wavestone US (formerly 100%-owned by Wavestone Advisors).

On 12/18/20, Wavestone SA implemented a recapitalization of Wavestone US with a view to ensuring the continued development of the subsidiary. This transaction took the form of a capital increase amounting to €17,970k (\$22,029k) via capital incorporation of liquid and unbilled receivables of Wavestone SA by Wavestone US.

### 2.5.5. Eligibility of Wavestone shares for the PEA-PME plan

A PEA-PME (a share-based savings plan designed to finance SMEs and mid-tier companies) has been set up 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 04/13/21, 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, and as amended by executive order dated 08/22/19 (order number 2019-878).

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).

### 2.5.6. Free share allocation

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

## 2.6. Post-closure events

### 2.6.1. Acquisition of the Consulting Practice of Everest Group in the US

On 05/07/21, Wavestone acquired Everest Group's consulting practice in the United States.

Founded in 1991 and headquartered in Dallas, Texas, Everest Group is a research and consulting firm. Its research on the professional services market is recognized worldwide.

Everest Group is a company made of two practices: Consulting and Research- the former being acquired by Wavestone.

For the past thirty years, Everest Group *Consulting* has focused on delivering high value-added consulting services on business process optimization, sourcing, and transformation to corporate and IT leaders.

Everest Group *Consulting* also advises service providers on how to effectively deliver and monetize services to their targeted markets.

Everest Group *Consulting* serves Global 500 clients across a variety of industry sectors, including Financial Services, Utilities, Retail, and CPG.

During the last three fiscal years, average revenue stood at approximately \$11m (-€9.1m). It recorded a 2020 revenue of more than \$15m (-€12.3m) due to exceptional contracts delivered throughout the year. The profitability of Everest Group *Consulting* is similar to that of Wavestone.

The practice is led by 5 senior partners with more than 20 years of experience at top consulting firms. The team consists of about 20 employees, and also relies on a number of contractors.

The transaction takes the form of the acquisition of all the assets of Everest Group's Consulting practice from Everest Group by Wavestone.

The purchase price is \$10.1m (€8.3m) in enterprise value, plus an additional consideration of up to \$5.1m (€4.2m) conditioned by the practice's performance in 2021/22.

The acquisition has been paid in cash and has been financed out of Wavestone's own funds.

Everest Group's Consulting division will be integrated in Wavestone's accounts as of 05/01/21.

## 2.6.2. Introduction of ESG criteria into Wavestone's financing

As part of its corporate social responsibility (CSR) strategy, Wavestone, in agreement with its banking partners, has decided to link its financing to its ESG (Environmental, Social and Governance) performance. An amendment to the March 2020 loan agreement was signed on 05/19/21, to include environmental, social and societal criteria.

Wavestone has appointed the extra-financial analysis agency Ethifinance, to annually certify the value of the extra-financial indicators adopted.

Four areas of progress for Wavestone in terms of CSR have been identified, and annual objectives have been set for each of them:

- to deploy Wavestone's responsible consulting approach on an increasing number of assignments;
- to increase the representation of women in management positions;
- to be an increasingly welcoming company with a growing population of employees with disabilities;
- to reduce the firm's environmental footprint using an avoid-reduce-compensate approach.

Wavestone will receive a margin bonus applicable to all of its credit lines, depending on whether or not the objectives are met. In the case that this bonus actually materializes, Wavestone commits to pay the entire amount saved to the Wavestone Foundation. The Wavestone Foundation supports associations working for disadvantaged children around the world.

## 2.7. Subsidiaries and equity holdings

### Information on subsidiaries and equity holdings

12-month fiscal year ended 03/31/21 unless otherwise indicated.

| (in thousands of euros)<br>Companies       | Country        | Revenues | Real growth rate | Real growth rate fixed rates | Operating income | Operating margin (%) |
|--|----------------|----------|------------------|------------------------------|------------------|----------------------|
| Wavestone Advisors UK Ltd <sup>(1)</sup>   | United Kingdom | 9,944    | N/A              | N/A                          | -838             | -8%                  |
| Wavestone Switzerland Sarl <sup>(2)</sup>  | Switzerland    | 10,736   | N/A              | N/A                          | 372              | 3%                   |
| Wavestone Advisors (SAS)                   | France         | 109,164  | -3%              | -3%                          | 6 072            | 6%                   |
| Wavestone US Inc                           | United States  | 8,371    | 21%              | 28%                          | 393              | 5%                   |
| Wavestone Luxembourg SA                    | Luxembourg     | 6,551    | 13%              | 13%                          | 223              | 3%                   |
| Wavestone Belgium SA                       | Belgium        | 2,249    | 6%               | 6%                           | 15               | 1%                   |
| Wavestone Advisors Maroc (SARL)            | Morocco        | 2,034    | -7%              | -7%                          | 215              | 11%                  |
| Wavestone HK Ltd                           | Hong-Kong      | 1,595    | -7%              | -2%                          | 653              | 41%                  |
| Xceed Group Holding Limited                | United Kingdom | 0        | N/A              | N/A                          | -5               | N/A                  |
| Xceed Group Limited                        | United Kingdom | 0        | N/A              | N/A                          | -6               | N/A                  |
| Wavestone Consulting UK Ltd <sup>(3)</sup> | United Kingdom | 2,861    | N/A              | N/A                          | -791             | -28%                 |
| M3G  | France         | 0        | N/A              | N/A                          | -13              | N/A                  |
| Metis Consulting                           | France         | 7,821    | -17%             | -17%                         | 916              | 12%                  |
| Metis HK                                   | Hong-Kong      | 0        | N/A              | N/A                          | -6               | N/A                  |
| WGroup <sup>(4)</sup>                      | United States  | 18,830   | N/A              | N/A                          | 1 245            | 7%                   |
| WGroup Consulting India <sup>(4)</sup>     | India          | 0        | N/A              | N/A                          | 0                | N/A                  |

(1) Contribution of assets from Wavestone Consulting UK into Wavestone Advisors UK as of 09/30/20, change from previous year not applicable.

(2) Given the merger of Wavestone Consulting Switzerland into Wavestone Advisors Switzerland as of 10/01/19 in fiscal year 2019/20, change from prior year not applicable.

(3) 6 months period taking into account the contribution of the assets of Wavestone Consulting UK to Wavestone Advisors UK as of 09/30/20, change compared to the previous year not applicable.

(4) Taking into account the company's entry into the scope of consolidation on 08/01/19 for the 2019/20 fiscal year (8-month period), change compared to the previous fiscal year not applicable.

#### Branches (Art. L232-1-II of the French Commercial Code)

You are hereby informed that the Company has no branches.

#### Equity acquisitions and takeovers

For more details, please refer to paragraphs 2.5.2 and 2.5.4 above.

#### Cross or reciprocal shareholdings

None.

#### Disposal of equity holdings

For more details, please refer to paragraph 2.5.3 above.

## 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 2020/21 fiscal year, Wavestone benefited from a research tax credit in respect of 2020 in the amount of €950k.

## 2.9. Dividend policy

Wavestone is a growth company which reinvests the bulk of its earnings to fund further development. Wavestone's 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 its funding needs, cash generation and industry norms.

Owing to the health crisis linked to the Covid-19 pandemic, in 2020, the firm suspended its dividend payout policy. With this in mind, no dividend was paid in respect of fiscal year 2019/20.

At its meeting on 01/29/21, the Wavestone Supervisory Board approved the Management Board's proposal to resume the

Dividends paid in the past three fiscal years:

| Fiscal year | Number of shares for dividend payment <sup>(1)</sup> | Dividend per share <sup>(2)</sup> | Portion of the dividend eligible for the 40% relief <sup>(3)</sup> |
|-------------|--|-----------------------------------|--|
| 03/31/20    | N/A  | N/A                               | N/A  |
| 03/31/19    | 19,877,822   | €0.23                             | 100%   |
| 03/31/18    | 5,004,501  | €0.81                             | 100%   |

(1) The Company's treasury shares are not eligible for the dividend. This is the number of shares after the 4-for-1 split of the nominal value of the share 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 reduction.

## 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

Company's dividend payout policy. This decision was made in light of the performance of the firm and the resilience of prospects in the consulting market despite the health crisis backdrop.

The Management Board proposed to the Annual General Meeting of Shareholders on 07/27/21, the payout of a dividend in respect of fiscal 2020/21 of €0.23 per share, identical to the amount paid in 2019 in respect of fiscal 2018/19, before the suspension of the dividend payout in 2020. This dividend exceptionally equates to a payout ratio of 18% of Group Share of Net Income.

also enabled the implementation of (i) a €65 million credit line to fund future external growth transactions, and, (ii) a €30 million 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.

### 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 03/31/21:

| Shareholders   | Number of shares  | % capital      | Theoretical voting rights | % of theoretical voting rights <sup>(1)</sup> | Exercisable voting rights | % of exercisable voting rights <sup>(2)</sup> |
|--|-------------------|----------------|---------------------------|---|---------------------------|---|
| <b>Executive and corporate officers</b>                                | <b>11,144,184</b> | <b>55.18%</b>  | <b>14,212,506</b>         | <b>57.78%</b>                                 | <b>14,212,506</b>         | <b>58.39%</b>                                 |
| <i>Pascal Imbert</i>   | <i>941,978</i>    | <i>4.66%</i>   | <i>1,883,956</i>          | <i>7.66%</i>                                  | <i>1,883,956</i>          | <i>7.74%</i>                                  |
| <i>FIH (family holding company of Pascal Imbert)<sup>(3)</sup></i>     | <i>4,847,158</i>  | <i>24.00%</i>  | <i>5,149,316</i>          | <i>20.93%</i>                                 | <i>5,149,316</i>          | <i>21.15%</i>                                 |
| <b>Subtotal Pascal Imbert</b>  | <b>5,789,136</b>  | <b>28.66%</b>  | <b>7,033,272</b>          | <b>28.59%</b>                                 | <b>7,033,272</b>          | <b>28.89%</b>                                 |
| <i>Michel Dancoisne</i>  | <i>1,195,179</i>  | <i>5.92%</i>   | <i>2,390,358</i>          | <i>9.72%</i>                                  | <i>2,390,358</i>          | <i>9.82%</i>                                  |
| <i>FDCH (family holding company of Michel Dancoisne)<sup>(4)</sup></i> | <i>2,827,509</i>  | <i>14.00%</i>  | <i>2,827,509</i>          | <i>11.49%</i>                                 | <i>2,827,509</i>          | <i>11.62%</i>                                 |
| <b>Subtotal Michel Dancoisne</b>                                       | <b>4,022,688</b>  | <b>19.92%</b>  | <b>5,217,867</b>          | <b>21.21%</b>                                 | <b>5,217,867</b>          | <b>21.44%</b>                                 |
| <i>Delphine Chavelas</i>   | <i>1,221,661</i>  | <i>6.05%</i>   | <i>1,740,061</i>          | <i>7.07%</i>                                  | <i>1,740,061</i>          | <i>7.15%</i>                                  |
| <b>Subtotal Dancoisne - Chavelas family</b>                            | <b>5,244,349</b>  | <b>25.97%</b>  | <b>6,957,928</b>          | <b>28.29%</b>                                 | <b>6,957,928</b>          | <b>28.58%</b>                                 |
| <i>Patrick Hirigoyen</i>   | <i>75,953</i>     | <i>0.38%</i>   | <i>151,886</i>            | <i>0.62%</i>                                  | <i>151,886</i>            | <i>0.62%</i>                                  |
| <i>Other directors and corporate officers</i>                          | <i>34,746</i>     | <i>0.17%</i>   | <i>69,420</i>             | <i>0.28%</i>                                  | <i>69,420</i>             | <i>0.29%</i>                                  |
| <b>Employees</b>   | <b>1,644,495</b>  | <b>8.14%</b>   | <b>2,642,730</b>          | <b>10.74%</b>                                 | <b>2,642,730</b>          | <b>10.86%</b>                                 |
| <b>Treasury stock</b>  | <b>257,699</b>    | <b>1.28%</b>   | <b>257,699</b>            | <b>1.05%</b>                                  | <b>0</b>                  | <b>0.00%</b>                                  |
| <b>Free float</b>  | <b>7,150,114</b>  | <b>35.40%</b>  | <b>7,486,166</b>          | <b>30.43%</b>                                 | <b>7,486,166</b>          | <b>30.75%</b>                                 |
| <b>Total</b>   | <b>20,196,492</b> | <b>100.00%</b> | <b>24,599,101</b>         | <b>100.00%</b>                                | <b>24,341,402</b>         | <b>100.00%</b>                                |

(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-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.

(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) P. Imbert owns the majority of shares and exclusive control of FIH.

(4) M. Dancoisne owns the majority of shares and exclusive control of FDCH.

Total voting rights attached to registered shares: 16,996,320 (1) for 12,593,711 shares.

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

Total bearer shares with single voting rights: 20,196,492 - 12,593,711 = 7,602,781 (2).

Total theoretical voting rights: (1) + (2) = 24,599,101.

Total shares in treasury: 257,699 (3).

Total exercisable voting rights: (1) + (2) - (3) = 24,341,402.

28.66% of Wavestone's shares are held directly by Pascal Imbert, the Chairman of the Management Board, and 25.97% by the Dancoisne - Chavelas family, Michel Dancoisne being Chairman of the Supervisory Board. Acting in concert, these shareholders jointly own 54.63% of the Company's capital and 57.47% of the exercisable voting rights at 03/31/2021.

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-Chairman), Jean-François Perret, Sarah Lamigeon, Rafaël Vivier, Benjamin Clément (members of the Supervisory Board) and Christophe Aulnette. Note that Marie-Ange Verdickt is also the Chairman of the Audit Committee and that Rafaël Vivier is Chairman of the Compensation and Nomination Committee.

According to a review of identifiable registered and bearer shares on 03/31/21, approximately 75% of the shares were held by institutional French and international funds and 25% by private shareholders on that date.

Wavestone is therefore controlled by its two founding shareholders and their families. We are committed to strict

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

| Shareholders   | 03/31/21 <sup>(1)</sup>         |                |                                |                                | 03/31/20 <sup>(2)</sup> |                |                                |                                | 03/31/19 <sup>(3)</sup> |                |                                |                                |
|--|---------------------------------|----------------|--------------------------------|--------------------------------|-------------------------|----------------|--------------------------------|--------------------------------|-------------------------|----------------|--------------------------------|--------------------------------|
|  | Number of shares <sup>(1)</sup> | % 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 |
| <b>Executive and corporate officers<sup>(2)</sup></b>    | <b>11,144,184</b>               | <b>55.18%</b>  | <b>57.78%</b>                  | <b>58.39%</b>                  | <b>11,163,433</b>       | <b>55.27%</b>  | <b>58.04%</b>                  | <b>58.83%</b>                  | <b>11,170,833</b>       | <b>55.31%</b>  | <b>62.59%</b>                  | <b>63.17%</b>                  |
| <i>Pascal Imbert</i>                                     | 941,978                         | 4.66%          | 7.66%                          | 7.74%                          | 941,978                 | 4.66%          | 7.85%                          | 7.96%                          | 941,978                 | 4.66%          | 7.03%                          | 7.10%                          |
| <i>FIH (family holding company of Pascal Imbert)</i>     | 4,847,158                       | 24.00%         | 20.93%                         | 21.15%                         | 4,847,158               | 24.00%         | 20.21%                         | 20.48%                         | 4,847,158               | 24.00%         | 18.09%                         | 18.26%                         |
| <i>Subtotal P. Imbert</i>                                | 5,789,136                       | 28.66%         | 28.59%                         | 28.89%                         | 5,789,136               | 28.66%         | 28.06%                         | 28.44%                         | 5,789,136               | 28.66%         | 25.13%                         | 25.36%                         |
| <i>Michel Dancoisne</i>                                  | 1,195,179                       | 5.92%          | 9.72%                          | 9.82%                          | 1,195,179               | 5.92%          | 9.96%                          | 10.10%                         | 4,022,688               | 19.92%         | 30.03%                         | 30.32%                         |
| <i>FDCH (family holding company of Michel Dancoisne)</i> | 2,827,509                       | 14.00%         | 11.49%                         | 11.62%                         | 2,827,509               | 14.00%         | 11.79%                         | 11.95%                         | -                       | -              | -                              | -                              |
| <i>Subtotal M. Dancoisne</i>                             | 4,022,688                       | 19.92%         | 21.21%                         | 21.44%                         | 4,022,688               | 19.92%         | 21.75%                         | 22.05%                         | 4,022,688               | 19.92%         | 30.03%                         | 30.32%                         |
| <i>Delphine Chavelas</i>                                 | 1,221,661                       | 6.05%          | 7.07%                          | 7.15%                          | 1,228,400               | 6.08%          | 7.28%                          | 7.38%                          | 1,228,400               | 6.08%          | 6.52%                          | 6.58%                          |
| <i>Subtotal Dancoisne - Chavelas family</i>              | 5,244,349                       | 25.97%         | 28.29%                         | 28.58%                         | 5,251,088               | 26.00%         | 29.03%                         | 29.43%                         | 5,251,088               | 26.00%         | 36.55%                         | 36.90%                         |
| <i>Patrick Hirigoyen</i>                                 | 75,953                          | 0.38%          | 0.62%                          | 0.62%                          | 86,453                  | 0.43%          | 0.66%                          | 0.67%                          | 90,953                  | 0.45%          | 0.63%                          | 0.63%                          |
| <i>Other directors and corporate officers</i>            | 34,746                          | 0.17%          | 0.28%                          | 0.29%                          | 36,756                  | 0.18%          | 0.28%                          | 0.29%                          | 39,656                  | 0.20%          | 0.28%                          | 0.28%                          |
| <b>Employees</b>   | <b>1,644,495</b>                | <b>8.14%</b>   | <b>10.74%</b>                  | <b>10.86%</b>                  | <b>1,655,746</b>        | <b>8.20%</b>   | <b>9.66%</b>                   | <b>9.79%</b>                   | <b>1,631,835</b>        | <b>8.08%</b>   | <b>8.21%</b>                   | <b>8.29%</b>                   |
| <b>Treasury stock</b>                                    | <b>257,699</b>                  | <b>1.28%</b>   | <b>1.05%</b>                   | <b>0.00%</b>                   | <b>323,968</b>          | <b>1.60%</b>   | <b>1.35%</b>                   | <b>0.00%</b>                   | <b>249,083</b>          | <b>1.23%</b>   | <b>0.93%</b>                   | <b>0.00%</b>                   |
| <b>Free float</b>  | <b>7,150,114</b>                | <b>35.40%</b>  | <b>30.43%</b>                  | <b>30.75%</b>                  | <b>7,053,345</b>        | <b>34.92%</b>  | <b>30.95%</b>                  | <b>31.37%</b>                  | <b>7,144,741</b>        | <b>35.38%</b>  | <b>28.27%</b>                  | <b>28.54%</b>                  |
| <b>Total</b>   | <b>20,196,492</b>               | <b>100.00%</b> | <b>100.00%</b>                 | <b>100.00%</b>                 | <b>20,196,492</b>       | <b>100.00%</b> | <b>100.00%</b>                 | <b>100.00%</b>                 | <b>20,196,492</b>       | <b>100.00%</b> | <b>100.00%</b>                 | <b>100.00%</b>                 |

(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 223-11 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 03/31/21.

On March 29, and 04/01/21, FIH acquired double voting rights relating to the 4,847,158 Wavestone shares it holds (the table above includes the double voting rights acquired on 03/29/21).

Furthermore, on 04/01/21, FIH issued a proxy, for 2,865,000 voting rights attached to the shares it holds, to Maître Thomas Prud'homoz, notary in Paris.

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.

This proxy was granted out to 12/09/21 inclusive, on an irrevocable basis and without any voting instructions. FIH and Maître Thomas Prud'homoz have stated that they are not acting as a joint ownership structure and confirm, as is necessary, that the proxy given does not constitute a new joint ownership structure.

The purpose of this proxy is to maintain the balance within the joint ownership structure which controls Wavestone represented by Pascal Imbert, FIH, Michel Dancoisne, FDCH

(family holding company controlled by Michel Dancoisne) and Delphine Chavelas, the daughter of Michel Dancoisne. The proxy will expire on 12/10/21, the date on which FDCH is to acquire double voting rights relating to the 2,827,509 shares it holds.

As of 04/01/21, following these changes, FIH holds 6,829,316 voting rights, representing 23.43% of the Company's total voting rights.

For the record, on the same date, the joint ownership structure represented by Pascal Imbert, FIH, Michel Dancoisne, FDCH and Delphine Chavelas, holds 54.66% of Wavestone's share capital and 53.79% of the firm's voting rights (compared with 56.36% previously).

### 3.1.2. Crossing shareholding thresholds and declarations of intent

#### Crossing shareholding thresholds and declarations of intent on 07/23/20

In a letter sent to the AMF on 07/23/20, the civil company FIH<sup>(1)</sup> declared that on 07/20/20, it had individually crossed below the threshold of 20% of the voting rights in Wavestone and that it individually held 4,847,158 Wavestone shares representing the same number of voting rights, i.e. 24.00% of the capital and 19.96% of the voting rights<sup>(2)</sup>.

The crossing of this shareholding threshold arose from an increase in the voting rights of Wavestone. On this occasion, the joint ownership structure formed by Pascal Imbert, FIH, Michel Dancoisne, FDCH<sup>(3)</sup> and Delphine Chavelas did not cross any shareholding threshold and holds, on 07/20/20, 11,040,224 Wavestone shares representing 13,695,781 voting rights, i.e., 54.66% of the share capital and 56.41% of the voting rights of the Company, distributed as follows:

|  | Shares            | % Capital    | Voting rights     | % Voting rights |
|--|-------------------|--------------|-------------------|-----------------|
| Pascal Imbert  | 941,978           | 4.66         | 1,883,956         | 7.76            |
| FIH  | 4,847,158         | 24.00        | 4,847,158         | 19.96           |
| <b>Subtotal Pascal Imbert (A)</b>                            | <b>5,789,136</b>  | <b>28.66</b> | <b>6,731,114</b>  | <b>27.72</b>    |
| Michel Dancoisne   | 1,195,179         | 5.92         | 2,390,358         | 9.84            |
| FDCH   | 2,827,509         | 14.00        | 2,827,509         | 11.65           |
| <b>Subtotal Michel Dancoisne (B)</b>                         | <b>4,022,688</b>  | <b>19.92</b> | <b>5,217,867</b>  | <b>21.49</b>    |
| Delphine Chavelas (C)  | 1,228,400         | 6.08         | 1,746,800         | 7.19            |
| <b>Subtotal Michel Dancoisne and Delphine Chavelas (B+C)</b> | <b>5,251,088</b>  | <b>26.00</b> | <b>6,964,667</b>  | <b>28.68</b>    |
| <b>Total joint ownership structure (A+B+C)</b>               | <b>11,040,224</b> | <b>54.66</b> | <b>13,695,781</b> | <b>56.41</b>    |

(1) Non-commercial company, controlled by Mr. Pascal Imbert.

(2) Based on capital of 20,196,492 shares representing 24,280,466 voting rights.

(3) Non-commercial company, controlled by Mr. Michel Dancoisne.

### 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 €1,103.80, 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 03/31/21, Wavestone was not informed of any collective lock-up undertakings relating to the firm's securities.

It is specified that over the past few fiscal years, a number of collective lock-up undertakings relating to Wavestone's securities were entered into as follows for those still in force.

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 787B of the French General Tax Code. The signatories of this lock-up undertaking are committed to holding:

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

On 03/29/19, FIH, Pascal Imbert, Patrick Hirigoyen, Chief Executive Officer and member of Wavestone's Executive Board, and Michel Dancoisne signed a collective lock-up agreement, in accordance with the provisions of Article 787B of the French General Tax Code, for a period of 2 years, tacitly

yearly extended, until terminated by one of the parties. Under the terms of these agreements, the signatories collectively undertook to retain 5,453,073 shares representing 27% of the share capital and 22.62% of the voting rights.

A collective undertaking to retain shares was entered into on 12/21/16 between Mrs. Delphine Chavelas and Messrs. Michel Dancoisne and Pascal Imbert. It covers 4,931,128 shares.

### 3.1.5. Trends in the Wavestone share-price performance

The Wavestone share price was €16.26 on 04/01/20 at the beginning of the fiscal year and €34.40 on 03/31/21, a rise of 112%.

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 4.1.9 "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 Universal Registration Document filed on 07/23/20 with the AMF under number D.20-0700 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 2021 are disclosed in the notes to the Company's financial statements and summarized in paragraph 4.1.9: "Share buyback program".

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

## 3.2. Employee shareholding

### Status of employee shareholding

Pursuant to Article L.225-102 of the French Commercial Code, we inform you that employees or former employees of Wavestone and/or affiliated companies under the meaning of Article L.225-180 of the French Commercial Code, as part of the Group's Employee Shareholding Plan, via a company mutual fund invested in Wavestone shares as of 03/31/21, held 544,710 shares in Wavestone, equivalent to 2.70% of the share capital and that employees personally held Wavestone shares pursuant to the provisions of Article L.225-102 of the French

Commercial Code held 158,460 shares in Wavestone as of 03/31/21, i.e., 0.78% of the share capital at that date.

Furthermore, it is specified that the firm's employees directly hold around 5.44% of the shares making up Wavestone's capital.

#### Employee profit-sharing

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

#### Free share plan

At end-March 2021, the Wavestone Group had several free share plans.

During the past year, in the context of the Covid-19 crisis, Wavestone did not grant any new free share plans.

On the other hand, a final allocation of free shares was made as described below.

The Management Board recalls that on 07/02/18, using the authorization granted by the Combined Shareholders' Meeting of 07/20/16, a plan for the free allocation of shares, existing or to be issued, was set up by the Board for the benefit of Wavestone employees, depending on the option they chose under the employee savings scheme. This plan is called "Employee Plan no. 13".

The vesting period of "Employee Plan No. 13", which was twenty-four (24) months, expired on 07/02/20.

The initial grant was for a maximum of 83,000 shares. Given the terms of the plan, a number of 60,032 shares were definitively acquired by 1,022 employees at the end of the vesting period.

The shares delivered under the "Employee Plan no. 13" are existing shares previously acquired by the company under a share buyback program.

The Management Board also recalls that on the same date of 07/02/18, a free share allocation plan, called "Key People Plan no. 13", was set up for the benefit of 21 key employees of Wavestone, designated by the Management Board after consultation with the Compensation Committee. Mr. Patrick Hirigoyen, a member of the Management Board, is also a beneficiary of this plan. The plan concerns 71,036 shares. The acquisition period runs for a 36-month term.

This plan includes a performance condition, relative to the Group's EBIT target, measured on a like-for-like basis and defined at the start of the plan. In accordance with the provisions of the plan to reflect major changes in market data, the Management Board adjusted its EBIT target at its 02/04/21 meeting, owing to the health crisis stemming from the Covid-19 pandemic.

The new target set by the Supervisory Board at its 01/29/21 meeting, on the recommendation of the Compensation and Appointments Committee, based on the initial target and changes in market data in 2020 as communicated by Syntec Numérique, and as provided for in the plan.

#### Principle of non-interference by management in employee shareholder voting

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

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

### 4. Proposals submitted by the Management Board to the 07/27/21 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 03/31/21, as presented to you, showing a net profit for the year of €20,749,249.

The Management Board and the Supervisory Board request the approval of the dividend payout of €0.23 per share in respect of fiscal 2020/21. This dividend is identical to that paid in 2019 in respect of fiscal 2018/19, before the suspension of the dividend payment in 2020 owing to the Covid-19 pandemic.

This dividend exceptionally equates to a payout ratio of 18% of Group Share of Net Income. As a reminder, Wavestone's usual dividend policy is to apply a payout ratio of 15%, although the firm reserves the right to adjust this ratio according to its cash generation, financing needs and industry practices.

Based on the shareholder register on 03/31/21, 19,938,793 shares are eligible for a dividend, which equates to €4,585,922 and a payout ratio of 18.1% of the Group's Share of Net Income.

|   |                     |
|---|---------------------|
| Profit for the year ended 03/31/21 is allocated as follows: |                     |
| Net income:   | €20,749,249         |
| Allocation to the legal reserve <sup>(1)</sup> :            | –                   |
| Retained earnings account:                                  | €160,042,086        |
| Net distributable profit:                                   | €180,791,335        |
| Dividend:   | €4,585,922          |
| <b>Balance allocated to the retained earnings account:</b>  | <b>€176,205,413</b> |

The dividend will be paid in cash as of 08/05/21.

For French tax residents, this dividend is subject to a single flat-rate tax according to Article 200A of the French General Tax Code at a rate of 12.8%. The tax is fully applicable and stands on its own, unless the taxpayer has expressly opted for the progressive tax scale. If this option is selected, the dividend is eligible for the 40% reduction referred to in Article 158-3, section 2, of the French General Tax Code for individuals who are tax residents in France.

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

Details of dividends distributed by the Company in the past three fiscal years are given above in 2.9, 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 €15,163, making for a tax charge of €4,855.

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 03/31/21, as presented to you, showing consolidated net income for the year of €25,376,892.

#### 4.1.2. Related-party agreements (4<sup>th</sup> resolution)

You are asked to:

- 1/ acknowledge that no new agreements were authorized, concluded or entered into during the fiscal year ended 03/31/21;
- 2/ acknowledge the information relating to the previously approved agreement and which continued in effect during the fiscal year ended 03/31/21.

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 to the Supervisory Board (5<sup>th</sup> and 6<sup>th</sup> resolutions)

The Management Board proposes, in the fifth and sixth resolutions, and after approval by the Compensation and Nomination Committee and the Supervisory Board, to appoint respectively Mrs. Marlène Ribeiro and Mrs. Véronique Beaumont as new members of the Supervisory Board for a period of four years, i.e., until the Annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/25.

Items and information relative to Ms. Marlène Ribeiro and Ms. Véronique Beaumont, in accordance with Articles L.225-115, section 3 and R.225-83, paragraph 5 of the French Commercial Code, and presented in section 1.2.2 of the Supervisory Board Report on Corporate Governance.

(1) The amount of the legal reserve having reached the threshold of 10% of the share capital.

The grounds for proposing the appointment of Ms. Marlène Ribeiro as a member of the Supervisory Board are:

- her position as a woman executive officer in an international group;
- her extensive knowledge of human resources management and in particular recruitment in the technology sector;
- her personal commitment to diversity, gender equality, greater involvement of women in the technology sector and support for high-potential women.

The grounds for proposing the appointment of Ms. Véronique Beaumont as a member of the Supervisory Board are:

- her position as a woman executive officer in an international group;
- her extensive knowledge of the consulting market and IT and digital technologies and the key success factors in this business and these fields;
- her experience in managing consultant teams and project management experience in such activities.

Ms. Marlène Ribeiro and Ms. Véronique Beaumont have both made it known in advance that they accept these positions and that there are no measures or impediments to them exercising their functions.

#### **4.1.4. Approval of the information mentioned in I of Article L.22-10-9 of the French Commercial Code for the fiscal year ending 03/31/21 (7<sup>th</sup> resolution)**

In the 7<sup>th</sup> resolution, the Management Board proposes that you approve, in accordance with Article L.22-10-34 of the French Commercial Code, the information relating to the compensation paid or granted to corporate officers during the fiscal year ended 03/31/21, as referred to in Article L.22-10-9 of the French Commercial Code, as presented in paragraph 2 of the Supervisory Board's report on corporate governance.

#### **4.1.5. Approval of implementation of compensation policy in respect of the 2020/21 fiscal year (8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> resolutions)**

Under the terms of the 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> resolutions, the General Meeting of Shareholders on 07/28/20 approved the compensation policy for the members of the Management Board and the members of the Supervisory Board (in an ex-ante vote).

In accordance with Article L.22-10-34 II. of the French Commercial Code, you are asked to vote on the fixed, variable and exceptional components of total compensation and benefits-in-kind due or allocated to the members of the Management Board and to the Chairman of the Supervisory Board for the fiscal year ended 03/31/21 (in an ex-post vote).

Your Supervisory Board is proposing three resolutions to fulfill this requirement, for the Chairman of the Management Board (8<sup>th</sup> resolution), for the second member of the Management Board and General Director (9<sup>th</sup> resolution), and for the Chairman of the Supervisory Board (10<sup>th</sup> resolution), respectively.

Pursuant to the provisions of Article L.22-10-34 II. of the French Commercial Code, payment of variable, and where relevant, exceptional compensation in respect of the fiscal year just ended to the members of the Management Board and the Chairman of the Supervisory Board and requires the approval of same by the Annual General Meeting.

The 8<sup>th</sup> and 9<sup>th</sup> resolutions ask you to approve the components of compensation and benefits-in-kind due 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 03/31/21.

The 10<sup>th</sup> 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 03/31/21.

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 2020/21 are set out in the Supervisory Board's report on corporate governance in section 2.3.1 of the Corporate governance report.

#### **4.1.6. Compensation allocated to members of the Supervisory Board (11<sup>th</sup> resolution)**

The Group has requested to approve a total of €176,000 in overall annual compensation for the members of the Supervisory Board as of the fiscal year commencing 04/01/21 and for subsequent fiscal years until decided otherwise by the Annual General Meeting.

The items considered to define this amount are detailed in section 2.3.2. of the Corporate Governance Report.

In accordance with market recommendations, the allocation of compensation to the different members of the Supervisory Board has, up to now, been decided by the Supervisory Board taking into account their actual attendance at Supervisory Board, Compensation and Appointments Committee and Audit Committee meetings and the time given to their roles.

#### 4.1.7. Approval of the compensation policy of corporate officers for the fiscal year beginning 04/01/21 (12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> resolutions)

In accordance with Article L.22-10-26 of the French Commercial Code, the principles and criteria used to determine, distribute and allocate the fixed, variable and exceptional components of total compensation and benefits-in-kind allocated to members of the Management and Supervisory Boards are submitted in a resolution for vote at the Annual General Meeting at least once a year (in an ex-ante vote). These principles and criteria constitute the compensation policy approved by the Supervisory Board, on the recommendation of the Compensation and Nomination 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 (12<sup>th</sup> resolution), the second member of the Management Board and General Director (13<sup>th</sup> resolution), and the Chairman and members of the Supervisory Board (14<sup>th</sup> resolution).

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

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 99.51%- and 96.51%-approved respectively by the Annual General Meeting of 07/28/20.

Note that the payment in 2022 of the variable, and where relevant, the exceptional component for the fiscal year ended 03/31/22 compensation is subject to approval by the General Meeting to be held in 2021, in accordance with the conditions specified under Article L.22-10-34 II. of the French Commercial Code.

The 12<sup>th</sup> and 13<sup>th</sup> 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 14<sup>th</sup> 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 the Chairman is given in this report in section 2.3.2 of the Corporate governance report.

#### 4.1.8. Approval of reimbursement of monies received under short-time working arrangements by Wavestone group companies (15<sup>th</sup> resolution)

The Management Board specifies that the Company and its subsidiaries, in France, Switzerland, Luxembourg and the UK benefited in respect of fiscal 2020/21 from short-time working arrangements implemented by governments to tackle the health crisis linked to the Covid-19 pandemic, received total monies of €3,186,054 in respect of fiscal 2020/21.

In light of the firm's resilience in fiscal 2020/21 and the strength of the operating margin, and after a favorable decision by the Executive Committee (EXCOM) and the Economic and Social Committee (ESC) and approval from the Supervisory Board, the Management Board decided on 03/26/21 to submit for approval the decision to reimburse all monies received in respect of fiscal 2020/21 under short-time working arrangements to tackle the Covid-19 health crisis.

This decision by the Management Board led to:

- i) the allocation of a provision in the 2020/21 financial statements of the relevant companies for an amount corresponding to the monies received under short-time working arrangements in fiscal 2020/21, i.e., for the Wavestone company, a provision of €1,244,531 was set aside;
- ii) and the allocation in the 2020/21 financial statements of Wavestone French companies of a provision corresponding to an additional profit-sharing contribution, the amount of which is aimed at offsetting the negative impact of the provision mentioned above relative to the calculation of 2020/21 employee profit sharing. For Wavestone, this represents a provision of €292,328 (including the social contribution).

#### 4.1.9. Share buyback program (16<sup>th</sup> resolution)

##### Current share buyback program

The Combined Ordinary and Extraordinary Shareholders Meeting on 07/28/20 authorized the Management Board, under the 14<sup>th</sup> 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 09/16/19.

As required by law, we inform you that, at 03/31/21, the key features pertaining to the two programs launched one after the other during the 2020/21 fiscal:

- 81,425 shares were purchased during the period at a total acquisition cost of €2,042,643.03, giving an average purchase price of €25.09 per share;

- 87,662 treasury shares were sold during the period at a total sale price of €2,179,234.09, giving an average selling price of €24.86 per share;
- trading fees incurred by the Company totaled €15,546.92 in 2020/21;
- 60,032 free shares were granted to employees during the period, worth €2,518,342.40 measured at acquisition cost, giving an average selling price of €41.95 per share;
- 257,699 treasury shares were on the balance sheet at 03/31/21 for a total market value of €8,864,845.60, calculated at the closing price of €34.40 on 03/31/21; their nominal value was €0.025 per share

Treasury shares represented 1.28% 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 |
|---|----------------|-----------------|-----------------------------|---|
| <b>Situation at 03/31/20</b>            | <b>28,359</b>  | -               | <b>295,609</b>              | -   |
| Purchases                               | 81,425         | -               |                             | -   |
| Sales                                   | -87,662        | -               |                             | -   |
| Reallocations                           | -              | -               |                             | -   |
| Redemptions                             | -              | -               | -60,032                     | -   |
| <b>Situation at 03/31/21</b>            | <b>22,122</b>  | -               | <b>235,577</b>              | -   |
| Gross carrying value <sup>(1)</sup> (€) | 730,436,21     | -               | 7,206,224,48                | -   |
| % of share capital at 03/31/21          | 0.11%          | 0.00%           | 1.17%                       | -   |

(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.

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;

- cancel all or part of the shares thus repurchased in order to reduce the capital, within the framework and subject to the authorization of the Extraordinary General Meeting currently in force;
- 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, of which a maximum of 5% in the context of commitments made in favor of employee and/or corporate officer share ownership.

#### Financial terms of purchase

Maximum purchase price per share: €102 (excluding expenses) for transactions to promote the market for the Wavestone share and boost liquidity, and €76 (excluding expenses) in other cases.

#### Cancellation of shares

The Combined Ordinary and Extraordinary Shareholders' Meeting on 07/27/21 will be asked to delegate power to the Management Board to reduce the share capital by canceling shares. See Resolution 17.

#### Period of validity

Valid as of the Combined Ordinary and Extraordinary Shareholders Meeting convened on 07/27/21 until the next annual general meeting called to approve the financial statements for the fiscal year ending 03/31/22 and for a maximum of 18 months, it being understood that the Combined Ordinary and Extraordinary Shareholders Meeting on 07/27/21 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 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 07/27/21 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 2020/21 Universal Registration Document.

#### 4.2. Extraordinary general meeting resolutions

Several points are submitted for approval in the Extraordinary General Meeting. The Board of Directors are requested to:

- a) authorize the Management Board to reduce the share capital by canceling shares;
- b) authorize the Management Board to issue ordinary shares or securities granting access to the Company's share capital or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, maintaining shareholders' preferential subscription rights (PSR);

- c) authorize the Management Board to issue ordinary shares or securities granting access to the Company's share capital or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, canceling shareholders' PSR in the event of a public offer (IPO);

- d) authorize the Management Board to issue ordinary shares or securities granting access to the Company's share capital or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, canceling shareholders' PSR in the event of a private placement;

- e) authorize the Management Board to increase the share capital, with or without PSR, if oversubscribed;

- f) authorize the Management Board to issue ordinary shares or securities granting access to the Company's share capital or conferring the right to the allocation of debt securities and/or securities granting access to equity securities to be issued, with a view to remunerating contributions in kind outside the context of an IPO;

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

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

- i) set the overall ceiling relative to such financial authorizations;

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

- k) amend the Articles of Association to introduce provisions relative to the appointment of Supervisory Board members representing employee shareholders pursuant to Articles L.225-71 and L.22-10-22 of the French Commercial Code;

- l) amend the Articles of Association: election by employees of an employee representative on the Supervisory Board pursuant to Articles L.225-71, L.225-79 and L.22-10-22 of the French Commercial Code.

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

One of the objectives of the 17<sup>th</sup> resolution is the cancellation of treasury shares. As a result, the Management Board requests to be granted the power, with the power to sub-delegate, under the conditions set by law and the Articles of Association, to reduce the share capital, on one or more occasions, by canceling any and all numbers of treasury shares, within the limits authorized by law except during public offer (IPO) periods.

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

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

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

**4.2.2. Financial authorizations to transact Wavestone's share capital**

**Overview**

The Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19 delegated authority to the Management Board to increase the share capital to build loyalty and retain employees and corporate officers.

The valid authorizations that have not been used (expect those relative to free share grants) are about to expire, apart from free share allocation authorizations granted to the benefit of employees and corporate officers.

Once again, the Management Board requests that it is entrusted with the financial management of the Company and the renewal of these financial authorizations.

The Management Board again specifies the principle of non-interference by the Company's top management in how employee shareholders vote (see paragraph 3.2 of the Management Board Report - *General Report*).

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

- (1) on the one hand, to give the Company greater flexibility and speed to raise financing as needed in the markets for the Company's development;
- (2) on the other, to give the Company the ability to maintain the loyalty of its employees and corporate officers using the tools provided as part of the Company Savings Plan and/or the Group Savings Plan.

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

- (i) those that would give rise to issues with preferential subscription rights (PSR) (non-dilutive issues);
- (ii) and those that would give rise to issues without PSR (dilutive issues).

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

For some of these resolutions, the Management Board requests to be granted the right to cancel PSR. In accordance with the 19<sup>th</sup> resolution, existing shareholders would, however, have a priority window of at least five (5) trading days, except for the 20<sup>th</sup> resolution regarding private placements for which no priority window will be granted.

Note that voting to approve resolutions authorizing the Management Board to issue shares and/or securities to remunerate contributions in kind would, by applicable law, entail the express waiver by shareholders of their PSR in favor of the beneficiaries of these issues or allocations.

A time limit would apply to each of these authorizations. Moreover, the Management Board may only exercise its right to increase the share capital within the limits of (i) the specific ceilings for each resolution and (ii) an overall ceiling outlined in the 27<sup>th</sup> resolution. Similarly, issues of debt securities would be subject to (i) specific ceilings for each resolution and (ii) an overall ceiling outlined in the 27<sup>th</sup> resolution.



- As in previous years, the Management Board specifies that:
- (I) preference shares and securities granting access to preference shares are excluded from the delegations of authority;
  - (II) issues are strictly limited to the Company and do not concern subsidiaries;
  - (III) the Management Board and the Company's top management undertake not to interfere in the voting of employee shareholders;
  - (IV) the authorizations granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on 09/16/19 shall be terminated.

However, the Management Board proposes that the delegations of authority described below and which require approval will be suspended during the public offer (IPO) period for the Company's shares with respect to another company.

**Summary table of resolutions 18 to 28**

|  |  |   |                          |                          |           |
|--|--|---|--------------------------|--------------------------|-----------|
| Common ceiling for all dilutive and non-dilutive issues: 30% of the share capital (27 <sup>th</sup> resolution) <sup>(1)</sup> | Ceiling applicable to non-dilutive issues: 30% of the share capital    | Capital increase maintaining shareholders' preferential subscription rights (PSR) (18 <sup>th</sup> resolution) | 30% of the share capital | 26 months                |           |
|  |  | % over-allocation of the initial issue (21 <sup>st</sup> resolution)  | 15%                      | 26 months                |           |
|  | Ceiling applicable to dilutive issues: 20% or 10% of the share capital | Capital increase without PSR, but with priority rights including an IPO (19 <sup>th</sup> resolution)           |                          | 20% of the share capital | 26 months |
|  |  | Capital increase without PSR in a private placement (20 <sup>th</sup> resolution)                               |                          | 10% of the share capital | 26 months |
|  |  | % over-allocation of the initial issue (22 <sup>nd</sup> and 23 <sup>rd</sup> resolutions)                      |                          | 15%                      | 26 months |
|  |  | Contributions in kind outside the context of a public exchange offer (24 <sup>th</sup> resolution)              |                          | 10% of the share capital | 26 months |
|  |  | Contributions in kind as part of a public exchange offer initiated by the Company (25 <sup>th</sup> resolution) |                          | 10% of the share capital | 26 months |
|  |  | Capital increase reserved for employees/corporate officers (Company Savings Plan) (26 <sup>th</sup> resolution) |                          | 5% of the share capital  | 26 months |
|  |  | Incorporation of reserves, profits, premiums or other amounts (28 <sup>th</sup> resolution)                     |                          | €400k                    | 26 months |

(1) All capital increases following the allocation of free shares to employees or corporate officers pursuant to the 25<sup>th</sup> and 26<sup>th</sup> resolutions of the Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19 shall also be deducted from the overall ceiling.

**Issue of ordinary shares and securities with preferential subscription rights maintained (18<sup>th</sup> resolution)**

In the 18<sup>th</sup> resolution, the Management Board requests delegated authority for a period of 26 months, to maintain preferential subscription rights and issue i) ordinary shares and ii) complex securities of the Company, both in France and abroad.

The ceilings for this new authorization would be as follows:

- (I) for ordinary shares to be issued by the Company: a par value/nominal value of €151,474, which is 30% of the share capital (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19);
- (II) for issues of debt securities: a principal amount of €40,000,000 (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19).

Renewing this overall authorization provides the Company with the resources to raise funds at any time from the shareholders through the issue of shares or complex securities granting access to the capital, with detachable, negotiable preferential subscription rights.

**Issue of shares and securities as part of a public offer, canceling preferential subscription rights, but with the obligation to grant a priority right (19<sup>th</sup> resolution)**

In the 19<sup>th</sup> resolution, the Management Board requests delegated authority, for a period of 26 months, to cancel preferential subscription rights and issue an IPO through: i) ordinary shares or ii) complex securities of the Company, both in France or abroad.

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

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

- (I) for ordinary shares to be issued by the Company: a par value/nominal value of €100,982, which is 20% of the share capital (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19).

As in the previous delegation of authority, this is an overall ceiling that would apply to the following dilutive issues: capital increases pursuant to the 20<sup>th</sup>, 21<sup>st</sup>, 24<sup>th</sup> and 25<sup>th</sup> resolutions. This ceiling would be deducted from the overall ceiling of 30% of the capital provided for in the 27<sup>th</sup> resolution;

- (II) for issues of debt securities: a principal amount of €15,000,000 (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19).

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

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

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

- (I) the fact that the Management Board is obliged to grant shareholders a five-day priority subscription window, both irreducible and reducible, which is longer than the minimum three-day period provided for in Article R. 225-131 of the French Commercial Code and fully compliant with voting recommendations;
- (II) the fact that, pursuant to the provisions of the French Commercial Code, the issue price of the shares must be at least equal to the weighted average of the share price during the last three trading days preceding the day on which the price is set, possibly reduced by a maximum discount of 5%.

This delegation complies with market voting recommendations.

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

In the 20<sup>th</sup> resolution, the Management Board requests delegated authority for a period of 26 months, to cancel preferential subscription rights without priority rights and issue in a private placement i) ordinary shares and/or ii) complex securities of the Company, both in France and abroad.

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

- (I) a ceiling of 10% of the share capital (identical to that authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of 09/16/19); the issues carried out pursuant to this delegation shall be deducted from the ceiling set in the 19<sup>th</sup> resolution (dilutive issues) and within the limit of the overall ceiling in the 27<sup>th</sup> resolution;
- (II) for issues of debt securities: a principal amount equal to the maximum amount set in the 19<sup>th</sup> resolution (dilutive issues), i.e., €15,000,000, and within the limit of the overall ceiling set in the 27<sup>th</sup> resolution.

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

The ability to issue shares without preferential subscription rights is essential for the Management Board to carry out transactions at the speed required for them to be successful,



and the private placement offers the opportunity to raise the profile of the Paris stock exchange by offering companies a faster and simpler way to raise funds than through a public offer (IPO).

Through this delegation, the Company complies with market voting recommendations.

**Authorization to increase the number of shares to be issued, as part of a capital increase with or without cancellation of shareholders' preferential subscription rights (21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions)**

In the 21<sup>st</sup> resolution, the Management Board requests delegated authority, for a period of 26 months, to increase for each issue that may be decided, with preferential subscription rights, pursuant to the 18<sup>th</sup> resolution, the number of shares to be issued, in accordance with the conditions provided for in Article L.225-135-1 of the French Commercial Code, i.e., within the limit of 15% of the initial issue and at the same price as the initial issue (over-allocation).

In the 22<sup>nd</sup> resolution, the Management Board requests delegated authority, for a period of 26 months, to increase for each issue that may be decided, with preferential subscription rights, pursuant to the 19<sup>th</sup> resolution, the number of shares to be issued, in accordance with the conditions provided for in Article L.225-135-1 of the French Commercial Code, i.e., within the limit of 15% of the initial issue and at the same price as the initial issue (over-allocation).

In the 23<sup>rd</sup> resolution, the Management Board requests delegated authority, for a period of 26 months, to increase for each issue that may be decided, without preferential subscription rights, as part of a private placement, pursuant to the 20<sup>th</sup> resolution, the number of shares to be issued, pursuant to the conditions provided for in Article L.225-135-1 of the French Commercial Code, i.e., within the limit of 15% of the initial issue and at the same price as the initial issue (over-allocation).

This authorization would not result in increasing the ceilings set in the 18<sup>th</sup>, 19<sup>th</sup> and 20<sup>th</sup> resolutions mentioned above.

Factoring in the potential volatility of the Wavestone share price, the Management Board considers it necessary to renew this authorization to secure, development financing, among other priorities.

**Issue of shares and securities, without shareholders' preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third-party companies outside the context of a public exchange offer (24<sup>th</sup> resolution)**

In the 24<sup>th</sup> resolution, the Management Board requests delegated authority, for a period of twenty-six months, to issue (i) ordinary shares and/or (ii) complex securities granting access to other equity securities of the Company, to remunerate contributions in kind granted to the Company and consisting of equity securities or securities granting access to the capital of third-party companies.

The issue of ordinary shares or complex securities would be issued without shareholders' preferential subscription rights (PSR) to the securities issued pursuant to this delegation, which would automatically entail the waiver by shareholders of their PSR.

This delegation of authority should comply with:

- (I) the legal ceiling of 10% of the share capital and the issues carried out pursuant to this delegation shall be deducted from the ceiling set in the 19<sup>th</sup> resolution (dilutive issues) and within the limit of the overall ceiling in the 27<sup>th</sup> resolution;
- (II) for issues of debt securities: a principal amount equal to the maximum amount set in the 19<sup>th</sup> resolution (dilutive issues), i.e., €15,000,000, and within the limit of the overall ceiling set in the 27<sup>th</sup> resolution.

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

**Issue of shares and securities, without shareholders' preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third-party companies in the context of a public exchange offer issued by the Company (25<sup>th</sup> resolution)**

In the 25<sup>th</sup> resolution, the Management Board requests delegated authority, for a period of twenty-six months, to issue (i) ordinary shares and/or (ii) complex securities granting access to other equity securities of the Company, to remunerate contributions in kind granted to the Company in the context of a public exchange offer issued by the Company and consisting of equity securities or securities granting access to the capital of third-party companies.

The issue of ordinary shares or complex securities would be issued without shareholders' preferential subscription rights (PSR) to the securities issued pursuant to this delegation, which would automatically entail the waiver by shareholders of their PSR.

This delegation of authority should comply with:

- (I) a ceiling of 10% of the share capital and the issues carried out pursuant to this delegation shall be deducted from the ceiling set in the 19<sup>th</sup> resolution (dilutive issues) and within the limit of the overall ceiling in the 27<sup>th</sup> resolution;
- (II) for issues of debt securities, a principal amount equal to the maximum amount set in the 19<sup>th</sup> resolution (dilutive issues), i.e., €15,000,000, and within the limit of the overall ceiling set in the 27<sup>th</sup> resolution.

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

**Issue of shares and securities, without shareholders' preferential subscription rights, for employees who are members of the Company Savings Plan and for corporate officers eligible for the Company Savings Plan (26<sup>th</sup> resolution)**

In the 26<sup>th</sup> resolution, the Management Board requests delegated authority, for a period of twenty-six months, to increase the share capital by issuing ordinary shares and/or complex securities granting access to ordinary shares of the Company reserved for members of a Company Savings Plan (referred to by Wavestone as the Group Savings Plan) of the Company or of affiliated French or foreign companies, within the meaning of Articles L.225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code within the framework of the provisions of Articles L.225-129-2 to

L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 et seq. of the French Labor Code, with waiver of shareholders' preferential subscription rights.

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

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

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

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

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

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

The Company does not plan to make use of this delegation. The delegations granted to the Management Board with the approval of the 25<sup>th</sup> and 26<sup>th</sup> resolutions of the Annual General Meeting of 09/16/19 fully meet the needs of the employee savings plan implemented by the firm, thereby pursuing its actions to develop employee profit sharing.

As a result, we request that you reject this 26<sup>th</sup> resolution.



#### **Overall ceiling of delegations and authorizations (27<sup>th</sup> resolution)**

In the 27<sup>th</sup> resolution, the following conditions are requested:

- (I) €151,474, or 30% of the share capital, as the maximum nominal amount of immediate or future share capital increases which may be carried out pursuant to the authorizations granted by resolutions 18 to 26. Each resolution has a sub-ceiling included in this overall ceiling.

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

- (II) €40,000,000 as the maximum nominal amount of debt securities that may be issued pursuant to the authorizations granted by resolutions 18 to 25. Each resolution has a sub-ceiling included in this overall ceiling.

#### **Capital increase by incorporation of reserves, profits, premiums, or other amounts (28<sup>th</sup> resolution)**

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

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

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

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

#### **4.2.3. Amendments to the Articles of Association: introduction of provisions relative to the appointment of Supervisory Board members representing employee shareholders pursuant to Articles L.225-71 and L.22-10-22 of the French Commercial Code (29<sup>th</sup> resolution)**

It is specified that the shares held pursuant to the conditions of Article L.225-102 of the French Commercial Code by Wavestone employees and employees of affiliated companies under the meaning of Code represented more than 3% of the firm's share capital as of end-March 2020.

As a result of exceeding this 3% threshold and pursuant to Articles L.225-71 and L.22-10-22 of the French Commercial Code, one or several members of the Supervisory Board representing employee shareholders are elected via the proposal of shareholders in line with Article L.225-102 of the French Commercial Code, pursuant to the conditions provided for in the firm's Articles of Association.

Against this background, initially and in accordance with legal provisions, the firm's Articles of Association must be reviewed to introduce provisions relative to the principle and conditions governing the appointment of a member representing employee shareholders to the Company's Supervisory Board. Within this framework, we recommend you complete Article 18 of the Articles of Association, paragraph four entitled "employee shareholder representative members of the Supervisory Board" the wording of which is reproduced in the 29<sup>th</sup> resolution.

We note that the appointment of a member of Supervisory Board representing employee shareholders shall take place at a subsequent stage, i.e., at the Combined Ordinary and Extraordinary Shareholders' Meeting in 2022.

#### **4.2.4. Changes to the Articles of Association: election by employees of an employee representative on the Supervisory Board pursuant to Articles L.225-71, L.22-10-22 and L.225-79 of the French Commercial Code (30<sup>th</sup> resolution)**

As you are requested to amend the Articles of Association to introduce provisions relative to the appointment of a Supervisory Board member representing employee shareholders (29<sup>th</sup> resolution), you must also rule on the draft resolution covering the election of one or several Supervisory Board members by the Company, its direct or indirect subsidiaries headquartered in France, these representatives, where appropriate, being appointed in accordance with the conditions provided for in Article L.225-79 of the French Commercial Code.

In the 30<sup>th</sup> resolution, we propose a change to Article 18 of the Company's Articles of Association to introduce the election of an employee representative to the Company's Supervisory Board in respect of the optional regime provided for in Article L.225-79 of the French Commercial Code.

However, we would like to categorically emphasize the fact that this amendment is not relevant for the Company. The firm had already made changes to the Articles of Association through resolution no. 15, approved by the Annual General Meeting of 07/28/20 to be in a position to appoint employee representatives to the Supervisory Board pursuant to Article L.225-79-2 of the French Commercial Code.

As a result, we request that you reject this 30<sup>th</sup> resolution.

**4.2.5. Powers for formalities (31<sup>st</sup> 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, except the 30<sup>th</sup> resolution.

**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 05/31/21.

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**

06/01/21



# 2020/21 Management Board Report

## - Risk Factors

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 are identified with an asterisk.

### 1. Operating risks

#### Risk of fraud, conflict of interest 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 or conflict of interest;
- 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 Middledex anti-corruption Code of Conduct, instructions on how to apply it and mandatory e-learning. Since April 2021, Wavestone has deployed an alert system to anonymously disclose any behavior contrary to this code of conduct and, more generally, any non-compliant situation from an ethical standpoint.

For further information, please see paragraph 6.7 on procedures related to operating activities.

#### 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 notably defined a long-term career development policy for all of its employees, providing them career development opportunities to help unlock their full potential over time. A turnover monitoring system has also been implemented to identify risks of staff 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.

The firm is particularly vigilant to ensure that, as far as possible, these provisions are complied with.

With the gradual recovery in economic activity, staff turnover is likely to increase in 2021/22, with the risk of a catch-up after the low point observed in 2020/21. This increase will be watched particularly carefully in an attempt to maintain the staff turnover rate at around 15% for the fiscal year.

#### Health risk linked to the Covid-19 pandemic\*

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

Wavestone teams all transitioned to remote working practices amid the lockdown measures implemented in the firm's various locations and are still at the beginning of 2021/22 telecommuting for a large majority of them.

The risk of contamination of Wavestone employees during their professional activity could become more important again with the progressive end of the massive use of telecommuting. The gradual return of employees to Wavestone's premises or to client sites 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 implements 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 absenteeism and psychosocial risks. The latter result from extensive use of remote working practices and are linked to the stress caused by the pandemic.

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.

Lastly, an action plan to promote a better work/life balance for employees was introduced in fiscal 2020/21. It will be the subject of regular reporting to the EXCOM (Executive Committee) with the Group's Economic and Social Committee (ESC) based on key indicators. The latter include monitoring of holiday leave, the number of identified situations of workplace stress and the volume of new work stoppages.

**Economic risk linked to the Covid-19 pandemic\***

The economic consequences of the Covid-19 pandemic are likely to have a significant impact on the first half of fiscal 2020/21. They have led to much more intense pressure on prices from our clients and a much tighter consulting market, which is weighing heavily on the firm's utilization rate (65% for first-half 2020/21 versus 71% for fiscal 2019/20). Thanks to accelerated marketing and sales efforts, with a focus on the most lucrative offers and activities and greater agility to tackle shifts in the shape of the market, the firm managed to increase its utilization rate to bring it to close to normalized levels towards year-end (75% in the closing quarter of fiscal 2020/21).

On the back of this performance, the firm believes it should be in a position to return to growth in 2021/22 and to maintain a sound level of profitability, despite the end of the cost-savings plan implemented in 2020/21 and persistent uncertainty linked to the Covid-19 pandemic.

Yet, the firm cannot rule out a resurgence in the health crisis or a deterioration in the economic backdrop linked to disruptions caused by the health crisis. Such a scenario could weigh on the consulting market, leading to greater pricing pressure and a further decline in the firm's utilization rate.

**Client dependency risk\***

At 03/31/21, the Company's top five and top ten clients accounted for 28% and 45% 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 03/31/21, the banking and insurance sector accounted for 34% of Company revenues, the energy and utilities sector for 16%, the public sector and international institutions for 13%, and the manufacturing sector for 11%.

**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.

### **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.

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, and 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.

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 ISO27001.

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.

In the 2020/21 plan, we continued to implement our employee cybersecurity awareness program, TRUST, sponsored by top management with direct intervention in visual presentations.

The widespread use of remote working practices, linked to the Covid-19 pandemic was effectively executed without impacting the firm's overall level of security. As a consulting firm, Wavestone's information system was already adapted to on-the-go working practices.

Lastly, it should be noted that Wavestone was not exposed to recent global cyberattacks (SolarWinds and Microsoft Exchange servers) as these technologies are not used by the Group's information system.

### **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 limit this risk, Wavestone has implemented a quality risk steering approach to raise awareness of all employees in managing such risks. A quality champion network at each practice and/or office ensures identification of risks, steering of monitoring and awareness training for consultants. Reporting to the Operational and Business Committee ("OBCOM") and the Executive Committee ("EXCOM") identifies potential or actual incidents and monitors their resolution with the implementation of specific action plans. Lastly, the firm has set up a half-yearly Steering Committee focused on client satisfaction. This includes the manager to address the specific issue, the Management Board, the Sales Department and the HR Department.

In addition, each year, the firm completes a client satisfaction survey and publishes the main results in its Universal Registration Document. Furthermore, the firm conducts quality assessments of key assignments (360° review with the client on satisfaction).

Fixed-price services accounted for 56% of the firm's revenue in fiscal 2020/21.

Wavestone has set up a rigorous project monitoring system, with the management tools used within the firm to support this monitoring. Projects are tracked by order and then divided into independent lots. A project manager is systematically assigned to each order.

The project manager is responsible for the management of the work to be carried out and the piloting of the contributors on all the lots of the order.

Each month, he analyzes the expenses charged by each of the contributors on the lot and establishes a new forecast of the remaining work to be done, these elements making it possible in the case of a fixed price lot to release a rate of progress, the revenue recognized over the month and, if necessary, the days of overrun of the budgeted expenses on the lot.

This analysis, which is automatically reported to management in the first few days of the following month, enables any deviations to be identified as quickly as possible and the necessary corrective actions to be taken.

Over the last few years, the average level of overruns has never exceeded 1% of the total number of days worked by productive teams, excluding vacations. The average overrun level was even negative in 2020/21, reaching -0.6%.

**Reputational and e-reputation risk**

With ever-greater development of social networks and social platforms such as Glassdoor, Wavestone's e-reputation could be rapidly tarnished by anonymous and negative testimonials from employees and stakeholders regarding the firm's—real or perceived—behavior.

Furthermore, 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 the 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.

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

To mitigate these risks, the firm has implemented a solution to monitor its e-reputation and protect its brand, seeking expert advice on brand protection, e-reputation and crisis communications.

Wavestone has implemented validation processes for all external communication and a moderation process on social networks. The firm also provides its spokespeople with media training and ensures all employees adopt communication best practices for all media and social networks.

**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 contractual and/or confidentiality 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.

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.

The firm also has recourse to a lawyer as soon as there is a suspicion of litigation.

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 03/31/21, the Group had gross cash, net of overdrafts, of €88.0 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 03/31/21, financial liabilities comprised €56.2 million in bank loans and other financial debt excluding overdrafts, mainly comprising the bank loan contracted on 03/26/20 in the amount of €55.9 million, net of borrowing costs, booked in the consolidated financial statements as a deduction from the value of the loan.

At 03/31/21, the Company posted net cash position<sup>(1)</sup> of €31.8 million.

In addition, the readily available cash, excluding external growth credit line, totaling €128.5 million at 03/31/21, and breaks down as follows:

- €88.0 million in cash (cash and cash equivalents and marketable securities, net of overdrafts);
- €30.0 million credit line to finance working capital requirements;
- €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 03/31/21  | 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) | €55,9m   | Tranche A 09/26/25<br>Tranche B 03/26/26 | Rate agreement: Notional of 69% of the Refinancing loan for a decreasing period of 3 years (ending between January 2022 and June 2024). |
|                | €65.0m external growth credit line with a repayment schedule running to 2026   |   | €0m  | 03/26/27                                 |   |
|                | Revolving €30.0m credit line   | €0m   | 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   |  |   |

(1) Gross cash less financial liabilities, excluding rental debt.

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 03/31/21, 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 03/31/21, impaired trade receivables made up 1.2% of gross trade receivables (see note 14 to the 2020/21 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 outstandings, 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, particularly through the use of an external database.

In 2020/21, four of the firm's clients experienced financial difficulties, amounting to a very limited outstanding amount. Owing to the length of the health crisis, the firm cannot rule out the possibility of an increase in this number.

**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 subscribes in 2020/21 to two rate guarantee contracts (0% annual cap rate), covering a notional amount equivalent to 42% of the refinanced loan. These instruments mature in June 2023 and June 2024. 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. At 03/31/21, these hedges therefore cover a notional amount of 69% of the refinancing loan.

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

| <b>At 03/31/21</b><br><b>(in thousands of euros)</b> | <b>Rate</b>     | <b>Total</b>    | <b>&lt; 1 year</b> | <b>1-5 years</b> | <b>&gt; 5 years</b> |
|--|-----------------|-----------------|--------------------|------------------|---------------------|
| Financial liabilities                                | Fixed           | 229             |                    |                  |                     |
|  | Floating        | 55,936          | 8,051              | 47,885           | -                   |
| Financial assets <sup>(1)</sup>                      | Fixed           | 88,009          | 88,009             | -                | -                   |
|  | Floating        | -               | -                  | -                | -                   |
| <b>Net position before hedging</b>                   | <b>Fixed</b>    | <b>87,780</b>   | <b>87,908</b>      | <b>(128)</b>     | <b>-</b>            |
|  | <b>Floating</b> | <b>(55,936)</b> | <b>(8,051)</b>     | <b>(47,885)</b>  | <b>-</b>            |
| Hedging instruments                                  | Fixed           | -               | -                  | -                | -                   |
|  | Floating        | -               | -                  | -                | -                   |
| <b>Net position after hedging</b>                    | <b>Fixed</b>    | <b>87,780</b>   | <b>87,908</b>      | <b>(128)</b>     | <b>-</b>            |
|  | <b>Floating</b> | <b>(55,936)</b> | <b>(8,051)</b>     | <b>(47,885)</b>  | <b>-</b>            |

(1) Cash and cash equivalents.



The Company's sensitivity to a +/-1% swing in short-term interest rates is estimated at +/-€799k.

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 Maroc, Wavestone Advisors UK, Wavestone Switzerland, Wavestone US, Wavestone HK, Wavestone Consulting UK, and WGroup) accounted for 11% of revenues at 03/31/21, from 12% at 03/31/20. 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 2020/21, Wavestone therefore contracted forward currency sales (Swiss Franc, Pound Sterling, US Dollar) and set up currency swaps.

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

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

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

### **5. Insurance and protection against risks**

#### **General policy on insurance**

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

Wavestone's activity is purely intellectual and comprises consulting and technical expertise services delivered to large accounts. Accordingly, all Group companies are insured by top-tier insurance companies that provide an appropriate level of coverage for their specific activity:

- business interruption and property damage;
- damage caused to clients or third-parties in the performance of the services;
- damage associated with occupational risks, notably accidents occurring during consultant business trips.

#### **Premiums and coverage**

Wavestone has taken out the following types of policies:

- premises and equipment insurance;
- employee transport and repatriation insurance;
- operations and professional third-party liability;
- directors' and officers' liability;
- cyber risk insurance;
- fraud insurance.

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

The annual coverage ceilings are as follows:

| Type of coverage  | Guaranteed amount |
|---|-------------------|
| <b>Operations third-party liability</b>                       |                   |
| • Personal injury   | €15.0m per claim  |
| • Consequential property/indirect damage                      | €15.0m per claim  |
| <b>Professional liability</b>                                 |                   |
| • Consequential or non-consequential property/indirect damage | €80.0m per year   |
| • Directors' and officers' liability                          | €50.0m per year   |
| <b>Comprehensive premises and equipment insurance</b>         |                   |
| • Contents of the premises per claim                          | €30.0m per claim  |
| • IT equipment per year                                       | €30.0m per claim  |
| <b>Cyber risks</b>  | €15.0m per year   |
| <b>Fraud</b>  | €5.0m per year    |

The premiums per risk category paid by the Group in 2020/21 are as follows:

| Type of coverage                               | Premiums |
|--|----------|
| Third-party liability                          | €444k    |
| Comprehensive premises and equipment insurance | €123k    |
| Cyber risks insurance                          | €89k     |
| Officer's liability                            | €45k     |
| Fraud insurance                                | €35k     |
| Transport insurance                            | €33k     |
| Workers' compensation insurance                | €28k     |
| Death insurance                                | €19k     |
| Repatriation insurance                         | €5k      |

## 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 Committees.

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 06/01/21.

## 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 Ltd (governed by English law);
  - Wavestone Switzerland Sàrl (governed by Swiss law);
  - Wavestone Advisors SAS (governed by French law);
  - Wavestone US Inc (governed by US law);
  - M3G (governed by French law).
- Indirectly controlled subsidiaries:
  - Wavestone Luxembourg SA (governed by Luxembourg law, wholly owned by Wavestone Advisors SAS);
  - Wavestone Belgium SA/NV (governed by Belgian law, 99.84% owned by Wavestone Advisors SAS and 0.16% owned by Wavestone SA);
  - Wavestone Advisors Maroc Sarl (governed by Moroccan law, 95.5% owned by Wavestone SA and 4.5% owned by Wavestone Advisors SAS);
  - Wavestone HK (governed by Hong Kong law, wholly owned by Wavestone Advisors SAS);
  - Xceed Group (Holdings) Ltd (shelf company, governed by English law, wholly owned by Wavestone Advisors UK Ltd);
  - Xceed Group Ltd (shelf company, governed by English law, wholly owned by Xceed Group (Holdings) Ltd);
  - Wavestone Consulting UK (shelf company, governed by English law, wholly owned by Xceed Group Ltd);
  - Metis Consulting SAS (governed by French law, wholly owned by M3G SAS);

- Metis Consulting HK (shelf company, governed by Hong Kong law, wholly owned by M3G SAS);
- WGroup Inc (governed by US law, wholly owned by Wavestone US Inc);
- WGroup Consulting India Project Ltd (governed by Indian law, 99.9% owned by WGroup Inc<sup>(1)</sup>);
- UPGrow LLC (shelf company, governed by US law, wholly owned by WGroup Inc).

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 risks;
  - proposed changes to the risk map submitted to Executive Committee (EXCOM) by the internal auditor;
  - annual updates to the risk map approved by EXCOM 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.

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 Chief of internal audit, the Chief Information Security Officer and two partners. The Committee is tasked with supervising the internal control and risk management procedures with a focus on three key areas:

- internal control (follow-up of corrective actions 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, according to a three-year plan, at the Company level to verify that its internal control procedures are relevant and are being properly implemented by all the entities.

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.

The three-year audit plan is reviewed every year under the responsibility of the Risk Steering Committee and the Audit Committee.

(1) The remaining 0.01% of the share capital of WGroup Consulting India Project Ltd is held by Wavestone SA.



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. Internal Control shares progress and action plans, bimonthly with Internal Audit, monthly with the Risk Steering Committee and half-yearly with the Audit Committee.

## 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 Audit Committee was formed in 2016 following a decision by the Supervisory Board.

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, with managers and directors, the financial director, the Head of Treasury and the Head of Internal Control, 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 and Business 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 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, EXCOM meets in smaller groups to address certain topics such as operating performance controls and business development oversight. One of these subcommittees, the OBCOM, meets every weeks to monitor:

- the firm's operational and business performance;
- key events, including the evolution of the Covid-19 crisis;
- the implementation of the action plan;
- risks for all offices.

**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 and the Audit 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;
- investigate incidents and share findings with 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:

- follow 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;
- manage the group’s insurance program;
- track incidents and their remediation.

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;
- ensure the steering and renewal of the group’s insurance program;
- implement permanent controls.

**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 Feature Team Security Enablers of Wavestone’s CIO’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 OBCOM 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.

**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 EXCOM.



Internal audit challenges the risk owner and reports on the changes to the risk map to the Risk Steering Committee, to the EXCOM 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 and the Audit 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 Middennext 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 management, on 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 can be conducted in November, upon approval of the interim financial statements or at any other time during the year if necessary. 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;
- management of the bulk of its own purchases.

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 (a part of purchasing, for Wavestone SA only), Wavekeeper (sales, purchases for resale, and the other part of Wavestone SA's own purchases) 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 monthly reports at the individual practice or office 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);
- supplier item (follow-up of overdue invoices - for Wavestone SA only).

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 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 each half-yearly or annual closing 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 firm 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 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, in the presence of the firm’s management control, 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 management teams to heighten their follow-up and 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 to all the scope except UK, Hong Kong and US)**

Contracts are negotiated and signed based on adherence to internal compliance criteria, which are summarized in a contract review form.

**Invoicing**

Invoicing is managed by the Sales Administration Department, which works closely with the sales teams and project managers throughout the lifecycle of the project.



## Collections

A dedicated collections team oversees the inflows (for France and the United Kingdom, for other countries, the local sales administration team is in charge of this subject). It 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 a part of Wavestone SA purchases) and Wavekeeper (for the firm's purchases for resale, as well as the rest of Wavestone SA's own purchases) digitized our management of the supplier network.

### Contracts (applicable to all of the firm's scope, excluding the UK, Hong Kong and the US for resale purchases, applicable to Wavestone SA and Wavestone Advisors for direct purchases)

Contracts are negotiated and signed based on adherence to internal compliance criteria, which are summarized in a contract review form.

### 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.

The persons authorized to approve Pos have a delegation of signature and a list of these persons 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.

The persons authorized to approve invoices have a delegation of signature and a list of these persons 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.

### Ethical Alert procedure in the fight against corruption, fraud, conflict of interest, and more generally, any unethical behavior

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

An Ethics Officer is responsible for managing any issues or warnings, to assess whether they are relevant or otherwise, to identify potential additional investigations to be conducted, and to transfer the incident to Internal Audit to perform a complete review of events. In the event of a conflict of interest, the relevant Ethics Officer will be excluded from processing the warning.

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.

## 2020/21 Management Board Report - Statement of non-financial performance

This statement of non-financial performance describes Wavestone's Corporate Social Responsibility (CSR) approach, strategy and indicators. 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;
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, the fight against corruption and anti-tax evasion matters<sup>(1)</sup>;
4. The methodology note regarding Wavestone's 2020/21 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.

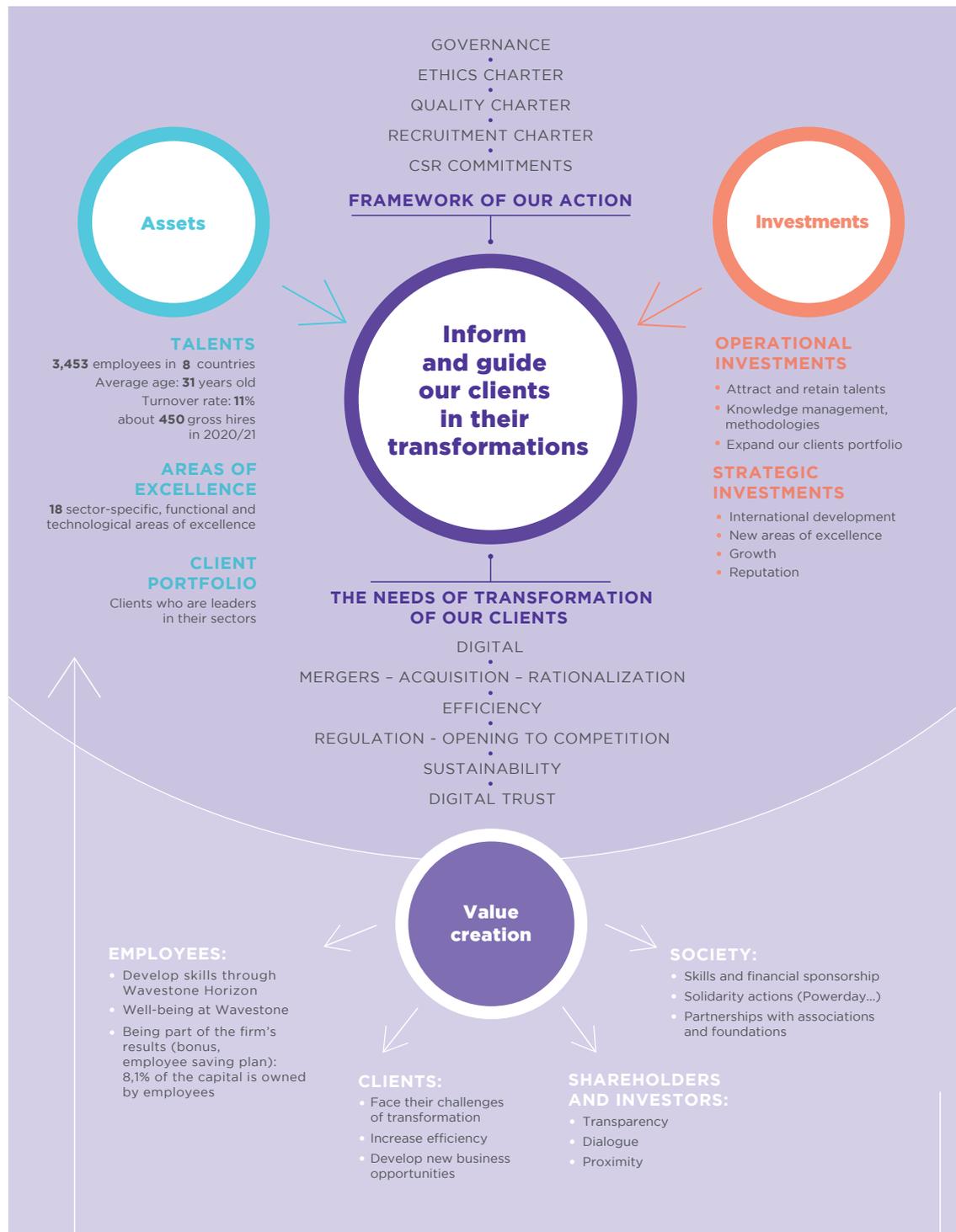
Additional information on the firm's CSR strategy can be found in chapter 1 of Wavestone's Universal Registration Document, and on the Company's website: [www.wavestone.com](http://www.wavestone.com) – "About Us" – "Corporate Social Responsibility" section.

The current statement was drafted 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—Wavestone's 2020/21 fiscal year versus the 2019/20 fiscal year.

Changes in the scope of consolidation are detailed at the end of the methodology note (section 4). Since 2013/14, Wavestone's published CSR information has been verified by an external independent body.

(1) Wavestone has not made specific societal 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.

## 1. Presentation of the Company's business model



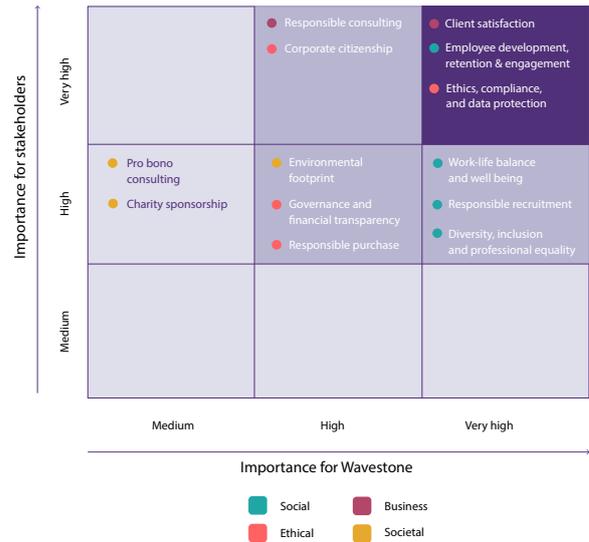
## 2. Wavestone’s general CSR strategy

### CSR challenges

Committed to the cause since 2011, Wavestone has made Corporate Social Responsibility (CSR) a core priority of its business strategy in an effort to control its non-financial risks, deliver sustainable performance and strive for a positive impact on its stakeholders.

Driven by the “Wavestone 2021” strategic plan, the last three years have enabled the firm to gain in maturity as well managing its CSR challenges more effectively and achieving concrete results (outlined in the rest of this document).

On the strength of this experience, Wavestone recently conducted a review of the materiality of its CSR challenges working alongside its internal stakeholders and leveraging its knowledge of external stakeholder expectations. The firm intends to continue this work during the 2021/22 fiscal year through discussions with its external stakeholders so as to fine-tune and review its findings where necessary.



### Wavestone’s CSR commitments

Based on the most material challenges identified, and in line with the firm’s business model, Wavestone has decided to structure its CSR policy into five commitments.

The table below sets out these commitments, the issues they address and the Sustainable Development Goals (SDGs) to which they contribute.

| Commitments   | Challenges  | Contribution to SDGs |
|---|---|----------------------|
| 1 Improve client satisfaction and support clients in sustainable performance  | <ul style="list-style-type: none"> <li>Client satisfaction</li> <li>Responsible Consulting</li> </ul>   |                      |
| 2 Promote employee engagement, well-being, and quality-of-life at work  | <ul style="list-style-type: none"> <li>Employee development, retention, and engagement</li> <li>Work-life balance and well being</li> </ul>   |                      |
| 3 Act for diversity, and create an inclusive working environment where everyone is free to be themselves, and has the same opportunity to fulfill their potential | <ul style="list-style-type: none"> <li>Diversity, inclusion, and professional equality</li> <li>Responsible recruitment</li> </ul>  |                      |
| 4 Be a corporate citizen that behaves ethically and responsibly   | <ul style="list-style-type: none"> <li>Corporate citizenship</li> <li>Ethics, compliance, and data protection</li> <li>Governance and financial transparency</li> <li>Responsible purchasing</li> <li>Pro bono consulting</li> <li>Charity sponsorship</li> </ul> |                      |
| 5 Environmental footprint   | <ul style="list-style-type: none"> <li>Minimize the impact of our activity on the environment</li> </ul>  |                      |



## 2021/22 fiscal year objectives

These five commitments are accompanied by objectives in figures for fiscal year 2021/22, outlined in the table below.

| Commitments   | Indicators  | Results 2020/21 | Objectives 2021/22   |
|---|---|-----------------|----------------------|
| Improve client satisfaction and support clients in sustainable performance  | net promoter score  | 54.2            | 50                   |
|   | number of projects done under the responsible consulting approach | 5               | 25 <sup>(1)</sup>    |
| Promote employee engagement, well-being, and quality-of-life at work  | employee commitment index   | -               | 69                   |
|   | staff turnover rate   | 11.3%           | 15%                  |
| Act for diversity, and create an inclusive working environment where everyone is free to be themselves, and has the same opportunity to fulfill their potential | proportion of women in management                                 | 31%             | 31.5% <sup>(1)</sup> |
|   | number of employees with a disability                             | 29              | 30 <sup>(1)</sup>    |
| Be a corporate citizen that behaves ethically and responsibly   | employees trained to apply the Ethics Charter                     | 84%             | 95%                  |
|   | workforce time spent on social engagement                         | 0.79%           | 1%                   |
| Minimize the impact of our activity on the environment  | reduction in carbon footprint by employee, compared with 2019     | -               | 30% <sup>(1)</sup>   |

(1) Objectives defined within a framework of positive incentive loans, arranged with banks at the start of the 2021/22 fiscal year (see below).

### Impact credit implementation

To support the concrete implementation of its CSR commitments, Wavestone has chosen to link its financing and its Environmental, Social and Governance (ESG) performance, by integrating environmental, social and societal criteria into its existing credit lines as part of a contract signed in March 2020<sup>(1)</sup>. This transaction was concluded with a group of five banks in early fiscal year 2021/22.

The non-financial analysis agency, EthiFinance, has been chosen to annually certify the value of the non-financial indicators selected.

Four objectives, addressing key areas of CSR progress for Wavestone, were defined:

- deploy Wavestone's responsible consulting approach on over 100 projects;
- advance the representation of women in management positions;
- become an increasingly disability-friendly company with a growing number of employees with disabilities<sup>(2)</sup>;
- significantly reduce the firm's environmental footprint by adopting an avoid-reduce-offset approach.

Wavestone will receive a margin bonus applicable to all of its credit lines, depending on whether or not these objectives are met. In the event that the bonus is allocated, Wavestone undertakes to pay the savings in full to the Wavestone Corporate Foundation.

### In review: 04/01/2018 - 03/31/2021

In 2018, Wavestone launched a three-year CSR plan.

During the three years of this plan, Wavestone has made progress in the areas of diversity and inclusion, the fight against corruption, and societal and environmental commitment.

As regards one of its flagship diversity themes, disability, the firm has doubled its headcount versus 2018 thanks to a dedicated recruitment scheme, and the ramp-up of a Disability Program ("Mission Handicap"), which supports around 40 employees.

Multiple awareness-raising initiatives focused on diversity and inclusion have also enabled the Group to continue developing an increasingly inclusive workplace. These efforts apply to disabilities, professional equality and everyday sexism as well as the LGBT+ community.

Regarding the fight for ethics and against corruption, following the adoption of the Middlednext Corporate Governance Code and the dissemination of an application guide, Wavestone continued to raise employee awareness with the development and dissemination of an e-learning program followed by more than 80% of employees. Moreover, all employees have been trained in data protection. Lastly, during the 2020/21 fiscal year, the firm began to draft an Ethics Charter, extending its focus beyond the fight against corruption. The Charter will take effect in fiscal year 2021/22.

(1) For further information, please refer to the Management Board Report of the Universal Registration Document.

(2) Objective for France.

With respect to societal actions, Wavestone has established and upscaled its skills sponsorship program, increasing its contribution to associations and foundations by more than fourfold. In fiscal year 2020/21, 83 pro bono consulting assignments were conducted involving 190 consultants.

On the environmental front, campaigns to raise awareness of climate issues were launched among employees and actions were taken to reduce the firm’s environmental footprint.

To date, this footprint is one of the lowest in its sector of expertise (1.6 tCO<sub>2</sub>e per employee in 2019/20 on a full-scope basis).

Nevertheless, the Covid-19 crisis that occurred during the third and final year of the plan negatively impacted the firm’s CSR action plan and the achievement of some of its objectives.

The table below presents the results of the three-year action plan (2018-2021).

| <b>2018-2021 Objectives</b>   | <b>Performance at 03/31/21</b>                             | <b>Performance at 03/31/20</b>                           | <b>Performance at 03/31/19</b>         |
|---|--|--|--|
| Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce | 31% and 41% respectively                                   | 30% and 41% respectively                                 | 28% and 38% respectively               |
| Achieve 30% representation of women on the Executive Committee  | 16% <sup>(1)</sup>   | 15%  | 15%                                    |
| Triple the number of employees with disabilities (objective: increase from 11 to 33)  | 29 at 12/31/2020   | 22 at 12/31/2019   | 15 at 12/31/2018                       |
| Have trained 100% of employees <sup>(2)</sup> in business ethics  | 84% of employees trained in the fight against corruption   | 79% of employees trained in the fight against corruption | Training being developed               |
| Have trained 100% of employees in data protection   | 100% of new hires<br>100% of employees                     | 100% of new hires<br>86% of employees                    | 86.4% of new hires<br>71% of employees |
| Conduct our activities based on a clear and responsible policy regarding the choice of our assignments and our clients        | Decision to pause the drafting of a policy                 | Policy being drafted                                     | Policy being drafted                   |
| Draw up a responsible consulting charter and fully train all employees in its application                                     | Formal charter drafted, to be revised following test phase | Charter being drafted and training being developed       | Charter being drafted                  |
| Devote 1% of the firm’s time to supporting organizations with a civic mission   | 0.79% <sup>(3)</sup>                                       | 0.53%  | 0.24%                                  |

(1) In early fiscal year 2021/22, the Group reviewed the composition of the Executive Committee (EXCOM). Women now account for 31% representation.

(2) Employees who have been with the Company for at least 1 year.

(3) Wavestone was forced to cancel its global corporate solidarity day—Powerday—in 2020/21, owing to the health crisis. This day represented approximately 0.2% of Wavestone’s employees’ time in the two previous fiscal years.



## 2.1. CSR implementation and steering

### 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 sponsors of each commitment.

This Committee, which meets on a quarterly basis, 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 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 communication actions, and the production of non-financial reporting and the response to the various CSR performance questionnaires.

The CSR team is supported by the holders for each commitment. Their role is to steer the action plan in their area, with the support of employee volunteers.

CSR ambassadors appointed within the practices and offices, both in France and internationally, support the central CSR team. In doing so, they act as relays for the dissemination of communications and events, answer employees' questions and report their expectations. They carry out periodic initiatives in their respective environments. They hold quarterly meetings to discuss progress on initiatives.

### CSR strategy monitoring

Depending on needs, certain topics are presented to the Executive Committee (EXCOM) or the Economic and Social Committee (CSE) for approval.

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

## 2.2. CSR awards and labels

In fiscal year 2020/21, Wavestone received several awards for its CSR actions.



Gaia Rating: this benchmark SRI reference index for small and mid-caps assesses and classifies 230 French SMEs and mid-tier companies based on their actions in non-financial transparency and sustainable development performance (CSR policy, HR management, management of environmental impact, etc.). For the 11<sup>th</sup> year in a row, Wavestone featured in the Gaia Rating for companies in its segment, ranking in 2<sup>nd</sup> place (firms with revenues of between €150m and €500m).



Wavestone was awarded a Gold rating (72/100) by Ecovadis, an independent non-financial rating agency specialized in CSR performance assessment.





Certification of the information security management system, first obtained in September 2014 and renewed in February 2021 for three years as part of security audit and digital investigation services for information systems at the Paris, Nantes and UK sites.



Based on an internal survey involving all of the Company's employees and an assessment of its HR practices, the Great Place to Work® label recognizes companies that create a positive work environment. For several years, Wavestone has placed in the top 5 of the Great Place to Work ranking of best companies in France with more than 500 employees. As part of its performance plan launched during the Covid-19 health crisis, the firm did not participate in the fiscal year 2020/21 survey, but will renew its participation for fiscal year 2021/22.

**2.3. Wavestone's commitment to market initiatives**



**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**

Since 2019, Wavestone is a signatory of the LGBT+ Commitment Charter of l'Autre Cercle. The charter aims to ensure the inclusion of lesbian, gay, bisexual and transgender people in their workplace.



**Handicap charter**

In 2019, Wavestone signed a handicap charter 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.



**Global Compact**

In 2020/21, 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.



**Planet Tech'Care**

Wavestone signed up with Syntec Numérique in October 2020 for the launch of the Planet Tech'Care platform, which aims to support companies mobilized to integrate digital technology into their environmental strategy and to support training players in the development of responsible digital skills.

In addition, Wavestone actively participates in various associations or working groups on several key issues for the firm (Elles Bougent, Femmes@numérique, AFMD, Hack Academy, Boavizta, etc.).



### 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, the firm reviewed its 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 section 4. For fiscal year 2020/21, the scope studied covers all Wavestone subsidiaries.*

#### 3.1. Social performance information

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

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

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 global HR Development team, decentralized within each of the firm's domains, practices and/or offices. This team is responsible for the application of firm-wide HR policies, the management of HR projects and relations with employee representative bodies;
- a CSR team responsible for defining the CSR policy and coordinating related actions;
- a Compensation & Benefits team, which is responsible for the application of Wavestone's salary policy, the management of profit-sharing, shareholding and employee savings schemes and the management of payroll operations in France;

- recruitment teams organized by practice/office/functional department, responsible for recruitment, in coordination with operations staff who play a key role in achieving annual objectives. A central team responsible for Wavestone's recruitment plan.

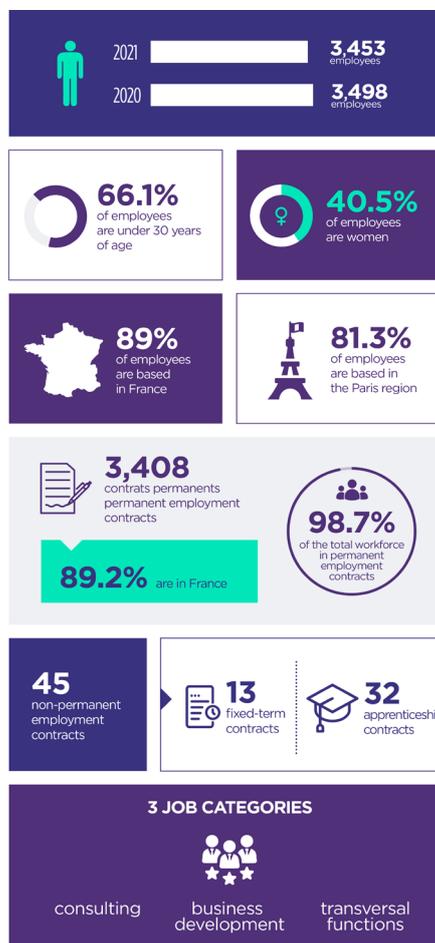
*For the record, Wavestone's HR strategy is presented in chapter 1 of the Company's Universal Registration Document.*

#### 3.1.1. Key figures for the fiscal year

##### 1) Total workforce

At 03/31/21, Wavestone's total workforce stood at 3,453 employees, down 1.3% on the previous year (3,498). This decrease in headcount is mainly due to the Covid-19 pandemic and the decline in Wavestone's activity. This led the firm to freeze its recruitments from mid-March through September 2020.

As of 03/31/21, the Company's workforce breaks down as follows:



## 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<br>03/31/21 | At<br>03/31/20 | At<br>03/31/19 |
|---------------------------|----------------|----------------|----------------|
| Men                       | 59.5%          | 59.2%          | 61.4%          |
| Women                     | 40.5%          | 40.8%          | 38.6%          |
| Breakdown for consultants |                |                |                |
| Men                       | 63.2%          | 62.8%          | 65.2%          |
| Women                     | 36.8%          | 37.2%          | 34.8%          |

From the second half of the fiscal year, the upturn in recruitment focused on engineering schools, which have fewer women than business schools or universities, in an effort to meet the needs of the most resilient practices, particularly those with a technology focus. This resulted in a slight decline in the proportion of women in the workforce.

For more details, see section 3.1.3.

### Breakdown by age<sup>(1)</sup>

The average age of Wavestone's workforce at 03/31/21 was stable at 31. The following table gives a breakdown of the Company's workforce by age:

| (% of total workforce) | At<br>03/31/21 | At<br>03/31/20 | At<br>03/31/19 |
|------------------------|----------------|----------------|----------------|
| 18-25 years            | 13.5%          | 17.3%          | 15.9%          |
| 25-30 years            | 52.6%          | 48.9%          | 48.3%          |
| 30-50 years            | 27.4%          | 27.0%          | 29.2%          |
| >50 years              | 6.5%           | 6.8%           | 6.6%           |
| o/w over 55 years      | 3.6%           | 3.7%           | 3.3%           |

### Average length of service

The average length of service for all positions was up slightly year-on-year to 4.7 years for fiscal year 2020/21.

|             | 2020/21   | 2019/20   | 2018/19   |
|-------------|-----------|-----------|-----------|
| Total Group | 4.7 years | 4.2 years | 4.3 years |
| Consultants | 4.4 years | 4 years   | 4.1 years |

### Breakdown by geographic area

All our Paris-based teams work at the Paris La Défense office. Wavestone has three other French offices—in Lyon, Marseille and Nantes—and seven offices abroad: Casablanca (Morocco), London (United Kingdom), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), New York, Philadelphia (United States) and Hong Kong.

| (% of total workforce) | At<br>03/31/21 | At<br>03/31/20 | At<br>03/31/19 |
|------------------------|----------------|----------------|----------------|
| Paris region           | 81.3%          | 80.8%          | 82.0%          |
| Regional offices       | 7.6%           | 7.3%           | 7.7%           |
| Outside France         | 11.1%          | 11.9%          | 10.3%          |

### Breakdown by job category

The breakdown by the three job categories (consulting, sales and back office) of the Company's workforce is given in the table below:

| (% of total workforce) | At<br>03/31/21 | At<br>03/31/20 | At<br>03/31/19 |
|------------------------|----------------|----------------|----------------|
| Consultants            | 88.4%          | 88.1%          | 89.0%          |
| Sales teams            | 3.4%           | 3.5%           | 3.0%           |
| Back-office staff      | 8.2%           | 8.4%           | 8.0%           |

At 03/31/21, Wavestone employed 3,053 consultants, of which 22 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 fiscal year 2020/21, as part of its pre-employment strategy, the firm took on nearly 200 trainees (in the form of sabbaticals and end-of-studies internships) and work-study positions. For example, in 2020/21, almost 70% of the Company's end-of-studies trainees and 50% of work-study trainees actively seeking work were hired on permanent contracts at the end of their internship or training period. The recruitment process for interns and work-study trainees is as demanding and selective as the process for all new employees. They are also offered the same onboarding and support program once they join the firm.

Through its ambition to deliver a positive impact for all its stakeholders, and particularly its candidates, Wavestone is committed to guaranteeing a positive experience for applicants. The Group trains its recruiting personnel and

(1) Excluding employees in the US and India whose age is unknown due to the specific legislation in these countries (99 employees).

structures its recruiting methods around four strong principles:

- consider each candidate as a future employee;
- assess each candidate's potential and knowledge, from the single standpoint of Wavestone's fundamentals;
- guide candidates through individual support and clarify their understanding of the decisions made at each stage;
- help candidates make informed decisions.

In response to the Covid-19 pandemic, Wavestone had to repurpose its recruitment processes to conduct fully remote interviews. The same procedure applied to the onboarding of new employees.

#### Details of new hires and departures (excluding internships)

New hires and departures during the 2020/21 fiscal year are shown below:

##### Recruitment

|   |
|---|
| <b>Total external recruitment (excluding internal mobility transfers)</b> |
| <i>o/w permanent employment contracts</i>                                 |
| <i>o/w temporary employment contracts:</i>                                |
| - <i>o/w fixed-term</i>   |
| - <i>o/w skills-acquisition and work-study contracts</i>                  |

| 2020/21 |       | 2019/20 |       |
|---------|-------|---------|-------|
| Number  | %     | Number  | %     |
| 540     | 100%  | 1,132   | 100%  |
| 501     | 92.8% | 1,037   | 91.6% |
| 39      | 7.2%  | 95      | 8.4%  |
| 21      |       | 30      |       |
| 18      |       | 65      |       |

##### Staff departures

|  |
|--|
| <b>Departures (excluding internal mobility)</b>  |
| <i>o/w resignations</i>  |
| <i>o/w end of temporary employment contracts (fixed-term, skills-acquisition and work-study contracts)</i> |
| <i>o/w suspension of trial periods</i>   |
| <i>o/w redundancies</i>  |
| <i>o/w employment-contract termination by mutual consent</i>   |
| <i>o/w acknowledgement</i>   |
| <i>o/w retirement</i>  |
| <i>o/w deaths</i>  |
| Departures of permanent employees  |

| 2020/21 |       | 2019/20 |       |
|---------|-------|---------|-------|
| Number  | %     | Number  | %     |
| 585     | 100%  | 789     | 100%  |
| 391     | 66.8% | 486     | 61.6% |
| 92      | 15.7% | 96      | 12.2% |
| 68      | 11.6% | 151     | 19.1% |
| 20      | 3.4%  | 36      | 4.6%  |
| 8       | 1.4%  | 9       | 1.1%  |
| 0       | 0%    | 2       | <0.3% |
| 4       | 0.7%  | 7       | 0.9%  |
| 2       | 0.4%  | 2       | <0.3% |
| 501     |       | 683     |       |

During the 2020/21 fiscal year, Wavestone recruited 433 permanent employees (excluding end of trial period and internal mobility transfers) and 6 part-time employees in France, equating to 2 full-time employees (FTE).

#### Breakdown of consultant hiring by type of diploma

|                         | 2020/21 | 2019/20 | 2018/19 |
|-------------------------|---------|---------|---------|
| Business schools (%)    | 27.3%   | 40.7%   | 44.0%   |
| Engineering schools (%) | 53.2%   | 27.6%   | 27.2%   |
| Universities (%)        | 19.5%   | 31.7%   | 28.8%   |

The uptick in recruitment in engineering schools is owing to a revival of recruitment targeted in the most resilient practices, particularly those with a technological focus.

For the record, Wavestone had frozen its recruitment activity at the height of the pandemic, in mid-March 2020. The Group then gradually resumed hiring as of September, in line with the recovery of its activity rate.

The decline in contract terminations during trial periods, at the initiative of either employers or employees, continued. In the context of the Covid-19 pandemic, special attention was paid to decisions to terminate trial periods at the initiative of Wavestone. Members of the practice’s management were systematically involved in the decision-making process in an effort to ensure the legitimacy of any trial period termination.

**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 11.3% for the 2020/21 fiscal year, down sharply compared to previous years due to the pandemic.

|                    | 2020/21 | 2019/20 | 2018/19 |
|--------------------|---------|---------|---------|
| Staff turnover (%) | 11.3%   | 13.9%   | 18.4%   |

**3.1.2. Employee development and self-fulfillment: a top priority for Wavestone**

**1) Developing employee potential**

Given the nature of the consulting business, developing employee potential is a top 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<sup>(1)</sup> (nearly 90% of new hires in 2020/21). To this end, the Group has implemented additional measures, as described below.

**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.

Both the onboarding process and integration seminar were adapted to accommodate for remote working as a result of the Covid-19 pandemic.

**Welcome session**

Since the Covid-19 pandemic, the integration process for the French offices takes place over the first five weeks following the arrival of new employees. It is conducted entirely remotely and comprises the following stages: informal exchange of ideas, topical presentations (HR and CSR policy, business model, remote working best practices, time management, recruitment, communication), assignment of a mentor and Delivering in Wavestone training. The latter is designed to help staff master the office-based tools required to produce deliverables in line with Wavestone standards.

(1) Six months or less experience.

Each France-based office oversees its own onboarding process.

**Integration seminar: Wavestone Inside**

Since the outbreak of the Covid-19 health crisis, Wavestone Inside takes place remotely over three half-days, twice a year. 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 sessions are based on two half-days of team challenges and one half-day of plenary sessions and discussions. The latter focuses on testimonials by the firm’s partners as well as that of an inspirational speaker. The half-day then ends with a Q&A session with top management.

**Close employee monitoring**



**Training programs**

- Skills development at Wavestone is underpinned by:
- a common training program for all young recruits;
  - digital training courses (e-learning platforms, MOOCs, etc.);
  - in-person, attendance-based training courses.



### Common training program for all young recruits

Young graduates follow a five-day training program 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 networks by bringing them into contact with employees from various backgrounds (practices, jobs, offices, etc.).

Training modules vary based on the employee's role and are spread out over the year to allow them to become acquainted with the Company. Each new recruit attends at least three training sessions during their first year.

### 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 three e-learning platforms, Edflex, Vodeclis and Sequoia) programs, open to all employees:

- Vodeclis: tuition in professional office tools;
- Edflex (formerly 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: online educational training courses in a fun format created by the employees of the Wavestone's practices to grow skills and know-how and share them within the firm. 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.

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.

Since July 2020, Wavestone has also developed an internal training newsletter that offers various content accessible online on a monthly basis (business, CSR, soft skills and teamwork). To this end, the Group is supporting the skills development of employees, specifically those affected by short-time-working during the first months of the fiscal year.

### Attendance-based training and blended learning courses<sup>(1)</sup>

Wavestone's training institute proposes around forty attendance-based programs designed to develop key job-related skills (business development, delivery, communication, assignment management, etc.). Some of these programs award certificates upon completion. These include ITIL (Information Technology Infrastructure Library) Foundation V3 and 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.

As a result of the Covid-19 pandemic, some training sessions were repurposed into a remote, virtual format while other sessions had to be suspended.

### 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 and e-learning courses in anti-corruption and data protection) for all of Wavestone employees (excluding Hong Kong).

| Fiscal year   | 2020/21 fiscal year | 2019/20 fiscal year | 2018/19 fiscal year <sup>(1)</sup> |
|---|---------------------|---------------------|------------------------------------|
| Number of employees that attended at least one training course during the fiscal year     | 2,147               | 2,519               | 2,080                              |
| Percentage of headcount that attended at least one training course during the fiscal year | 62%                 | 72%                 | 67%                                |
| Number of training days provided during the year  | 4,739               | 8,067               | 6,604                              |
| Number of training hours provided during the year   | 33,163              | 56,468              | 38,288                             |
| Average number of training hours provided during the year per employee                    | 15                  | 22                  | 18                                 |

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

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

Training accounts for 2.4% of total payroll costs in France. Spending on training in the 2020/21 fiscal year in France amounted to €4,025,134.

Most of Wavestone Academy's training was halted during the first few months of the fiscal year, owing to the health crisis and the resulting performance plan.

- during the period in which Wavestone made short-time working arrangements, the main training courses implemented were those offered under the BECOVID and FNE (France's National Employment Fund) schemes. Overall, the two schemes delivered 22% of training hours for the fiscal year;
- during this time, new distance learning courses were developed to level up the integration program.

### Internal mobility mechanism

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 100 employees availed of internal mobility opportunities in fiscal year 2020/21, with 53% moving to another office.

### Breakdown of internal transfers by type

|                          | 2020/21   |             | 2019/20    |             | 2018/19   |             |
|--------------------------|-----------|-------------|------------|-------------|-----------|-------------|
| Regional transfers       | 28        | 29%         | 43         | 29%         | 39        | 41%         |
| Occupational transfers   | 18        | 18%         | 22         | 15%         | 19        | 20%         |
| Inter-practice transfers | 51        | 53%         | 82         | 56%         | 38        | 39%         |
| <b>Total</b>             | <b>97</b> | <b>100%</b> | <b>147</b> | <b>100%</b> | <b>96</b> | <b>100%</b> |

### The Wavestone Horizon professional development tool

Career development programs, known as Wavestone Horizon, are designed for our consulting, business and cross-functional professions.

A new career path dedicated to cross-functional professions was deployed over the fiscal year.

These programs are made known to all of Wavestone's employees, irrespective of their geographical zone<sup>(1)</sup>. They provide 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.

### Assessment mechanisms

#### Assignments and on-the-job training

For all Company employees, the professional consulting assignments they carry out also provide an 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 and provides feedback (or at regular intervals in the case of long-term assignments). This feedback highlights the progress achieved and identifies 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).

Lastly, as part of the process to acquire the consulting skills they need to progress, consultants contribute to the Firm's development activities. Each year, a number of consultants carry out 6-to-12 month assignments within the Firm's back-office departments (recruitment, communication, finance, etc.).

#### Talent reviews and annual assessments

Every year, across all of the Group's business lines, each employee's performance is discussed as part of a talent 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 Career Development Manager for an annual assessment in order to discuss their

(1) Excluding the functional path, which is only applicable in France due to the size of the other Wavestone offices.



annual evaluation, career prospects, compensation and work-life balance.

The purpose of the Company's Career Development Managers is to help employees realize their full potential. The annual performance review is a key moment for discussion in which the Group's Career Development Managers receive special training.

### Compensation policy

#### Compensation policy: core principles

Our pay policy is based on three principles:

#### A single salary scale for each job category and country

We apply the same salary scale across all our consulting activities. For each grade within Wavestone Horizon (Wavestone's professional development tool), there is an associated wage package.

#### A competitive pay policy

In a competitive market, it is 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, Wavestone Advisors and Metis Consulting calculated on the basis of the statutory formula, totaled €5,460,390 in the 2020/21 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 allocated 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 employed by the Company and have not sold their Wavestone Actions Fund units.

In fiscal year 2020/21, due to the Covid-19 crisis and its impact on Wavestone's activity, the bonus share option was not offered. This decision resulted in a decrease in the investment of employees receiving profit-sharing in the Wavestone Actions Fund. Whereas normally, nearly 40% of employees receiving profit-sharing would invest all or part of their share in the Wavestone Actions Fund, only 22% of employees did so in fiscal year 2020/21.

The bonus share option will be offered once again in fiscal year 2021/22 and extended to scopes outside France as part of Wavestone's international development policy.

Not only does employee shareholding provide bonus shares, it also boosts their sense of pride in being part of the Company. During the 2020/21 fiscal year, Wavestone created an Individual Shareholders Advisory Committee (CCAI). Its purpose is to enable the firm to listen to its individual shareholders by facilitating regular, high-quality dialogue, to gather their opinions on the various aspects of its communication with them and to improve the communication media intended for them. This Committee comprises six members, three of which are individual employee shareholders.

## 2) Employee well-being and self-fulfillment

The HR promise made by Wavestone to candidates and employees is that they will benefit from a high-quality work environment which is both stimulating and offers the possibility of striking a successful work-life balance. This promise is underpinned by a number of observations and convictions:

- work-life balance has a major impact on quality of life in the workplace, and ultimately on the quality of the "employee experience," by fostering an environment that supports the professional development of each individual and respects their health;
- quality of life in the workplace is a "generator" of engagement and key to successfully attracting and retaining employees over the long term;
- quality of life in the workplace, particularly having adequate personal time, is a source of sustainable performance for employees and, on a wider scale, for Wavestone.

The attention paid to employees' work-life balance is part of a more comprehensive approach to quality of working life at Wavestone, which aspires to be sustainable and continuously improving. This approach encompasses both measures to improve the quality of career paths (professional development, internal mobility, pay policies, management practices, etc.) as

well as the workspaces within Wavestone's offices through initiatives such as remote working or co-working, measures to support parents and all initiatives that enable employees to be involved in the Company's vision.

Therefore, an agreement on professional gender equality, quality of life in the workplace and the right to switch off from work was the subject of negotiations with the Economic and Social Committee (CSE) and was signed in early fiscal year 2020/21.

Spearheaded by the firm's CSR approach, new thinking and initiatives have also emerged around the topic of diversity and the development of a more inclusive workplace: these topics—our disability program (“Mission Handicap”), gender equality, LGBT+ inclusion—are also opportunities to develop a high-quality workplace for all Wavestone employees.

### Working environment and work-life balance

#### Flexible working arrangements

##### 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<sup>(1)</sup>), category 2 (a fixed 166 hours and 42 minutes per month and 218 days per year, including the “Solidarity Day”), and category 3 (a fixed 218 working days per year, including the “Solidarity Day”).

##### Taking paid time off

Taking time off regularly is also part of the work-life balance equation. All Wavestone employees are therefore encouraged to take days off on a regular basis. The HR and management teams also regularly check that leave is taken in compliance with local legislation and with relevant health and safety requirements.

Lastly, workload and work/life balance in general are among the topics that are discussed between employees and their Career Development Manager throughout the year, and which are, at the very least, brought up during the annual assessment.

##### The right to switch off

Employees have the right to switch off communication devices provided by the Company.

To ensure that employees' right to switch off is respected, Wavestone has taken a “collective regulation” approach to digital communication by promoting the sharing of a common framework and best practices for all of its employees, in keeping with its corporate culture:

- a window for offline time applies to all employees, Monday through Friday, from 8:30 p.m. to 8:00 a.m.;
- a “do-not-disturb” period in the middle of the day ;
- a standard timeframe for holding internal meetings.

To ensure that everyone exercises this freedom to organize their working time while also respecting the freedom of others, a set of rules and best practices have been laid out which take into account the specific situation of each Wavestone office: Outside of this framework, each employee is encouraged to avoid sending messages or making business calls as much as possible, except in extraordinary circumstances (a threat to the health of employees, a threat to goods or services, or necessary communications between different time zones). Nonetheless, this switch-off period is not intended to constrict employees' flexibility, particularly when it comes to achieving a work-life balance. In this respect, the Group has communicated best practices to employees, such as the use of the “delayed sending” feature in Outlook.

The reference framework is communicated via the firm's intranet. The Company's management and HR teams are equally responsible for ensuring that the right to switch off is respected. They must lead by example in their practices.

##### Smartworking@Wavestone

Since the beginning of the health crisis, all of the firm's teams have been working remotely with occasional visits to their offices. Remote work was already widely practiced at Wavestone with all employees offered the option to work remotely up to three days a month, either at home or in co-working spaces. However, the Covid-19 crisis has opened up new perspectives on work organization.

Wavestone sees this as an opportunity to rethink its working methods. The Group is currently developing an experimental project—Smartworking@Wavestone—which consists of designing a future workplace with a new face-to-face/remote mix. Each team in the firm will independently test new ways of working for several months. The feedback will then be shared to develop office best practices and needs and to establish ways of working that are consistent across the firm, in line with Wavestone's corporate DNA.

(1) Organization of Working Time.



The new ways of working are expected to provide multiple benefits including: improved performance, improved quality of life in the workplace and improved work/life balance for employees as well as increased synergies between offices worldwide, a reduction in the firm's carbon footprint due to reduced travel, and greater Group appeal.

#### Office premises: the AIR project

To enhance the quality of the firm's working environment for its employees and to strengthen relationships between teams at all levels, Wavestone developed a new design concept for its workspaces, known as the "AIR" project.

It aims to inject more flexibility, comfort, creativity and opportunities for exchanging ideas about ways of working.

The main features of the AIR project are:

- open-plan work areas featuring glass partitions to ensure a constant flow of natural sunlight;
- 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" client center, "Nomad Zone," etc.;
- new technologies are central to the project: digital signage screens, touchscreen booking terminals for meeting rooms, video-conferencing equipment, etc.;
- the concept also includes a rest room (in Paris), to allow employees to recharge their batteries during a power nap.

In addition, employees at the Paris offices have access to concierge services.

Although the premises were hardly used during the pandemic, a system for lending equipment (chairs, additional screens, etc.) was set up to improve employees' comfort at home and to prevent Musculoskeletal Disorders (MSD). This project was rolled out in France and several offices around the globe.

#### Support for expectant parents

Wavestone wants to encourage all employees with children to achieve a healthy work-life balance.

Encouraging parents within Wavestone means supporting mothers and fathers in balancing their lifestyles: living better and working better. Taking parenthood into account is part of an approach that respects professional gender equality. It promotes a working environment where employees with children can strike a better balance between work and family. Wavestone is committed to taking practical steps to support parents and commits to:

- changing how parenthood is represented within the company by making its HR teams and managers aware of the challenges of better taking parenthood into account in-house and by informing all employees of its commitment;
- developing a favorable workplace for employees who are parents, specifically pregnant women, by adapting their working conditions and by fostering a better work-life balance for parents in the workplace;
- respecting the principle of non-discrimination in the professional development of parents in the workplace by preventing and eliminating discriminatory practices against them and promoting managerial practices and conduct that respect their professional development.

In an endeavor to implement this commitment across the Board, the Company has taken several measures, outlined below and presented in Wavestone's Parenthood Guide for employees in France.

The Group notes that, in the unprecedented context of the health crisis, and in addition to these measures, special attention has been paid by the HR and management teams to employees who are parents in order to facilitate the reconciliation of their professional and familial responsibilities: flexibility organizing working hours, taking leave, adapting work schedules, etc.

#### Nursery service

Since 2008, Wavestone France has provided its nursery service to help employees with children/who are expecting a child to find creche (nursery) places in the Babilou and Maison Bleue networks, which represent over 300 nurseries in France.

In fiscal year 2020/21, Wavestone financed an average of 90 cribs for its employees' children in France.

### Childcare leave

Staff members in France with one or more children aged 12 years and under may take up to three paid days of leave per child each year. These days may be taken individually, or together during the fiscal year.

### Parenting conferences and workshops

As is the case every year, Wavestone offers conferences in its Parisian offices and in some 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.

As a result of the pandemic, such workshops were replaced by various initiatives implemented by the CSE which could be accessed remotely. These included:

- drawing contests with topics such as “Mom or Dad working from home,” “Disney in Wavestone Colors,” “I Love Chocolate,” “Springtime,” “A Drawing for My Grandparents,” “What will you do post-lockdown?”;
- remote theatrical performances in partnership with Co-théâtre. Ten sessions were offered and over 100 children participated during the lockdown;
- these sessions included various fun activities (salt dough recipes, recycling objects, preparation for Mother’s/Father’s Day, 100% home-based science experiments, etc.), computer workshops and parent/child sophrology sessions;
- help with schooling through the Skilleos and Lumni platforms and access to a collaborative list of stories, music, virtual exhibitions and many more initiatives.

### Maternity leave support

This system, which allows pregnant employees to work from home three days a week and to be equipped with a second computer at home to reduce the need to carry loads, will be reviewed in accordance with the Smartworking@Wavestone initiative.

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’ Corporate Parenting Charter.

### Paid maternity, paternity and adoption leave

Full pay is maintained throughout maternity, paternity co-parenting, settling-in 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 (CDM) in the month they return to work. These meetings are organized by the HR representative and the Career Development Manager.

### Corporate Parenting Charter

Wavestone will pursue its commitment to changing the perception of parenting in the workplace and advocates the principle of non-discrimination of employees with children. Wavestone has been a signatory of the Corporate Parenting Charter since 2013.

### Social relations

#### Organization of social dialogue

In France, an Economic and Social Committee (CSE) for the Economic and Social Unit (ESU) is made up of Wavestone SA and Wavestone Advisors.

The CFE-CGC trade union is the representative union and has appointed two specific representatives.

Social actions are managed by the Group’s Economic and Social Committee (ESC), and mainly consist of sports and cultural activities. For example, every year for the past 25 years, the ESC organizes a skiing weekend open to all employees. There are also a number of clubs, with interests ranging from sport to cultural activities, including photography, climbing, running, music, wine-tasting and theater. The Group has also established a partnership with Gymlib in that provides employees with access to more than 200 activities in more than 2,000 sports centers around France.

During the health crisis, the CSE played an active role in developing various activities for employees. Examples include:

- parenting workshops<sup>(1)</sup>;
- distance learning music courses;
- access to a regular selection of literary works;
- creation of a Video Games club;
- several home recipes to cook, with remote support from chefs;
- creative workshops: making candles, kokédama, making chocolates, etc;
- access to an Urban business platform for courses in sophrology, nutrition, yoga and coaching;
- free access to Gymlib for the use of apps focused on well-being, sports and sports advice.

Furthermore, the CSE has acted as a relay for Wavestone's HR and management team. In doing so, the CSE regularly reminded employees of best practices to strike a work/life balance and readily supported employees experiencing difficulties.

#### **Meetings between management and employee representative bodies held in 2020/21 by scope**

21 meetings, including nine exceptional meetings were held with the ESC in fiscal year 2020/21.

#### **Examples of subjects on the agenda (for information or consultation)**

- Consultation on the Group's inclusion policy to promote the recruitment of people with disabilities
- Consultation on the Group's health and welfare insurance plans
- Consultation on the proposal to digitalize the Company's lunch vouchers
- Presentation of Wavestone's proposed Ethics Charter

#### **Review of collective agreements signed**

Within the Economic and Social Unit (ESU), which includes Wavestone SA and Advisors, an agreement on gender equality and workplace quality of life was signed on 05/15/20, and an agreement to review working hours was signed on 10/13/20.

Mandatory Annual Negotiations led to an agreement signed on 06/17/20 by the ESU.

## **Health and Safety**

### **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 scheduled four ordinary and 12 exceptional meetings in fiscal year 2020/21. Ten of these concerned the Covid-19 health crisis.

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 fiscal 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 psycho-social disorders

For more than five years, Wavestone has also employed an occupational nurse on a full-time basis (from Monday through Friday) at the Company's head office, who works alongside the occupational doctor.

#### **Occupational health and safety agreements**

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

(1) See parenting section.

**Occupational accidents and illness**

| France (excluding Metis)                                    | 2020/21 | 2019/20 | 2018/19 |
|---|---------|---------|---------|
| Number of occupational accidents                            | 1       | 29      | 22      |
| <i>o/w commuting accidents</i>                              | 1       | 22      | 11      |
| Number of occupational illnesses declared                   | 0       | 0       | 0       |
| Rate and frequency of occupational accidents <sup>(1)</sup> | 0       | 2.0     | 1.7     |
| Severity rate of occupational accidents <sup>(2)</sup>      | 0       | 0.04    | 0.01    |

(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.

The only commuting accident declared within Wavestone France in 2020/21 has not been supported by a work stoppage.

**Absenteeism**

Wavestone's absenteeism rate in France<sup>(1)</sup> was 2.3% for the 2020/21 fiscal year, stable on fiscal year 2019/20 and mainly due to sick leave and occupational and commuting accidents. Unpaid leave is not factored into the absenteeism rate.

Including maternity, paternity and parental leave in the absence of sickness and occupational and commuting accidents, Wavestone's absenteeism rate ended at 3.06% for fiscal year 2020/21.<sup>(2)</sup>

**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.

That said, if employees experience stress, bullying, harassment or discrimination of any kind, they can go to one of a number of trained people. These include: HR teams, the Health, Safety and Working Conditions Committee (HSWCC), the occupational health doctor, nurse 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, and the unit is accessible by phone or e-mail, in French and English.

Moreover, an external anonymous reporting tool, Whispli, was deployed in April 2021 to encourage discussion of these difficult topics or situations when the context does not allow for open discussion with the usual designated in-house contacts. Such reporting is processed anonymously by the firm's in-house Ethics Officers.

All managers (Career Development Managers, Assignment Managers, Sales and Back-Office Managers) are systematically trained in the prevention and treatment of psychosocial risks as part of the new managerial program deployed 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 developed a training module focused on the prevention of sexism in the workplace, which is mandatory for all management.

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

Lastly, an action plan to promote a healthy work-life balance for employees was rolled out in fiscal year 2020/21 (reference period for the organization of recurring internal meetings, a dedicated lunch break, specific communication plans, etc.). The action plan will be regularly monitored by the Executive Committee EXCOM alongside the Economic and Social Committee (CSE) based on a number of key indicators. The latter include: number of vacation days, the number of employees who have not taken time off for three or four months (in France), the number of workplace stress situations identified every month and the rate of new cases of sick leave.

**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.

(1) Excluding Metis.

(2) New data, not calculated in previous fiscal years.



### Employee-led projects

In an effort to stay connected as a firm, several employees took the initiative to carry out local initiatives such as the Wavestone GO application, which allows employees to connect randomly over a virtual coffee. This has created a platform for weekly discussions between employees, regardless of position, seniority, and field of expertise.

What's more, the What's Up Wavestone? sessions gave rise to several employee-led initiatives in various offices. The sessions, which were open to all employees in France and abroad, materialized during fiscal year 2020/21 as a live hour-long program in a relaxed and friendly setting. The event is presented by two employees, one French-speaking and one English-speaking. It welcomes about 15 guests during each session (employees and external guests) who introduce initiatives, large-scale projects, best practices, passions to name a few.

### 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, after work drinks, team dinner parties, annual gala for all staff members and their partners, new employee get-togethers, etc.

In light of the health crisis, these face-to-face moments of conviviality were repurposed for a remote scenario through the organization of games such as the "Killer," photo contests, blind tests, solidarity-based challenges involving individual walking and remote sports sessions. Regular meetings between entities were also held in order to share news and best practices in a fun way as well as asking questions.

### 3.1.3. Diversity and equal opportunities

Our corporate culture thrives on individual differences, regardless of age, gender, ethnicity, religion, sexual orientation, disability or nationality. We strive daily to create a welcoming workplace where employees can be themselves.

In line with its commitment to being a responsible employer, Wavestone is committed to acting in strict compliance with the principles of ethics and equal opportunity.

Wavestone's social and societal policy is reflected in its program to promote diversity and non-discrimination.

In this regard, Wavestone set three priority objectives for 2021 as part of its latest strategic plan:

| 2018-2021 Objectives  | Performance at 03/31/21   | Performance at 03/31/20   | Performance at 03/31/19   |
|---|---------------------------|---------------------------|---------------------------|
| Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce | 31% and 41%, respectively | 30% and 41%, respectively | 28% and 38%, respectively |
| Achieve 30% representation of women on the Executive Committee  | 16% <sup>(1)</sup>        | 15%                       | 15%                       |
| Triple the number of employees with disabilities (objective: increase from 11 to 33) <sup>(2)</sup>                           | 29 at 12/31/2020          | 22 at 12/31/2019          | 15 at 12/31/2018          |

(1) In early fiscal year 2021/22, the Group reviewed the composition of the Executive Committee (EXCOM). Women now account for 31% representation.

(2) Objective for France (excluding Metis).

In October 2017, a group of dedicated employees formed the Wavestone For All network with the goal of promoting diversity and inclusion and ensuring fair treatment within the firm. The network identifies and provides solutions in response to situations experienced by the teams, at Wavestone and at clients' sites. It also performs various actions to raise awareness of diversity and inclusion (gender diversity, LGBT+, anti-racism, etc.).

In fiscal 2020/21, the network put together the following initiatives:

- training for Wavestone employees led by an external organization, running fun diversity awareness workshops with the target of offering at least six such workshops to employees in France in fiscal year 2021/22;

- launch of a survey among employees of all entities on racism in the workplace to better understand the possible manifestations of this subject, within Wavestone or its stakeholders; based on the 500 responses collected, preventive or corrective actions will be implemented in the fiscal years ahead;
- development of a guide of best practices on the use of inclusive communications.

Wavestone renewed its membership in the French Association of Diversity Managers (AFMD) in January 2021 in order to continue to identify and monitor best practices. The Group's efforts focus in particular on professional equality between women and men and LGBT+ and disability issues in addition to Company-wide diversity and inclusion endeavors.

1) Gender equality in the workplace

Social data

2018-2021 Objectives

Have the same proportion of women in positions of responsibility (operational or hierarchical management) as in the workforce

| Performance at 03/31/21   | Performance at 03/31/20   | Performance at 03/31/19   |
|---------------------------|---------------------------|---------------------------|
| 31% and 41%, respectively | 30% and 41%, respectively | 28% and 38%, respectively |

The percentage of women employees in the Group continued to level off to 41% at 03/31/21. This resulted from a fiscal year in which the upturn in second-half recruitments was mostly made focused on engineering schools which have fewer women than business schools or universities.

As part of its action plan to promote professional equality between women and men and achieve its objectives, Wavestone has identified five main performance drivers:

- accelerate gender diversity in hirings;
- ensure equal treatment in performance assessment, promotion, talent and compensation;
- combat stereotypes, sexism and sexual harassment;
- support employees with children in achieving a healthy work-life balance;
- promote a healthy work-life balance for all employees.

Against this backdrop, Wavestone led several initiatives in fiscal year 2020/21:

- completion of quantitative analyses and qualitative interviews with 50 women employees for a more in-depth review of the current state of affairs regarding gender equality in the various entities and to identify and initiate additional actions adapted to their respective contexts in 2021/22;
- completion of proactive initiatives to increase the percentage of women in management (monitoring HR indicators by gender, career support, support for parenting, dissemination of best practices, management awareness, etc.);
- organization of Women@Wavestone events to provide opportunities for discussion through the inspirational accounts and stories of employees;
- rollout of a management training module, with a focus on preventing sexism in the workplace;
- HR review of available parent mechanisms, including: nursery space, returning to full-time work, childcare leave and parenting conferences and coaching sessions.



On 02/25/21, under the French law on the freedom to choose an occupation (09/05/18), Wavestone disclosed a gender equality score of 87/100 for the Wavestone Economic and

Social Unit (ESU). The aim of the law is to eliminate pay differences between men and women in France.

**2018-2021 Objectives**

Achieve 30% representation of women on the Executive Committee

| Performance at 03/31/21 | Performance at 03/31/20 | Performance at 03/31/19 |
|-------------------------|-------------------------|-------------------------|
| 16%                     | 15%                     | 15%                     |

Wavestone reviewed the composition of its Executive Committee (EXCOM) at the start of fiscal year 2021/22, factoring in its commitment to diversity. Women now account for 31% representation.

**Societal data**

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 since February 2016. The association seeks to promote professional gender diversity, encouraging more women to

pursue scientific and technological careers and bringing together companies through shared best practices. Around thirty women employees at Wavestone who are graduates from engineering schools discuss and recount their careers as sponsors of the association;

- since April 2018, Wavestone has paired up with Foundation Femmes@Numérique, as a founding member and through pro bono consulting assignments. 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.

**2) Employment and inclusion of people with disabilities**

**Social data**

As part of its latest strategic plan, Wavestone has set the target of recruiting and supporting three times more disabled employees by 2021 versus 12/31/2017, i.e., 33 employees by 12/31/20<sup>(1)</sup>.

**2018-2021 Objectives**

Triple the number of employees with disabilities

| Performance at 12/31/20 | Performance at 12/31/19 | Performance at 12/31/18 |
|-------------------------|-------------------------|-------------------------|
| 29                      | 22                      | 15                      |

For the 2020 calendar year, the result declined versus the target (recruitment freeze for half of the year): Wavestone France<sup>(2)</sup> employed 29 people with disabilities according to the definition provided in the mandatory declaration of employment of people with disabilities (DOETH form)<sup>(3)</sup>.

Wavestone France's employer contribution to the AGEFIPH fund for the employment of people with disabilities came out at €819k<sup>(4)</sup> for the 2020 calendar year. This was a slight increase on the previous year (€768k), partly owing to the decline in deductible expenses from the sheltered employment sector and revised for Covid-19.

Fiscal year 2020/21:

- four new employees with disabilities were recruited on permanent contracts and three interns, two of whom had no administrative recognition;
- some forty employees with disabilities were supported by Wavestone's Disability Program ("Mission Handicap"), with or without administrative recognition, including nine who came forward during fiscal year 2020/21.

In a bid to strengthen these commitments and develop an adapted and sustainable employment policy, Wavestone signed a two-year partnership agreement with AGEFIPH on 03/31/19, renewed a further year from 04/01/21.

(1) Target at 31/12/2021 from calendar-year data established using the DOETH.

(2) Excluding Metis.

(3) Mandatory declaration of the employment of people with disabilities.

(4) It should be noted that Wavestone has made the choice not to introduce a disability reporting incentive policy.

In fiscal year 2020/21, Wavestone stepped up its commitment to the three components of its disability policy: recruitment, support for employees with disabilities and for HR and management teams, and raising awareness.

**Recruitment:**

- diversification of the sourcing strategy and identification of new performance drivers: disability partnership established with a dozen target schools during fiscal year 2021/22;
- secure recruitment and onboarding processes, continuing to train the people involved and regularly raising recruitment officers' awareness, with informal discussions regarding the Disability Program ("Mission Handicap") at the end of the process;
- disability showcase for the employer brand.

**Support:**

- Since 2018, in order to structure its commitment to disability, Wavestone France has run a Disability Program ("Mission Handicap") composed of two internal employees and one external expert on disability. The program aspires to:
  - provide close follow-up for employees who have already declared their disabilities to ensure their ongoing well-being in the workplace;
  - offer strictly confidential and individual interviews to employees concerned by disability to answer their questions and help them with their administrative procedures;
  - offer support to HR, recruitment and managerial teams to answer their questions and help them with employee follow-up.

In fiscal year 2020/21, remote training sessions were held for HR and management teams as well as the Health Safety and Working Conditions Committee (HSWCC). A project manager training course is also being developed for rollout in fiscal 2021/22.

Outside the pandemic context, note that the Disability Program makes regular visits to our regional offices to provide support locally.

**Awareness:**

- Wavestone organized two flagship awareness-raising initiatives in fiscal year 2020/21 in a drive to break down prejudice and preconceived ideas. The sessions, which were remote, were aimed at all of the Company's French-speaking employees:
  - organization of a conference with Dorine Bourneton, the world's first female stunt pilot with a disability, which brought together over 200 employees;
  - activities for the European Week for the Employment of People with Disabilities 2020 (SEEPH): theatrical workshops on invisible disability and the digital challenge, with an audience of nearly 200 employees.

**Societal data**

Parallel to this, Wavestone pressed ahead with its societal commitments to disability:

- use of sheltered workshops for different types of services, such as the printing of training materials or the delivery of meal baskets for Wavestone France;
- continued partnership with the Grenoble Ecole de Management to promote the "Management and Disabilities" certificate offered to 30 students;
- support for disability-related projects by the Wavestone Foundation: in 2020, the Wavestone Foundation funded two projects in Congo and Bangladesh;
- completion of pro bono consulting missions for disability-focused associations as part of skills sponsorship (approximately four Full-Time Employees (FTE)): framing and implementation of the Grande Cause Handicap for Make.org. The latter is an initiative developed from citizen-based consultation which aims to launch concrete projects within three years, assignments for Handicap International and APF France handicap.

**3) LGBT+ commitment**

On 09/27/19, Wavestone signed the LGBT+ Commitment Charter of l'Autre Cercle, aimed at ensuring the inclusion of lesbian, gay, bisexual and transgender people in their workplace. The signing of this charter is a strong indication of the firm's LGBT+ commitment. Through this charter, Wavestone is committed to sharing best practices for an inclusive workplace, reinforcing preventive action, supporting all those who are victims of discriminatory comments or acts as well as combating prejudice.



Wavestone has laid out four commitments in the context of its LGBT+ charter signing:

- create an inclusive environment for LGBT+ employees;
- ensure equal rights and treatment for all, regardless of their sexual orientation and sexual identity or gender;
- support employees who are victims of discriminatory comments or actions;
- measure progress and share best practices to improve the general workplace environment.

#### 4) Senior employees

Further to the above commitments, Wavestone undertakes to support its senior employees.

At 03/31/2021, employees aged 50 and over accounted for 7% of the firm's total workforce.

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 50<sup>th</sup> birthday to provide them with an overview on retirement in France and supply them with 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;
- upon request, 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 pension 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 section 3.1.3 of this report.*

#### 3.1.4. Workplace quality assessment

Wavestone conducts several annual surveys to assess its workplace quality, in line with its continuous improvement strategy.

- **Great Place to Work®**

For several years, Wavestone has been placed in the top 5 of the Great Place to Work® best companies in France with more than 500 employees.

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 five levels: credibility, respect, fairness, employee pride and conviviality.

As part of its performance plan launched during the Covid-19 health crisis, the firm did not participate in the fiscal year 2020/21 survey, but will renew its participation for fiscal year 2021/22.

- **Humpact**

Independent extra-financial rating agency specialized in employment, Humpact awarded Wavestone second place in the Youth category of the Humpact Employment Grand Prix in 2020. Wavestone was recognized for its best practices and its high employment rate for young professionals. Wavestone also scooped an employment score of 4.5 out of 5, finishing 20<sup>th</sup> out of 237 rated companies. The Company was also acknowledged, notably for its transparency.

- **Happy Trainees**

Wavestone France was awarded the Happy Trainees label for the seventh consecutive year in 2021, with an overall score of 4.06/5 and a recommendation rate of 87%. 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 onboarding, guidance and support they offer trainees.

In addition to these external surveys, the firm launched two anonymous internal surveys this year, Wavestone Mood. Their purpose was to regularly gauge teams' motivation in the context of a health crisis and implement corrective actions where necessary. Wavestone is planning on redesigning the format of its HR survey as part of its 2021/22 action plan. This decision follows the positive feedback regarding the new Wavestone Mood format. These discussions strive to develop a long-term approach to monitoring the commitment of Wavestone's teams, combining the annual Great Place to Work® survey with one or two additional, shorter surveys, targeting specific topics and making it possible to monitor employees' commitment levels more regularly than on an annual basis.

**3.1.5. Promoting and respecting 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 Labour 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 Labour 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 section 3.1.3. of this report.

**3.2. Information on Wavestone’s economic performance**

**3.2.1. Information regarding the Company’s regional, economic, social and societal impact**

**Wavestone: committed to CSR**

Wavestone aims to be a committed consulting firm by integrating CSR issues into its consulting practice. Working alongside major private and public players, the consulting business is a preferred action driver to offer insight, guide their transformations and act on a daily basis. Consulting focuses as closely as possible on concrete scenarios that will ultimately generate large-scale positive impacts for society.

In this regard, Wavestone set two objectives for 2021 as part of its latest strategic plan:

| <b>2018-2021 Objectives</b>  | <b>Performance at 03/31/21</b>                                    | <b>Performance at 03/31/20</b>  | <b>Performance at 03/31/19</b> |
|--|---|---------------------------------|--------------------------------|
| Draw up a responsible consulting charter and train all employees in its application                                    | <i>Formal charter drafted, to be revised following the phase.</i> | <i>Training being developed</i> | <i>Charter being drafted</i>   |
| Conduct our activities based on a clear and responsible policy regarding the choice of our assignments and our clients | <i>Decision to pause the drafting of a policy</i>                 | <i>Policy being drafted</i>     | <i>Policy being drafted</i>    |

In fiscal year 2020/21, a Responsible Consulting Charter was formalized with the focus of discussions extended to the concrete, operationalized implementation of such commitments. This was a cornerstone issue for the Charter’s adoption. Methodology was established and tested in an effort to obtain initial tangible results.

This all-purpose, all-project methodology aims to promote operational performance drivers for Wavestone’s teams. It is reflected in the provision of diagnostics to guide potential impact assessment and toward in-house accelerators as follows:

- documentary resources (best practice sheets, feedback, e-learning, etc.);
- leveraged methodologies and tools (e.g.: greenhouse gas calculator);
- potentially mobilized expert units.

Naturally, each project team is encouraged to leverage accelerators by capitalizing on assignment outcomes.

In second-half 2020/21, the methodology was tested through various projects, with a focus on four areas:

- impact on individuals;
- data protection;

- greenhouse gas emissions;
- waste management.

Other topics will gradually extend the scope of the approach.

Targets for fiscal 2020/21 were revised with a view to focusing work on the Responsible Consulting Charter (finalized) and project methodology testing. In terms of testing, the target of 5 applied methodology projects was introduced. Specifically, projects involved an initial inventory, in-depth thematic diagnosis and an assessment of the application of the approach produced and shared with the client. The following projects were conducted:

- integration of the “CO<sub>2</sub> impact” in the study of new logistic scenarios for a large international luxury group;
- recognition of new storage rules to halve storage space in a large banking group’s collaborative tool migration procedure;
- introduction of a new “environmental impact and waste management” criterion in the selection of a leading energy company’s future office services provider.



In fiscal year 2021/2022, Wavestone will seek to capitalize on the operational momentum created to kick-start this rollout across the firm. The Group will focus on a broader scope of initiatives, with at least 100 completed projects by 2024.

As part of its latest strategic plan, the firm set the following objective:

| <b>2018-2021 Objectives</b>                       | <b>Performance at 03/31/21</b>                           | <b>Performance at 03/31/20</b>                           | <b>Performance at 03/31/19</b> |
|---|--|--|--------------------------------|
| Have trained 100% of employees in business ethics | 84% of employees trained in the fight against corruption | 79% of employees trained in the fight against corruption | Training being developed       |

**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 Middlednext Corporate Governance Code (updated in April 2021).

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 minority shareholders are respected. The Board has an Audit Committee and a Compensation Committee, both of whom are chaired by independent directors.

Internal control was tightened by an independent Internal Audit function, which is subject to a Charter and a 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.

*For more details, see chapter Risk factors and their management of the Company's Universal Registration Document.*

**Business Ethics Charter**

In 2020, Wavestone began drafting a Business Ethics Charter. This will be communicated to the entire firm during fiscal year 2021/22 and supported by awareness and training initiatives. The Charter outlines Wavestone's key commitments to ethical business conduct, providing a clear framework for acceptable and unacceptable behavior. The Charter has been drafted in consideration of all of the firm's stakeholders. It is also written

**Transparency and ethics**

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 its adherence to the principles of transparency and ethics.

for Wavestone's entire workforce. As ambassadors, Wavestone's employees must comply with its rules and principles.

**Whistleblowing system and the role of the Ethics Officers**

Ethics Officers are the standard-bearers of ethics for all of Wavestone's stakeholders. They are employees appointed by the Chairman of Wavestone's Management Board for their skills, integrity, loyalty and company knowledge. The Ethics Officers and the Internal Audit Department are committed to doing everything possible to guarantee confidentiality in the handling of queries/alerts. As such, they have all signed the Confidentiality Charter that is part of the Internal Alert System.

Ethics Officers are responsible for assessing the admissibility of alerts, ensuring their follow-up and processing and answering questions. Whenever possible, they may contact the employee who raised the alert to obtain details of the facts and, if necessary, further investigations, with the support of Internal Audit and the Functional Department concerned.

Four alerts were signaled in fiscal year 2020/21. They were focused on a range of issues such as conflict of interest. All alerts were treated and marked as complete.

On top of this, in April 2021, Wavestone deployed a new alert solution based on the external Whispli platform. With its all-time availability (via the web or mobile app) for all the firm's internal or external stakeholders, Whispli allows them to ask questions and anonymously report any situation that appears to be inconsistent with Wavestone's ethical commitments. Example scenarios include: corruption, conflict of interest, fraud, influence peddling and harassment or all forms of discrimination (sexism, racism, etc.).

**Anti-corruption**

Wavestone's Management Board adopted the Anti-Corruption Code of Conduct published by Middelnext in December 2017. The code sets out the principles to be followed by all employees in the performance of their duties, no matter what their job is or where they are based. It also applies to anybody acting on behalf of the firm.

Wavestone also formally drafted its own in-house guide for staff based on actual case studies. This was made available on the Group's corporate website.

A mapping of corruption-related risks is also updated annually. This helps to identify the populations most exposed to risk and to plan prevention and awareness-raising actions.

**Commitment to business ethics training**

A mandatory firm-wide training module (e-learning) in the fight against corruption has been deployed. 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.

Furthermore, Ethics Officers are currently receiving training in order to apply a relevant legal framework.

**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.

Wavestone also undertakes to ensure responsible conduct with respect to local communities. Examples include:

- Wavestone refuses to carry out dismissals or contractual terminations of convenience;
- given Wavestone's solid fiscal-year results, and in line with the corporate social responsibility values the firm promotes, the Management Board, with the agreement of the Supervisory Board, will submit the reimbursement of monies received under furlough arrangements (representing more than €3 million) to the Annual General Meeting of 07/27/21, for approval.

**3.2.2. Data protection across the value chain**

True to its commitment to behave as a responsible economic player in its environment, the firm is committed to protecting data across its value chain.

As part of its latest strategic plan, the firm set the following objective:

| <b>2018-2021 Objectives</b>                                      | <b>Performance at 03/31/21</b>         | <b>Performance at 03/31/20</b>        | <b>Performance at 03/31/19</b>         |
|--|--|---------------------------------------|--|
| Have trained 100% of employees <sup>(1)</sup> in data protection | 100% of new hires<br>100% of employees | 100% of new hires<br>86% of employees | 86.4% of new hires<br>71% of employees |

(1) Employees who have been with the Company for at least 1 year.

**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 Information System Security Managers (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 Cyber Security Month. In 2019, the contest, which was focused on the protection of personal digital life, donated more than €2,300 to the ISSA association (<https://ww1.issa.int/fr>). 2020's contest was themed around phishing.

Creation of monthly videos to share best practices and cyber news.

### 3.2.3. Responsible relations with our suppliers

Wavestone takes pride in being a trusted partner. As such, the Group is committed to maintaining responsible supplier relations.

#### Paying suppliers on time

In the 2020/21 fiscal year, Wavestone focused on reviewing the various purchasing processes in order to secure its suppliers' payment terms. In the context of the crisis, particular attention has been paid to the smallest suppliers, whose payment terms were reduced or even eliminated.

#### Social and environmental issues taken into account in the firm's procurement policy

To date, sustainable development criteria (environmental, social and/or societal) were integrated into certain specific purchasing processes but were not implemented and standardized at the Group level.

Since 2019, Wavestone has worked on developing a new purchasing policy, integrating CSR priorities in France. These efforts seek to integrate social (the sheltered employment sector, social employment companies, companies hiring older people, etc.), environmental (zero waste policy, organic foods, etc.) and community (local production) factors into the selection criteria of its service providers and to ensure compliance with certain CSR commitments (the fight against corruption, for instance).

To this end, all new suppliers agree to sign Wavestone's Anti-Corruption Appendix aimed at complying with the Middlesbrough Corporate Governance Code, to which the firm is a member, and to fill out a questionnaire aimed at assessing their commitment to CSR.

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.

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.

Several initiatives were implemented in fiscal year 2020/21 in a drive to strengthen the Group's responsible purchasing policy. These include:

- increasing buyers' awareness of CSR criteria in the selection of suppliers, particularly through the drafting of a catalog of responsible suppliers for the Paris, Lyon and Nantes sites;
- systematic communication of a CSR questionnaire to new suppliers in the context of tenders issued in France;
- mapping of purchases initiated to identify CSR risks and opportunities.

For fiscal year 2021/22, Wavestone will aim to extend its catalog of responsible suppliers to other Wavestone sites (Marseille, offices outside France) and to send the CSR questionnaire to existing suppliers in order to verify their CSR commitments.

#### 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.

In such cases, subcontractors agree to sign the Wavestone Anti-Corruption Appendix and the firm may subcontract to the sheltered employment sector where possible.

### 3.2.4. 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 3.3).

**3.3. Societal performance information**

**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 fiscal year 2018/19, and in keeping with the Wavestone 2021 strategic plan, the Company decided to step up its sponsorship actions, with a fivefold increase in its support for organizations with a civic mission:

| 2018-2021 Objectives  | Performance at 03/31/21 | Performance at 03/31/20 | Performance at 03/31/19 |
|---|-------------------------|-------------------------|-------------------------|
| Devote 1% of the firm’s time to supporting organizations with a civic mission | 0.79% <sup>(1)</sup>    | 0.53%                   | 0.24%                   |

(1) Wavestone was forced to cancel its global corporate solidarity day—Powerday—in 2020/21, owing to the health crisis. This day represented approximately 0.2% of Wavestone’s employees’ time in the two previous fiscal years.

This commitment reflects a strong desire on the part of employees to contribute to and become involved in the major charitable causes supported by the firm. The latter focus on the environment and sustainable development, professional integration, diversity and the fight against poverty.

Wavestone wants to increase the many forms of skills sponsorship to achieve this objective:

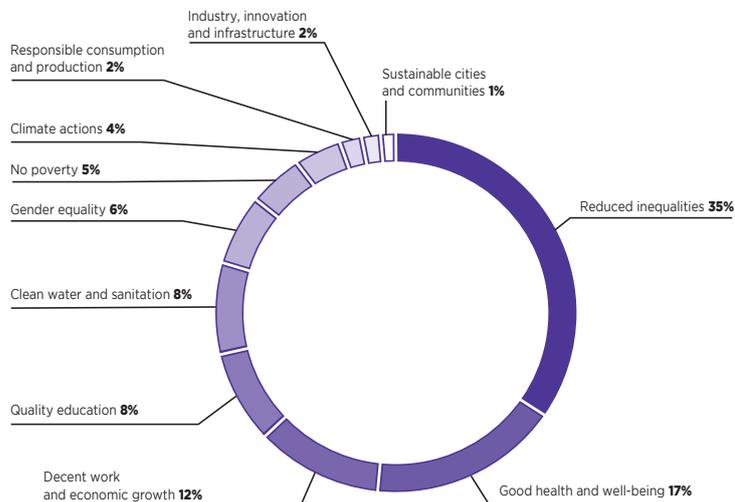
**Pro bono consulting and advice for community groups which require the same expertise and know-how as a traditional consulting assignment**

Against the backdrop of the Covid-19 crisis, a crisis management sponsorship unit was set up at the beginning of the fiscal year. This made it possible to continue the firm’s skills-based sponsorship commitments and to identify new pressing issues of charities, current Wavestone partners or otherwise, to be able to address such needs.

A new internal system has made it possible to support the increase in pro bono missions: skills sponsorship is now fully integrated into the firm’s processes and tools and relies on a network of referents both in support functions (finance, communication, legal, etc.) and in the management of operational practices. Twenty or so volunteer employees are also responsible for managing relations with charities and associations.

This meant that in the 2020/21 fiscal year, Wavestone supported 36 partner associations through 83 consulting assignments. In other words, 190 employees were involved with a combined 5,747 dedicated days spent on their initiatives, up 3,465 days on the previous fiscal year. This sharp increase reflects the firm’s new standing as a skills sponsorship leader in France.

**Breakdown of days worked, based on the UN’s sustainable development goals**



Wavestone supports its partner associations in their innovation and transformation endeavors. The following examples demonstrate this support:

- **French Red Cross:** the firm supports the association in the structuring and launch of 21, its social innovation accelerator. The French Red Cross leverages Wavestone's methodologies and employee experience from similar assignments to help the young accelerator fine-tune its positioning and operations.
- **Solidarités International:** Wavestone made a three-year commitment to provide Solidarités International with its consulting expertise. The firm assists the NGO in managing its transformation and developing its information system. This is with a view to better management of its actions to improve drinking water access for everyone.
- **Femmes@Numérique:** Wavestone has supported the foundation for the past year. Femmes@Numérique strives to increase the number of women in digital professions through a range of projects: strategic support, development of brand awareness, community outreach, etc.
- **Share IT:** Wavestone supports this Tech for Good accelerator, based at the Station F start-up campus, in the framing and management of digital and innovative projects. As an example, Label Vie supports living spaces (creches/day care centers, leisure centers, senior residences) by making them more responsible, more eco-friendly and more health conscious for users and staff. The firm helped the association to optimize the process for its beneficiaries by digitizing the labeling of creches/day care centers.
- **Make.org:** the firm supports the Make.org foundation through the management of the Grande Cause Handicap (which aims to make cities and transport more accessible, improve training, raise awareness and provide better support for caregivers) and the Grande Cause Aînés (which aims to act to maintain people in their homes, improve living spaces, and provide information and support for caregivers).

**Powerday is Wavestone's global solidarity day organized once a year to give our people the opportunity to take part in a voluntary project**

Ever since its creation, Wavestone has organized its global solidarity action day, dubbed Powerday, each year towards the end of the summer. This annual event is a chance for employees to dedicate some of their time to the social cause of their choice. In 2020, in the midst of the unprecedented health crisis and in keeping with all of the measures already taken to mitigate its impact, Wavestone made the difficult decision to cancel the Powerday. The next Powerday will be held in August 2021.

**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 increase access to the highest forms of education and extensive scientific studies:

- by promoting social, cultural and intellectual diversity for students. All the students who show promise but do not excel in the mainstream educational system. 65% of these are on scholarships, 36% from technology studies and 36% 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 last five 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 and EDHEC.

As the founder of the Villebon Institute, Wavestone lends its support at various levels:

- financial aid for the course;
- active contribution to certain strategic bodies;
- assistance with workplace integration through student sponsorships across all year groups, organizing annual professional workshops and hosting students doing internships so they can discover the world of consulting.

In fiscal year 2020/21, around 100 Wavestone employees sponsored students and Wavestone renewed its partnership as a financial sponsor and mentor for the next five years.

**Financial sponsorship with the Wavestone Corporate Foundation**

The Wavestone Corporate Foundation was created in 2009 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 and upholds the principle of empowering its beneficiaries.

Since its creation, the Foundation has backed and financed more than 134 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, nearly 15 sponsors had contributed to the Wavestone Foundation's projects by continuing to lend their support.

At the end of fiscal 2019/20, Wavestone had to tackle the Covid-19 crisis. Against this unprecedented backdrop, the firm was forced to suspend its initially planned funding to the Corporate Foundation. At its Board Meeting of 03/27/2020, the Foundation used remaining funds to finance seven new projects for a total amount of €46,000. In an effort to fund as many associations as possible, the Board decided to lower the maximum amount of individual grants to €8,000 for standard projects and €5,000 for special projects (versus the standard €10,000).

During the 2020/21 fiscal year, the Foundation remained active by monitoring its partner associations' ongoing initiatives. The Foundation supported associations by staying attentive to their needs (donation of computer equipment, masks, hand sanitizer and gloves, skills sponsorship).

At fiscal year-end, the Management Board decided on an exceptional payment of €234,000 to the Foundation, which was provisioned in the accounts as of 03/31/21.

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

**2) Actions taken with respect to employment and professional integration**

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

In 2020/21, nearly 3,000 applicants were interviewed by Wavestone for permanent positions. These applicants have various sourcing channels (relationships with educational establishments, candidate-referral campaigns, headhunted via LinkedIn and spontaneous applications).

The objective of this proactive partnership policy is to lend support to students in their personal and professional development:

- professional, via the transmission of knowledge and know-how inherent in consulting jobs (project management, client relationship management);
- and personal, by providing a variety of career coaching programs.

Every year, multiple on-campus initiatives take place: 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.

Distance learning initiatives were prioritized in the 2020/21 fiscal year as a result of the pandemic.

On an educational level, the Company also maintains strong relations with the careers services and faculty bodies of its target schools.

**3) Actions taken with respect to 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.

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

In fiscal 2020/21, 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:

- a case in point is 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;
- lastly, 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](http://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 of



good reflexes and best 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 software 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.

### 3.4. Environmental performance information

#### 1) The environment in Wavestone's strategy

Convinced of our pivotal role in one of mankind's greatest challenges, we integrate environmental issues into our strategy by making our own concrete commitments and pledging our support to clients. Among the cornerstone issues are the climate transition, energy management and waste management.

To step up its commitment, Wavestone has joined forces with a number of initiatives, including:

- Planet Tech'Care: Wavestone participates in the Syntec Numérique initiative, which aims to help companies integrate digital technology into their environmental strategy and to support training providers in the development of responsible digital skills;
- Boavizta: Wavestone is involved in an inter-organizational working group to co-develop solutions that measure the impact of digital in organizations;
- "Pour un réveil écologique" collective: Wavestone has partnered up with the collective platform, signaling its employees' commitment to reducing their carbon footprint.

#### Responsible Consulting applied to the environment

At Wavestone, we are aware that it is only by spreading the word across our industry, coupled with tangible success, that we can make our ambition a shared reality. We aspire to make our responsible consulting approach a reflex for all our employees, across all our areas of excellence and offices.

In fiscal 2020/21, this commitment was reflected in proactive actions to integrate environmental issues into even the most standard missions. In doing so, we focused on concrete success drivers and specifically actions to reduce greenhouse gases and waste. Our experiment test phase resulted in the following:

- accelerators to raise awareness among employees and guide initial discussions with the provision of assignment diagnostics to assess potential positive impacts and to channel efforts toward the right resources in-house;
- combined, the reviewed projects helped to develop a repository of best practices which includes formally reproducible methodology;
- dedicated expert units were established and can already be mobilized by the projects to support discussions, whether in the pre-sales or assignment performance phase.

*For further information on responsible consulting, see section 3.2.1.*

#### Developing an environmental solution

Responsible Consulting aside, Wavestone has developed various solutions since 2018 to support its clients' environmental transformations. These solutions are geared towards the following concepts: digital responsibility, energy efficiency and sobriety, clean mobility, the circular economy, sustainable supply chain priorities and sustainable marketing.

#### 2) Climate priorities and greenhouse gas emissions<sup>(1)</sup>

Wavestone calculates and communicates its carbon footprint extended to scope 3 on an annual basis. Moreover, the Group performs a Bilan Carbone<sup>®</sup> <sup>(2)</sup> (Carbon Audit) every two years, a practice that goes a step further than regulatory obligations, ranking Wavestone among the most transparent companies in its industry.

(1) Greenhouse gas emissions (GHG).

(2) Assessment of quantity of greenhouse gases emitted (or captured) into the atmosphere, over a year, by the activities of an organization.

2020/2021 fiscal year:

- Wavestone's Carbon Audit, which covers the full-scope of the firm's direct and indirect emissions (scopes 1,2,3), totaled 3,445 tCO<sub>2</sub>e, i.e., 1 tCO<sub>2</sub> per employee (versus 1.6 tCO<sub>2</sub>e per employee in 2019/20). This performance represents a decrease of 36% on 2019/20, with a similar scope, since digital impact is measured more comprehensively than before. Factoring in Covid-19, this data cannot be compared against that of previous years;
- Wavestone's carbon impact, which covers scopes 1 and 2 and scope 3 business travel<sup>(1)</sup>, totaled 926 tCO<sub>2</sub>e, 0.27 tCO<sub>2</sub>e per employee.

Wavestone's carbon footprint appears to be one of the smallest in its industry (1.6 tCO<sub>2</sub>e per employee in 2019/20 on a full-scope basis). Nevertheless, the firm intends to step up its efforts. For fiscal year 2021/22, the Group has turned its attention to developing an ambitious objective for the next few years, which will be accompanied by an action plan on travel and trips, building management and energy, and digital technology.

Ultimately, Wavestone's goal is to adopt an Avoid-Reduce-Compensate approach to contribute to carbon neutrality<sup>(2)</sup>. In this spirit, the Company is prioritizing the avoidance and reduction of greenhouse gas emissions, followed by compensation actions.

Initiatives which have been introduced or which are underway are presented below.

#### Key policies for achieving carbon footprint reduction targets

##### Travel and transportation

Transportation is one of Wavestone's main levers for reducing its footprint. To this end, the firm has already adopted various measures to limit the use of means of transportation which emit the most CO<sub>2</sub> and to encourage green mobility:

- air travel is authorized only if a train trip would take more than three hours<sup>(3)</sup>;
- awareness initiatives are led with the practices to limit planes trips to what is absolutely necessary;
- car travel is authorized for business trips only when there is no access to public transportation or the schedule is too

inconvenient. Use of a private car for business trips requires prior authorization by the employee's line manager. On an exceptional basis, taxis and ride services are reimbursed for employees traveling home after 10:00 p.m. at night. In such cases, Wavestone provides access to electric and hybrid taxis;

- Wavestone pays 50% of employee subscriptions to public bike-rental schemes (Vélib, Vélov, Bicloo, etc.) at all its French offices. In our Lyon office, electric bikes are available for use by staff.

##### Green IT policy

As regards the environmental impact of digital technology, numerous initiatives have already been implemented through the use of specific settings for different equipment and services (standby mode for meeting room equipment, printing policy, etc.) and also the use of various specialized service providers to give devices a second life.

However, the 2020/21 fiscal year provided an opportunity for Wavestone to go further in taking into account its digital environmental footprint by reviewing the scope of its carbon footprint. Through such efforts, the Group was able to better identify specific initiatives to focus on (review of distribution policy for small accessories, automated cleaning of SharePoint spaces) and to pinpoint various priority areas for the fiscal years ahead:

Increase in lifespan of devices and integration of environmental criteria for the selection of new suppliers;

Definition of best practices for using cloud services, particularly videoconferencing (in a context where remote work was implemented on large scale and sustained). For example, Wavestone's cloud infrastructure provider aims to provide 100% renewably-sourced electricity by 2025.

In addition, over 90% of Wavestone's laptops now have an EPEAT<sup>(4)</sup> (Electronic Product Environmental Assessment Tool) label. 30% have the Gold label, and 63% the Silver label. Among other things, the EPEAT label guarantees a responsible use of natural resources in the manufacturing of the products, the limited use of dangerous substances, guaranteed recycling and sustainability, low environmental impact packaging and

(1) Wavestone's commitment scope as reflected in the impact credit.

(2) The firm complies with the vision of the French Environment and Energy Management Agency, ADEME. This agency leads the working group for the ISO14068 standard whose objective is to create a shared international benchmark for carbon neutrality.

(3) However, you can take a plane if your train journey would last at least two hours assuming train schedules are not practical.

(4) See glossary, section 3.4.5.

low energy consumption while in use, thanks to the Energy Star<sup>(1)</sup> standard.

### Building management and energy

Workspaces have been designed to reduce emissions and promote energy savings. This is reflected by:

- meeting rooms fitted with high-performance videoconferencing systems, which considerably reduce travel. This communication tool is used mainly for in-house discussions between the firm's various offices;
- the installation of presence detectors and the use of LED bulbs and timers to limit electricity consumption from lighting.

These initiatives were adopted in Paris, Nantes, Lyon, Marseille, Casablanca, Luxembourg and London. Together, these sites account for than 95% of Wavestone's workforce.

Moreover, use of renewable energies has grown: the Tour Franklin (Franklin Tower) which is home to Wavestone's head office (more than 80% of the Group's workforce) has subscribed to an electricity supply offer from Engie with a Garantie d'Origine Renouvelable (Guarantee of Renewable Origin). The firm is reviewing potential renewable electricity contracts in its locations where electricity has a larger carbon footprint. What's more, the Tour Franklin which is located in the La Défense business district of Paris, is connected to urban heating and cooling networks that provide heating and air conditioning for the offices. The managers of this district are committed to increasing renewable heat and cooling.

Wavestone also practices remote work<sup>(2)</sup>. This substantially reduces travel and will free up three floors at the firm's head office, generating significant savings. Looking beyond Covid-19, the future needs and uses of the premises will continue to evolve in this sense within the framework of the Smartworking@Wavestone project.

### Responsible Purchasing Policy<sup>(3)</sup>

Wavestone pays particular attention to the selection of its service providers and includes clauses in contracts to reduce the carbon footprint of the services provided. We have recently introduced a questionnaire which assesses bidders' CSR commitments and includes an environmental component as part of tenders.

This tool is used mostly when purchasing IT equipment but it was also used to recruit the new manager of the inter-company restaurant at the Paris head office site (80% of the workforce, more than 2,800 employees). Two of the main selection criteria were: environmental commitment; and provision of alternative vegetarian menu options to meet employees' growing demands.

### Offset policy

The recent commitments made to reduce greenhouse gas (GHG) emissions have led the firm to begin discussions on offsetting its emissions for fiscal year 2021/22 (Zero Net Emissions commitment) through an Avoid-Reduce-Offset approach.

### Training and developing employee commitment

The success of some action drivers identified to achieve the objectives relating to reducing the carbon footprint depends on raising awareness among employees. Specifically, success relies on travel and the responsible use of digital technology. With this in mind and to support its carbon footprint reduction policies, Wavestone has developed a number of tools and training programs. These include:

- "Climate Fresk®" workshops which raise awareness of climate challenges. Since 2019, nearly 180 employees have participated in this awareness-raising workshop and 27 employees have been trained to run the workshop with a view to replicating it, both internally and with Wavestone's clients. Since 2019, the Group has run 6 "Fresks" for its clients. This year, these workshops were organized online (due to the constraints imposed by the health crisis) with the support of the CSR ambassador network;
- a digital space dedicated to responsible consulting was created. The platform centralizes all the resources developed for responsible consulting such as best practices, reproducible methodologies and internal publications;
- a guide on eco-friendly initiatives intended for members of the CSR ambassador network, to support their efforts to raise awareness among all employees;
- a guide on everyday eco-practices, aimed at all employees.

(1) See glossary, section 3.4.5.

(2) Please refer to section 3.1.2 "smartworking@wavestone" for further information on remote work.

(3) Please refer to section 3.2.3 for further information on responsible purchasing.

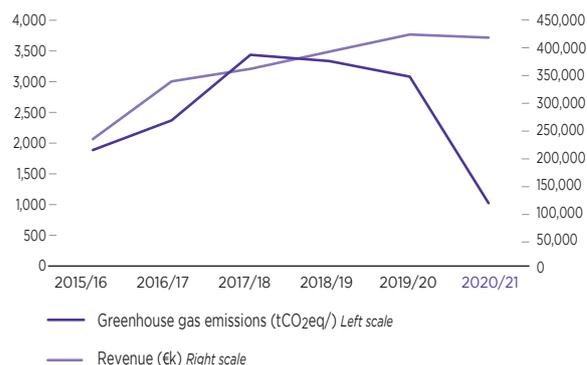
Wavestone scheduled a digital responsibility week for March 2020. This had to be postponed to the 2021/22 fiscal year as a result of the pandemic.

**Breakdown of comparative indicators**

**Change in GHG emissions versus revenue**

Wavestone has monitored its carbon impact for several years within a scope that includes fugitive emissions, energy consumption, business travel, commuting and paper purchases. The comparison of these GHG emissions with revenue highlights the correlation between the firm’s carbon footprint (scope studied) and the firm’s growth until 2017. As of fiscal year 2017/18, we reported a reduction in our carbon footprint, attributable to the policies implemented by Wavestone over the same period, and, more recently this year, to the health crisis. On the one hand, Covid-19 has reduced travel; on the other, it has shifted part of the impact outside this scope (notably digital uses).

**Evolution of GHG emissions on Wavestone’s reference perimeter compared to firm’s turnover**



**Breakdown of GHG emissions by item**

|                                       | % 2020/21 | 2020/21 GHG emissions (tCO <sub>2</sub> e) | 2019/20 GHG emissions (tCO <sub>2</sub> e) |
|---------------------------------------|-----------|--|--|
| Scope 1                               | 2%        | 55   | 41   |
| Scope 2                               | 20%       | 685  | 493  |
| Scope 3                               | 79%       | 2,705                                      | 4,893                                      |
| o/w:                                  |           |  |  |
| 8: Fuel and energy-related activities | 3%        | 92   | 75   |
| 9: Purchase of goods and services     | 17%       | 581  | 1,608                                      |
| 10: Fixed assets                      | 28%       | 963  | 775  |
| 11: Waste generated by activities     | 0%        | 10   | 17   |
| 13: Business trips                    | 5%        | 186  | 2,112                                      |
| 22: Commuting to work                 | 0%        | 4  | 306  |
| Other indirect emissions              | 25%       | 869  | 0  |
| <b>Total</b>                          |           | <b>3,445</b>                               | <b>5,427</b>                               |

During the 2020/21 fiscal year, the Covid-19 pandemic led to the closure of almost all of Wavestone’s premises and all its offices for most of the year. As a result, travel, purchasing and waste were limited, which had a substantial impact on Wavestone’s carbon footprint. Results should be interpreted with these circumstances in mind.

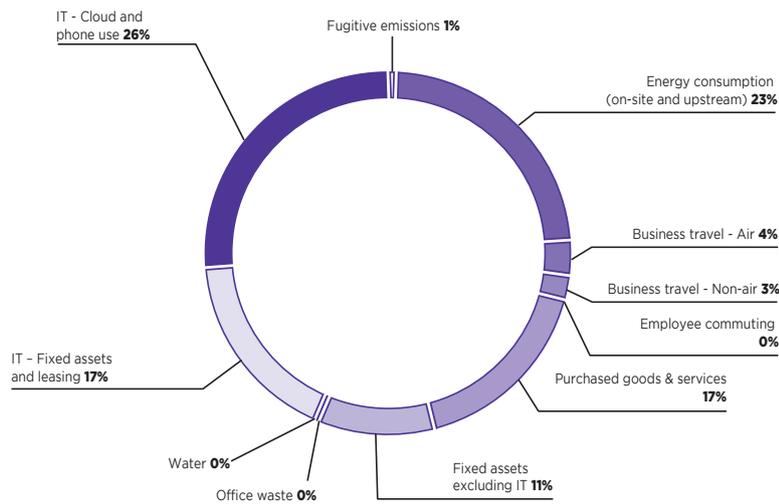
Wavestone has also worked on improving its measurement of its carbon footprint in order to identify the best measures to reduce it. Some figures are now more accurate compared to prior years:

- for some offices, the energy consumption in shared spaces has been integrated, which was not the case in previous years. This has impacted the rise in scope 1 (gas consumption in shared spaces in the Luxembourg and Brussels offices) and 2 (consumption in the shared spaces of other offices);



- the data collected to assess the carbon impact of digital technology is also more accurate than in previous years. Such data focuses on equipment (PCs, network equipment, data centers) and the use of telecommunications and external digital services (videoconferencing solutions, emails, etc.). Related emissions break down into the scope 3 categories, in line with the Carbon Audit's methodology: Fixed assets (mainly equipment) and Other indirect emissions (mainly the cloud). This means that the data considered is more plentiful and more accurate, and that scope 3 is more greatly affected;
- the impact of business travel by air was also measured, taking into account distance and class (economy, business, first class, etc.). The integration of this last criterion accounts for a good part of the considerable reduction in the total distance traveled for business trips. The distance traveled by air was effectively reduced by about a factor of 18 for fiscal year 2019/20 and by a factor of approximately 9 by train.

**Breakdown of Wavestone's GHG emissions by simplified source (2020/21)**



Based on the carbon footprint calculation for the 2020/21 fiscal year, the main items for greenhouse gas emissions are digital (category 10 and others of the footprint), energy consumption, purchases of goods and services and business travel.

Emissions related to certain scope 3 items of the Carbon Audit—12, 16, 17 (upstream and downstream transportation and distribution and transportation of visitors and clients), 18, 19 (processing, use and end-of-life of sold products), 20 (franchises), 14 and 21 (leasing) and 15 (financial investments)—are not significant for, or relevant to, Wavestone's activity.

**Breakdown of results for significant items**

**Energy consumption**

Wavestone's energy and cooling consumption represents 23% (807 tCO<sub>2</sub>e) of the Company's carbon footprint. In other words, this amounts to a final energy consumption of 4,243,000 kWh on an annual basis. To assess this impact, all of Wavestone's offices are evaluated (except the Edinburgh office, which has one employee), including collective parts.

The carbon footprint was therefore reduced in fiscal year 2020/21 due to the total or partial closure of offices over a large part of the year.

Energy consumed includes electricity, for lighting and sometimes heating or cooling offices outside France, and the heating/cooling network, for offices in Paris. Contracts for energy suppliers and sources differ for each office. Energy is either renewable or from fossil fuels, and the proportion depends primarily the energy mix of the country.

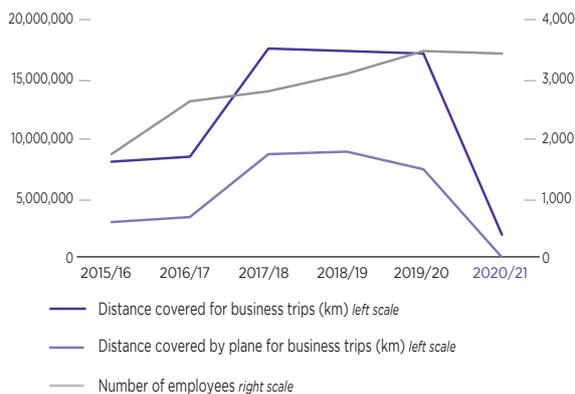
**Business trips: carbon impact**

Business travel represents 5% (186 tCO<sub>2</sub>e) of the firm’s carbon impact. A total of 1.920 million km were traveled in 2020/21 (versus 16.9 million km last year). The distance traveled is the result of Wavestone’s consulting activity and its organization (by practice and by offices located in various countries) which means some employees make business trips to see their clients.

Therefore, and unchanged from previous years, the carbon impact of business trips is largely linked to air travel which accounts for 3% (108 tCO<sub>2</sub>e) of the firm’s total GHG emissions.

The train also accounts for a large proportion of travel, with approximately 2.1 times more kilometers traveled by train than by air.

**Evolution of distance travelled for business trips compared to the number of employees**



After a very sharp increase in business travel in 2016/17, which was not correlated with growth in the firm’s headcount, travel is increasingly correlated with headcount, and its development is linked to air travel.

Wavestone has already observed the impact of the actions undertaken to control and optimize travel. These efforts are in spite of the pandemic and results from the 2020/21 fiscal year do not allow comparability with other years and so do not allow for the trend to be confirmed.

**Impact of digital technologies**

Digital technologies make up 42% of Wavestone’s carbon footprint (i.e., 1,465 tCO<sub>2</sub>e). This performance is explained by the nature of Wavestone’s work and the remote work scenario observed this fiscal year. The firm is conscious of this item’s impact and is working to improve measures so that it can identify areas for improvement. In the 2020/21 fiscal year, the scope considered for the assessment of digital technologies’ carbon impact has expanded (to include outsourced digital services) and emission factors have been refined to obtain a more accurate evaluation. The three largest emitters are: cloud services (46% of the digital footprint), laptops (28%), and cell phones (16%).

**Purchasing**

In 2020/21, Wavestone’s purchasing was focused on services (accommodation, catering, cleaning) and supplies. The carbon impact of these purchases accounted for 17% (581 tCO<sub>2</sub>e) of the total emissions assessment.

**Other items**

The other items in Wavestone’s Carbon Audit represent a little more than 1% of the total (i.e., 41 tCO<sub>2</sub>e), these items are fugitive emissions, commuting, water consumption and direct waste. The low proportion of some items is explained by the Covid-19 situation which has limited employees’ office attendance across the Board.

It was also difficult to assess public transport in the 2020/21 fiscal year because of the pandemic. Since the impact of this item is relatively small, the data was not extrapolated to the offices for which the data was unknown.



### 3) Pollution and waste management

#### Objective and Policies

Waste generated by Wavestone is mainly end-of-service IT equipment (computers, screens, servers, etc.) and office waste (paper, organic waste, packaging and ink cartridges). Wavestone is working on reducing waste through a “zero waste” approach in its offices both in France and abroad.

Wavestone has implemented a number of policies and procedures to reduce digital waste in France. Examples include:

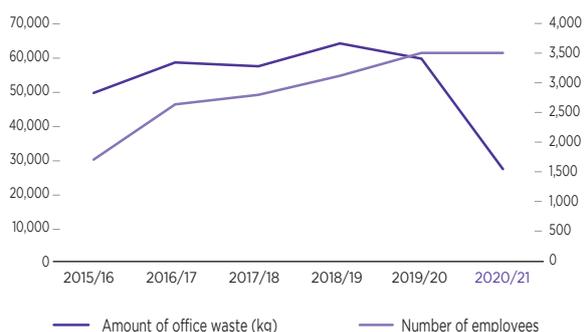
- systematically recycling laptops that have reached the end of their lifespans. Wavestone works with a leasing company that recovers these devices;
- the policy seeks to give a second life to telephones at the end of their service life by sending them to responsible recycling channels (namely l’ESAT Ateliers du Bocage);
- the treatment of electrical and electronic waste (WEEE<sup>(1)</sup>) through the clean disposal of hazardous components and the recycling of recyclable materials by certified companies;
- discussions to extend the lifespan of laptops (currently four years on average) and cell phones are now underway.

In addition to reducing IT waste, which is the most polluting, Wavestone is also working to reduce its office waste:

- practices to reduce paper consumption have been systematically introduced in Wavestone’s offices, including the use of screens in meeting rooms to project rather than print media, and the default setting of double-sided and black and white printing;
- individual office garbage cans have been removed to encourage waste sorting;
- various projects to eliminate the use of plastic cups are ongoing.

#### Results and KPIs

##### Evolution of office waste vs. workforce



The policies and procedures implemented by Wavestone have reduced waste generation, gradually dissociating this production from changes in headcounts. This year’s data is not comparable with data from previous years due to the pandemic.

#### 4) Additional environmental priorities

##### Water consumption

Information related to the Group’s water consumption mainly concerns the domestic water supply used for sanitary and cleaning purposes, and air conditioning systems. Each employee consumed an average quantity of water estimated at 2.8 m<sup>3</sup> in fiscal year 2020/21, which represents 12 liters per day, or the equivalent of less than 10% of the daily consumption of an average French individual. Wavestone’s total annual water consumption is estimated at approximately 9,734 m<sup>3</sup>.

##### Protecting biodiversity

As regards biodiversity, the challenges for Wavestone are twofold: on the one hand, they relate to business, i.e., the services provided to clients; and on the other hand, to office management.

(1) Waste from Electrical and Electronic Equipment. WEEE is equipment that is powered by the electrical grid, single-use batteries, or rechargeable batteries and is no longer in use. WEEE may either include household or office waste.

Regarding sites, Wavestone has implemented a number of initiatives that contribute directly or indirectly to reducing pressure on biodiversity: policies to reduce the carbon footprint (see section 3.4.2) and waste management policies. Wavestone also takes into account the specific challenges of office purchases (FSC-certified paper, EPEAT- and Energy Star-labeled computer equipment).

In terms of its consulting services, Wavestone has decided to focus primarily on the climate. Discussions on the integration of biodiversity-related issues will be held at a later stage.

#### 5) Glossary

- **Carbon dioxide equivalent (CO<sub>2</sub>e):** the Carbon Audit is the inventory not only of CO<sub>2</sub> emissions but also of other greenhouse gas emissions. Each gas has different global warming potential (GWP): depending on its characteristics, gases contribute more or less to the greenhouse effect. Put differently, releasing the same amount of two different gases into the atmosphere will not have the same impact on global warming. Carbon Audit reporting requires a common unit be used and that all other greenhouse gas emission be converted to this unit. This refers to Global Warming Potential (GWP), calculated by the Intergovernmental Panel on Climate Change (IPCC), which allows greenhouse gas emissions to be converted into the common unit used for the Carbon Audit: tons of CO<sub>2</sub> equivalents (tCO<sub>2</sub>e).
- **The EPEAT Label:** an Electronic Product Environmental Assessment Tool. It considers all product life cycle phases from environmental, social and health standpoints. Specifically, it applies to computers, laptops, screens and servers. The EPEAT is organized into three labels: EPEAT Bronze (only the 23 mandatory criteria are met); Silver (at least 50% of the 28 optional criteria are met); and Gold (at least 75% of the 28 optional criteria are met). To learn more, visit: <http://www.epeat.net/>.
- **The Energy Star Label:** this label assesses the energy efficiency of electronic devices. It reviews environmental criteria exclusively. The label sets an energy consumption threshold, which must not be exceeded. To learn more, visit: <https://www.energystar.gov/>.

- **The Forest Stewardship Council (FSC) Label:** this environmental label strives to assure consumers that the production of a wood or a wood-based product follows processes which ensure sustainable forest management.
- **The PEFC Label:** this label promotes sustainable forest management. It assures consumers that the purchased product is from a sustainably-managed forest.
- **Scope (Carbon Audit):** this term refers to the scope of study of the organization's greenhouse gas emissions. Three scopes are reviewed during a Carbon Audit (whereas two are reviewed for a GHG Audit). Scope 1 is the narrowest (direct GHG emissions) and scope 3 the broadest (all indirect emissions related to the value chain, except indirect energy emissions, correspond to scope 2).

## 4. Methodology note regarding non-financial reporting

### 4.1. Scope of consolidation

Unless stated otherwise, by default, the social, societal and environmental information covers Wavestone's entire consolidation scope.

Wavestone's reporting scope therefore includes Wavestone SA (parent company) and its subsidiaries:

- Wavestone Advisors UK, Xceed Group (Holding), Xceed Group, Wavestone Consulting UK (offices in the United Kingdom);
- Wavestone Switzerland (Swiss offices);
- Wavestone Advisors (French offices);
- Wavestone US, UpGrow and WGroup (American offices);
- WGroup Consulting India Project (New Delhi);
- Wavestone Luxembourg (offices in Luxembourg);
- Wavestone Belgium (offices in Belgium);
- Wavestone Advisors Maroc (Moroccan office);
- Wavestone HK, Metis Consulting HK (offices in Hong Kong);
- M3G, Metis Consulting (French offices).

For the **environmental component**, some data cannot be collected from a few offices included in the scope. In this case, extrapolations are made on the basis of the Paris head office's

ratios. The table below shows the change in the scope of environmental reporting between the 2019/20 and 2020/21 fiscal years.

| Offices                            | Workforce as of 03/31/21 | Breakdown (% of total workforce) | Workforce as of 03/31/20 | Breakdown (% of total workforce) |
|------------------------------------|--------------------------|----------------------------------|--------------------------|----------------------------------|
| Paris (Head office)                | 2,809                    | 81.3%                            | 2,827                    | 80.8%                            |
| France excluding Paris             | 264                      | 7.6%                             | 256                      | 7.3%                             |
| International                      | 380                      | 11.0%                            | 347                      | 11.9%                            |
| Casablanca                         | 16                       | 0.5%                             | 15                       | 0.4%                             |
| Brussels                           | 25                       | 0.7%                             | 23                       | 0.7%                             |
| London                             | 103                      | 3.0%                             | 117                      | 3.3%                             |
| Geneva                             | 66                       | 1.9%                             | 67                       | 1.9%                             |
| New York                           | 42                       | 1.2%                             | 51                       | 1.5%                             |
| Luxembourg                         | 58                       | 1.7%                             | 63                       | 1.8%                             |
| Hong Kong                          | 12                       | 0.3%                             | 11                       | 0.3%                             |
| Philadelphia                       | 54                       | 1.6%                             | 64                       | 1.8%                             |
| New Delhi                          | 3                        | 0.1%                             | 3                        | 0.1%                             |
| Edinburgh                          | 1                        | 0.0%                             | 1                        | 0.0%                             |
| Scope of environmental disclosures | 3,453                    | 100%                             | 3,430                    | 98.1%                            |
| Total workforce                    | 3,453                    | 100%                             | 3,498                    | 100%                             |

**Economic data** is both qualitative and quantitative.

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.

#### 4.2. Reporting period

Most of the data provided in this report covers the 2020/21 fiscal year ended 03/31/2021. In exceptional cases which are explicitly mentioned, the information covers the 2020 calendar year.

#### 4.3. Non-financial data collection sources and method

Wavestone's non-financial data is collected and consolidated at the Company's head office. Data collection and consolidation is the responsibility of the Head of HR Development, under the supervision of the Chief Financial Officer.

#### Data collection and consolidation

##### Social data

Given the nature of Wavestone's consulting activity, the social component of sustainable development is a major issue and a key priority for the Company.

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. The department is assisted mainly by a central team and decentralized HR development teams.

Social reporting and the monitoring of associated indicators fall under the responsibility of a single dedicated contact within Wavestone's HR Development Department, who is in charge of data consolidation at Group level.

##### Environmental data

For the environmental component, data collection is monitored by a contact within Wavestone, in charge of gathering all information from contributors identified in the departments concerned (ISD, Pay, offices, etc.) and consolidating it. The processing and analysis of environmental data is conducted and supervised by experts in environmental issues and carbon footprint calculation. For the 2020/21 fiscal year, Wavestone worked with the firm, BL Evolution.

• **Methodology for calculating the carbon footprint**

A Bilan Carbone® (Carbon Audit) has been completed every two years since fiscal year 2012/13 based on methodology historically developed by the French Environment and Energy Management Agency, ADEME. It is now led by l'Association Bilan Carbone in France and internationally since October 2011. In years when the Bilan Carbone® is not undertaken, the GHG emissions of the most significant items are still calculated using the same methodology recommended by the Bilan Carbone® which allows for annual reporting.

• **Methodology for collecting information relating to energy consumption**

Data collected for energy and fugitive emissions concerns the consumption of electricity, gas, and of the heating network and air conditioning units in Wavestone's offices.

This year an extra effort was made to collect data on energy and fluid consumption. These efforts produced more accurate data on electricity consumption (particularly for heating and air conditioning) in the Paris, Nantes, Brussels and London offices, and on water consumption in the Nantes and Brussels offices. Finally, this year, we also focused on integrating the energy consumption of shared spaces into the emissions linked to occupation of the premises. Additional data regarding shared space consumption was extrapolated for all offices except for our Paris, Brussels and Nantes offices (which have collective heating and cooling).

In spite these efforts, the reliability of the data collected still differs between offices for a number of reasons:

- some offices are heated with electricity, making it impossible to isolate heating consumption from other electrical uses (this applies to our Lyon, Nantes, London, Casablanca and Geneva offices);
- some parts of the energy consumption—in shared spaces, for instance—have been extrapolated using Paris head office data. This accounts for less than 5% of GHG emissions linked to the firm's energy consumption;
- due to lack of sources, some data lacks a degree of reliability and is considered to be an estimate. This is the case for data from our New Delhi, Philadelphia and Hong Kong offices;
- at some offices, monthly invoicing makes it difficult to estimate consumption for the events of 2020/2021 (this is the case for our New York offices);
- the inclusion of data in expenses (for the Philadelphia office) does not produce a reliable estimate for related consumption.

In terms of fugitive emissions, data was collected for three offices (Nantes, Casablanca and Brussels) while data for Paris and Lyon was taken from the previous assessment. Data for our other offices was extrapolated based on the surface area of the head office. The impact of these emissions is small compared to the total. Overall, these extrapolations hardly impact the accuracy of the Carbon Audit.

• **Methodology for collecting information on employee business trips:**

**Business trips**

- most of the train and air travel data is supplied by Egencia (French offices & Brussels), Papillon Voyages (Casablanca), Giles Travel (London) and Select Travel (Luxembourg). This year, additional work was carried out to improve the data in the reports provided by these agencies, and this work is being further developed for future years. This year's data was more reliable, particularly with respect to distance traveled, travel class, and the practices concerned as well as transit time and stopovers;
- as regards air travel, travel agencies provided information in kilometers and CO<sub>2</sub> equivalent. This CO<sub>2</sub> data was compared against figures calculated in kilometers and using factors from the Base Carbone (the French Environment and Energy Management Agency's carbon database). The two estimates have a similar order of magnitude. However, in an effort to improve carbon footprint assessment, Wavestone considered the impact of lags and travel class factors. This resulted in a higher carbon footprint for these trips;
- emissions were then estimated using Base Carbone factors. This year, the Group considered the travel class for flights in order to estimate the related carbon impact since First class requires comparatively more ground space than Economy. Estimates were based on a study conducted by the World Bank<sup>(1)</sup>;

(1) Calculating the Carbon Footprint from Different Classes of Air Travel, The World Bank, Development Research Group, Environment and Energy Team, May 2013.



- part of the data for train and air travel (London, Geneva, New York, Hong Kong and Philadelphia) is booked as an expense. Amounts are collected as currency before being converted into distance traveled (in kilometers);
- data on travel by public transport, short-term car rentals and personal vehicles booked as expenses are collected from the Accounting Department. The amounts collected as currency were converted into distance traveled (km);
- taxi or cab travel data is booked as an expense in local currency. This data is also converted into distance traveled. To obtain most realistic estimate possible, the data collected was made consistent with local information on the cost of taxi or cab travel.

Lastly, regarding transportation data for which only monetary information was available (there are no expense records for kilometers traveled), carbon footprint was calculated using kilometer conversions. The Group was in a position to estimate distance traveled for all booked expenses based on means of transportation (plane, train, taxi/cab, etc.) and location (each specific Wavestone office).

#### Commuting to work

Wavestone's offices were not regularly used in any country or location throughout 2020/21 as a result of the pandemic. Employees were allowed to visit the premises, but there was no tracking of commutes. As such, estimating the accuracy of commuting information is a difficult task.

Data was collected as follows:

- analysis of trips by car or two-wheeled vehicle based on post codes communicated by employees who use parking spaces, for the Paris, Nantes and Brussels offices;
- analysis of public transport trips by estimate, based on reported transport fares and estimated office occupancy, when open, specifically for French offices.

No estimate was made for all other commuting trips since this item did not significantly impact the overall assessment.

#### Methodology for collecting information on water consumption:

- water consumption for the Tour Franklin offices is based on the consumption for the building as a whole and a ratio per floor based on the number of floors used by Wavestone;
- water consumption in the Lyon, Nantes, Casablanca, Brussels and Luxembourg offices is supplied by lessors or service providers;
- figures for the other offices were extrapolated from the data for the Paris head office (m<sup>3</sup>/employee ratio).

#### Methodology for collecting information on waste

The data collected concerns office waste and recyclable waste.

- data was collected from offices in Paris, Lyon, Marseille, London, Brussels and Geneva. Data is communicated by service providers in charge of waste collection (Paris, Lyon, Marseille, Brussels and Geneva) or from weight estimates. The latter are provided in kilograms (kg) and in euros (€);
- data for our other offices was estimated based on headcount.

In light of the Paris office representation (headcount and activity) compared to other offices, the reliability of data from Paris, Wavestone's activity, and office use throughout 2020/21, it is considered that sufficient data has been collected (Paris and extrapolated offices) to estimate the firm's waste-related carbon impact.

#### Methodology for measuring the digital carbon footprint

Wavestone's digital carbon footprint was calculated using a two-step process:

- the calculation of the impact of all physical equipment owned (PCs, smartphones, tablets, servers, etc.), the number of which is derived from Wavestone inventories (or estimates based on the number of employees). Base Carbon emissions factors from the French Environment and Energy Management Agency, ADEME, were used to measure the carbon footprint. Manufacturers' emissions factors were used when the model of equipment was known, particularly for PCs;
- two types of data were used to calculate digital and telecommunications use: data volumes (emails, Microsoft Teams use, etc.) and monetary data. In the first case, the electricity consumption generated by the transited data was estimated and then converted into CO<sub>2</sub>e based on electricity mix scenarios. French Environment and Energy Management Agency, ADEME, monetary ratios were used whenever monetary information was exclusively available.

#### Societal data

Societal reporting is mainly qualitative. It is overseen by Wavestone's HR Development Department, working in tandem with specific contributors in 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.

However, 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 Development 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 fiscal 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 2020/21 fiscal year. The subsequent audit report is presented below.

## 5. Independent auditor’s limited assurance report on the Company’s social, societal and environmental information

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To shareholders,

Following the request received from Wavestone SA (referred to hereinafter as “the entity”) and in our capacity as an independent third-party body with an accreditation granted by the COFRAC Inspection under registration no. 3-1081 (available on [www.cofrac.fr](http://www.cofrac.fr)), we hereby present our report on the consolidated statement on non-financial performance for the year ending 03/31/21 (referred to hereinafter as the “Statement”), presented in the group’s management report in accordance with the statutory and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the [French] Code of Commerce.

### Entity’s duty

The Board of Directors has a duty to draw up a Statement that complies with statutory and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in view of these risks together with the results of those policies, including key performance indicators.

The Statement has been drawn up according to the authoritative accounting pronouncements used, (referred to hereinafter as the “Pronouncements”) by the entity whose significant elements available upon request from the company’s head office.

### Independence and quality control

Our independence is defined in the provisions of L.822-11-3 of the [French] Code of Commerce and the profession’s Code of Conduct. Moreover, we have set up a quality control system that includes documented policies and procedures aiming to ensure that rules of conduct, professional ethics and the applicable statutory and regulatory provisions are complied with.

### Duty of the independent third-party body

We have a duty, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of a moderate level of assurance as to:

- the Statement's compliance with the provisions set out in Article R.225-105 of the [French] Code of Commerce;
- the sincerity of the information furnished in application of 3° of I and of II of Article R.225 105 of the [French] Code of Commerce, namely the results of the policies, including key performance indicators and actions relating to the main risks, referred to hereinafter as the "Information".

However, we have no duty to give an opinion on:

- whether the entity has complied with other applicable statutory and regulatory provisions, including, matters relating to the vigilance plan and the fight against corruption and tax evasion;
- compliance of products and services with applicable regulations.

### Nature and scope of the work

We carried out the work in accordance with standards that apply in France and that determine the ways in which the independent third-party body carries out its mission, and with international standard ISAE 3000.

We carried out our work between 05/07/21 and 05/31/21 for a period of approximately six days/person.

We held three interviews with people in charge of the Statement.

We carried out the work enabling us to evaluate the extent to which the Statement complies with the regulatory provisions and the sincerity of the Information:

- we informed ourselves of the activity of all of the companies falling within the scope of the consolidation, of the exposure to the main corporate and environmental risks linked to this activity, and of its effects on human rights and the fight against corruption and tax evasion together with the policies that ensue and their results;
- we looked into the appropriateness of the Pronouncements with a view to their relevance, exhaustiveness, reliability, neutrality and comprehensive nature, taking into account, where necessary, the sector's good practices;

- we checked that the Statement covered each category of information provided under III of Article L.225 102 1 on corporate and environmental matters and whether human rights were being complied with and the fight against corruption and tax evasion;
- we checked that the Statement presents the business model and the main risks linked to the activity of all of the companies falling within the scope of the consolidation, including, where relevant and proportionate, the risks created by business relations, products or services as well as policies, actions and results along with key performance indicators;
- we checked, where relevant in view of the main risks or policies presented, that the Statement presents information set out in II of Article R.225-105;
- we looked into the selection and validation process of the main risks;
- we enquired about the existence of internal verification and risk management procedures set up by the entity;
- we looked into the coherence of results and of key performance indicators used in view of the main risks and policies presented;
- we checked that the Statement covers the consolidated scope, namely all of the companies falling within the scope of consolidation in accordance with Article L.233-16 with the limits set out in the paragraph;
- we studied the information-gathering process set up by the entity aiming to obtain information that is exhaustive and sincere;
- with regard to key performance indicators and other quantitative results that we consider to be the most important, we implemented;
- analytical procedures consisting of checks to ensure that the data collected was consolidated correctly and that its evolution was coherent;
- detailed tests on the basis of surveys, consisting of checks to ensure definition and procedures were applied correctly and of checks linking data to supporting documentation. This work was carried out with a selection of contributing entities<sup>(1)</sup> and covered between 15% and 100% of the consolidated data of the key performance indicators selected for these tests<sup>(2)</sup>;

(1) Social indicators : world database, Environmental indicators : Wavestone SA Paris's site, Nantes, Marseille, Casablanca, London, Geneva, Luxembourg, Nanterre, Villeurbanne. For the "Digital technologies GHG" indicator, Group scope.

(2) Total workforce, Breakdown of workforce by gender, age, geographic region and job category, Breakdown of consultant hiring by type of diploma, Details of new hires and departures (excluding internships), Staff turnover, Time allocated to training, Internal mobility mechanism, Health and safety (occupational accidents and illness), Absenteeism, Diversity and equal opportunities, Gender equality in the workplace, Employment and inclusion of people with disabilities, Wavestone : committed to CSR (projects conform to the responsible consulting charter), Transparency and ethics (having trained 100% of employees in business ethics), Climate priorities and greenhouse gas emissions (carbon footprint), Breakdown of GHG emissions by item, Energy consumption, Impact of digital technologies.

- we consulted documentary sources and held interviews to corroborate what we considered to be the most important qualitative information (actions and results);
- we looked into the overall coherence of the Statement with reference to our knowledge of the companies as a whole falling within in the scope of the consolidation.

We consider that the work carried out and, exercising our professional judgment, enables us to formulate a conclusion of a moderate level of assurance; a higher level of assurance would have required more extensive verification work.

In view of the fact that sampling techniques were used and that there are other limits inherent to the functioning of any system of information and internal control, we cannot rule out totally the risk that a significant anomaly in the Statement has not been detected.

#### Conclusion

On the basis of our work, we did not note any significant anomaly of such a nature as to cast any doubt on the fact that the statement of non-financial performance complies with the applicable regulatory provisions and that that Information, as a whole, has been presented with sincerity, in accordance with the Pronouncements.

Lyon, on June 04, 2021

FINEXFI

Isabelle Lhoste

Partner

## 2020/21 Management Board Report - Additional note

### Company results and other items in the last five years

| (In thousands of euros)   | 03/31/17  | 03/31/18  | 03/31/19   | 03/31/20   | 03/31/21   |
|---|-----------|-----------|------------|------------|------------|
| <b>Capital at year-end</b>  |           |           |            |            |            |
| Share capital   | 497       | 497       | 505        | 505        | 505        |
| Number of ordinary shares   | 4,966,882 | 4,966,882 | 20,196,492 | 20,196,492 | 20,196,492 |
| <b>Operations and profit/(loss)</b>   |           |           |            |            |            |
| Revenues before tax   | 223,853   | 274,228   | 308,967    | 332,128    | 332,918    |
| Profit/loss before tax, profit-sharing, depreciation, amortization and provisions             | 37,768    | 53,193    | 49,525     | 50,037     | 46,956     |
| Income tax  | 9,262     | 12,328    | 11,868     | 11,560     | 10,836     |
| Employee profit-sharing   | 4,402     | 6,678     | 4,162      | 3,896      | 4,201      |
| Profit/loss after tax, profit-sharing, depreciation, amortization and provisions              | 23,689    | 30,558    | 31,538     | 30,010     | 20,749     |
| Distributed earnings  | 3,040     | 3,993     | 4,054      | 4,572      | 0,00       |
| <b>Earnings per share</b>   |           |           |            |            |            |
| Profit/loss after tax and profit-sharing and before depreciation, amortization and provisions | 4.85      | 6.88      | 1.66       | 1.71       | 1.58       |
| Profit/loss after tax, profit-sharing, depreciation, amortization and provisions              | 4.77      | 6.15      | 1.56       | 1.49       | 1.03       |
| Dividend paid (in euros)  | 0.61      | 0.81      | 0.23       | 0.00       | 0.00       |
| <b>Personnel</b>  |           |           |            |            |            |
| Average headcount   | 1,685     | 1,796     | 1,942      | 2,059      | 2,139      |
| Total payroll   | 94,566    | 101,423   | 107,294    | 115,126    | 125,379    |
| Social security and social welfare contributions  | 44,955    | 47,597    | 50,670     | 57,176     | 59,128     |

## Management Board Report - Trends

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

# **CORPORATE GOVERNANCE REPORT**

# 02

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In accordance with Articles L.225-68 and L.22-10-20 of the French Commercial Code, the Supervisory Board will present its Corporate Governance Report to the Combined Ordinary and Extraordinary Shareholders' Meeting of 07/27/21, which includes the information referred to in Articles L.22-10-9 to L.22-10-11 and L.225-37-4 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 06/01/21.

## 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 03/31/21 is as follows:

#### Management Board

- Pascal Imbert Chairman of the Management Board
- Patrick Hirigoyen Member of the Management Board

#### Supervisory Board

- Michel Dancoisne Chairman of the Supervisory Board
- Marie-Ange Verdickt Vice-Chairwoman of the Supervisory Board
- Jean-François Perret Member of the Supervisory Board
- Sarah Lamigeon Member of the Supervisory Board
- Rafaël Vivier Member of the Supervisory Board
- Benjamin Clément Employee Representative Member of the Supervisory Board
- Christophe Aulnette Member of the Supervisory Board

#### Audit Committee

- Marie-Ange Verdickt Chairwoman of the Audit Committee
- Michel Dancoisne Member of the Audit Committee
- Rafaël Vivier Member of the Audit Committee

#### Compensation and Nomination Committee

- Rafaël Vivier Chairman of the Compensation and Nomination Committee
- Marie-Ange Verdickt Member of the Compensation and Nomination Committee
- Michel Dancoisne Member of the Compensation and Nomination Committee
- Jean-François Perret Member of the Compensation and Nomination 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**

| <b>Name</b>       | <b>Date of first appointment and date of renewal</b> | <b>Date of end of term of office</b> | <b>Main position held within the Company</b> | <b>Main position held outside the Company</b> | <b>Other terms of office and positions held in other companies</b> | <b>Other terms of office held over the past five years</b> |
|-------------------|--|--------------------------------------|--|---|--|--|
| Pascal Imbert     | 09/30/02   | 09/26/26                             | Chairman of the Management Board             |   | Axway<br>Director  | Wavestone Consulting Switzerland<br>Chairman and CEO       |
|                   | 09/26/08   |                                      |  |   | Wavestone Belgium<br>Director                                      |  |
|                   | 07/28/14<br>(effective as of 09/26/14)               |                                      |  |   | Wavestone Advisors Morocco<br>CEO                                  | Xceed (2007)<br>Director/Chairman/<br>Treasurer            |
|                   | 07/28/20<br>(effective as of 09/26/20)               |                                      |  |   | Wavestone Advisors<br>Chairman                                     |  |
|                   |  |                                      |  |   | Wavestone US Inc.<br>Chairman                                      |  |
|                   |  |                                      |  |   | Xceed Group Ltd<br>Director/Chairman                               |  |
|                   |  |                                      |  |   | Xceed Group (Holdings)<br>Director/Chairman                        |  |
|                   |  |                                      |  |   | Wavestone Consulting UK Ltd<br>Director /Chairman                  |  |
|                   |  |                                      |  |   | WGroup Inc.<br>President / Chairman                                |  |
|                   |  |                                      |  |   | WGroup India<br>Chairman   |  |
|                   |  |                                      |  |   | Metis Consulting<br>Chairman                                       |  |
|                   |  |                                      |  |   | FIH<br>CEO   |  |
| Patrick Hirigoyen | 09/30/02   | 09/26/26                             | Member of the Management Board               |   | Wavestone Advisors<br>CEO  |  |
|                   | 09/26/08   |                                      |  |   | Wavestone Belgium<br>Director                                      |  |
|                   | 07/28/14<br>(effective as of 09/26/14)               |                                      | General Director                             |   | Wavestone Luxembourg<br>B-class Director                           |  |
|                   | 07/28/20<br>(effective as of 09/26/20)               |                                      |  |   |  |  |



| <b>Name</b>          | <b>Date of first appointment and date of renewal</b> | <b>Date of end of term of office</b>    | <b>Main position held within the Company</b> | <b>Main position held outside the Company</b>   | <b>Other terms of office and positions held in other companies</b>  | <b>Other terms of office held over the past five years</b> |  |
|----------------------|--|---|--|---|---|--|--|
| Michel Dancoisne     | 09/30/02   | Annual                                  | Chairman of                                  |   | FDCH<br>CEO   |  |  |
|                      | 09/26/08   | General                                 | the  |   |   |  |  |
|                      | 07/11/14 (Member of the SB)                          | Meeting called to approve the financial | Supervisory Board                            |   |   |  |  |
|                      | 07/28/14 (Chairman of the SB)                        | statements for the fiscal               | Member of the Audit Committee                |   |   |  |  |
|                      | 07/20/16 (Member of the Audit Committee)             | year ended 03/31/22                     | Member of the Compensation and               |   |   |  |  |
|                      | 03/05/18 (Member of the Compensation Committee)      |   | Nomination                                   |   |   |  |  |
|                      | 07/26/18 (Chairman of the SB)                        |   | Committee                                    |   |   |  |  |
| Marie-Ange Verdickt  | 09/26/12   | Annual                                  | Vice-  | Independent<br>Advisor  | ABC Arbitrage<br>Director<br>Caphorn Invest<br>Member of the<br>Supervisory Board<br>Interparfums<br>Director<br>Bonduelle SA<br>Director | Bonduelle SCA<br>Member of the<br>Supervisory<br>Board     |  |
|                      | 07/20/16 (Member of the SB)                          | General                                 | Chairwoman of                                |   |   |  |  |
|                      | 07/20/16 (Chairwoman of the Audit Committee)         | Meeting called to approve the financial | Supervisory Board                            |   |   |  |  |
|                      | 03/05/18 (Member of the Compensation Committee)      | statements for the fiscal               | Chairwoman of the Audit Committee            |   |   |  |  |
|                      | 26/07/18 (Vice-Chairwoman of the SB)                 | year ended 03/31/24                     | Member of the Compensation and               |   |   |  |  |
|                      | 07/28/20 (Member of the SB)                          |   | Nomination                                   |   |   |  |  |
|                      | 07/28/20 (Vice-Chairwoman of the SB)                 |   | Committee                                    |   |   |  |  |
| Jean-François Perret | 09/26/08   | Annual                                  | Member of the                                | Teknowlogy<br>Group (prev.<br>CXP Group)<br>Director and<br>Chairman of<br>the Strategic<br>Committee | CVMP Conseil<br>CEO<br>Whoz<br>Board Member<br>Fondation "N7<br>Development"<br>Chairman  |  |  |
|                      | 07/11/14 (Member of the SB)                          | General                                 | Supervisory                                  |   |   |  |  |
|                      | 07/28/14 (Vice-Chairman of the SB)                   | Meeting called to approve the financial | Board  |   |   |  |  |
|                      | 03/05/18 (Member of the Compensation Committee)      | statements for the fiscal               | Member of the Compensation and               |   |   |  |  |
|                      | 07/26/18 (Member of the SB)                          | year ended 03/31/22                     | Nomination                                   |   |   |  |  |

| <b>Name</b>         | <b>Date of first appointment and date of renewal</b>  | <b>Date of end of term of office</b>   | <b>Main position held within the Company</b>  | <b>Main position held outside the Company</b>        | <b>Other terms of office and positions held in other companies</b>  | <b>Other terms of office held over the past five years</b>  |
|---------------------|---|--|---|--|---|---|
| Sarah Lamigeon      | 07/22/15<br>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<br>Communications Director  |  |   | Wavestone<br>Non-voting member of the Supervisory Board (resigned on 07/22/15)  |
| Rafaël Vivier       | 07/22/15<br>07/20/16 (Member of the Audit Committee)<br>03/05/18 (Chairman of the Compensation Committee)<br>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<br>Member of the Audit Committee<br>Chairman of the Compensation and Nomination Committee | Wit Associés<br>Founding Partner<br>Consultor<br>CEO | EDHEC<br>Head of the Strategy<br>Consulting Intensive Track program   |   |
| Benjamin Clément    | 01/10/18  | 01/10/22   | Employee Representative<br>Member of the Supervisory Board<br>Communications Manager                                      |  | Private business owned by individual (“auto-entrepreneur” 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   | Arcadia<br>Ventures SAS<br>Chairman                  | Netgem SA<br>Director<br>Dathena Science<br>Pte Ltd<br>Executive Chairman<br>Locarise Pte Ltd<br>Board Director<br>MBO Partenaires<br>Member of the Supervisory Board | Netgem Singapore<br>Director<br>Netgem Australia<br>Director<br>Netgem Mexico<br>Director<br>Netgem International<br>Chairman<br>Sixon Holding SA<br>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 Kedge 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, 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 currently serves as a director on the Board of Directors of ABC Arbitrage, Interparfums, and Bonduelle SA, and is a member of the Supervisory Boards of the CapHorn Invest private equity company. 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 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 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 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. Since 2021, he manages the financial communication, and works on employer-brand content as well as intellectual property. He was appointed employee representative member of the Supervisory Board in January 2018. Benjamin also runs his own corporate and sports event management company.

**Christophe Aulnette**



Christophe Aulnette is graduate of Telecom ParisTech and has more than 25 years of experience in managing and developing international companies in the technology sector. In 1988, he joined Microsoft France, where he successively held the positions of sales engineer and Director of the Key Accounts division. In 1998, he was appointed General Manager of Asia Business Development at Microsoft's Asia-Pacific headquarters in Tokyo, before being promoted to Chairman of South Asia. Based in Singapore, he was responsible for the operational management of the seven subsidiaries in the region. In May 2001, he was called back to France to take up the position of Chairman of Microsoft France, the group's fifth largest subsidiary in the world with more than €1.2 billion in revenue. In March 2005, he was appointed Chairman of the Management Board of Altran Technologies, a listed company with 16,000



employees in Europe and generating revenue of €1.5 billion. He left his position at the end of 2006 after initiating a major transformation plan within the group. In early 2009, he joined Netgem, a company listed on the NYSE Euronext exchange, which provides online television solutions for telecom operators. During his four years as CEO, Christophe Aulnette transformed the company by expanding it internationally, capturing many operator clients across all 5 continents, while maintaining a high level of profitability. In 2013, he became a director of the Netgem group and developed, starting in Singapore and now based in Paris, an investment and operational consulting activity for companies in the technology sector.

#### 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 1.1.1. “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:

| <b>Middlenext Independence Criteria</b> | <b>Not an employee or a corporate officer (either past or present)</b> | <b>Not a major client, supplier or banker</b> | <b>Not a reference shareholder</b> | <b>No family ties with another corporate officer or reference shareholder</b> | <b>Not a former auditor</b> |
|---|--|---|------------------------------------|---|-----------------------------|
| Michel Dancoisne                        | O  | X   | O                                  | X   | X                           |
| Jean-François Perret                    | X  | X   | X                                  | X   | X                           |
| Marie-Ange Verdickt                     | X  | X   | X                                  | X   | X                           |
| Sarah Lamigeon                          | O  | X   | X                                  | X   | X                           |
| Rafaël Vivier                           | X  | X   | X                                  | X   | X                           |
| Benjamin Clément                        | O  | X   | X                                  | X   | X                           |
| Christophe Aulnette                     | X  | X   | X                                  | X   | X                           |

O: Independence criterion not respected.

X: Independence criterion respected.

At its meeting on 03/08/21, the Supervisory Board, observed that it had four independent members (Jean-François Perret, Marie-Ange Verdickt, Rafaël Vivier and Christophe Aulnette), while specifying that the Middlenext Corporate Governance Code recommends at least two independent members on the Board.

The percentage of independent Board members therefore came to two-thirds (employee representative members or members representing employee shareholders being excluded from the calculation, in line with standard issuer market practice).

#### Duration of terms of office

Members of the Supervisory Board are appointed for a duration of four years.

#### Obligation to hold Wavestone shares

Supervisory Board members are legally obliged to own at least 320 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 03/08/21, 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, Télecystèmes (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 Middenext, 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 1.1.1. “Terms of office and positions held by corporate officers during the fiscal year ended and over the past five years” of this report.

**2.2. Information concerning the Supervisory Board members whose appointment is proposed by the Combined General Meeting of 07/27/11**

**Marlène Ribeiro**



French  
42 years old

**Main positions held outside the Company:**

- Senior Executive Director PageGroup
- Executive Board member of Michael Page France and PageGroup France

**Other terms of office and positions held:**

- N/A

**Other terms of office held in other companies over the past five years:**

- N/A

**Professional experience:**

A graduate from the Telecom SudParis engineering school, Marlène Ribeiro, 42, has more than 19 years’ experience working in international consulting, auditing and recruitment firms.

In 2002, Marlène Ribeiro joined Deloitte France as Financial Information Systems Consultant and then at Ineum Consulting, the consulting spin-off of Deloitte France.

In 2005, she joined the Michael Page recruitment agency, under the PageGroup brand, listed on the London stock market and part of the FTSE 250 index. She joined them as IT Systems Recruitment Specialist. She went on to recruit senior executives and executive management in this area for ten years, while also creating, developing, restructuring and managing different PageGroup activities.

In 2015, she was appointed Senior Executive Director and member of the Executive Board of Michael Page France as well as PageGroup France. She is involved in large-scale transformation projects for the Group: unlocking synergies between the different Group brands, aligning processes and tools to a more global model, acceleration of digitalization and innovation at the service of the business activity, sharing a corporate vision, updating the management culture as well as strengthening employee commitment and CSR projects



Furthermore, Marlène Ribeiro plays an active role in diversity and inclusion through the Women@PageGroup for whom she is currently the sponsor for PageGroup France.

**Number of Wavestone shares held:**

As of 03/31/21, Marlène Ribeiro did not hold any Wavestone shares.

Furthermore, at its 01/29/21 meeting, the Supervisory Board voted on the independence of Ms. Marlène Ribeiro nominated for the position of new member of the Supervisory Board. On the same date, the Supervisory Board confirmed the candidate's independence from Wavestone.

The Supervisory Board proposed the candidacy of Ms. Marlène Ribeiro owing to:

- her position as a woman executive officer in an international group;
- her extensive knowledge of human resources management and in particular recruitment in the technology sector;
- her personal commitment to diversity, gender equality, greater involvement of women in the technology sector and support for high-potential women.

**Véronique Beaumont**



French  
56 years old

**Main positions held outside the Company:**

- Director, SOCAH SA

**Other terms of office and positions held:**

- N/A

**Other terms of office held in other companies over the past five years:**

- Chair of Publicis Sapient France (end-November 2020)
- Director, Publicis Conseil (end-November 2020)
- Director, AACC (end-June 2019)
- Director, QWAMPLIFY (Ex-Custom Solutions, end-March 2018)

**Professional experience:**

A graduate from ENSEIHT with a Master's from ISG, Véronique Beaumont, aged 56, has more than 30 years' experience in digital transformation and structuring innovative fast-growing businesses.

She began her career in 1988 at Sagem where she held various marketing and sales positions. In 1996, convinced of the robustness of digital technologies, Véronique seized the opportunity to join Sema Group Consulting to develop her e-business practice at the European level. In 1999, as the internet developed rapidly, she joined the TBWA Interactive team, a newly-created web agency. In 2002, despite the burst of the .com bubble, Véronique remained convinced that the Internet was still just starting to take off. She joined the Sales Department followed by the Operations Department, of Business Interactif, an independent web agency.

In 2007, Business Interactif was acquired by Publicis to become Digitas France. Véronique became Digitas France's International Development Manager in collaboration with the Digitas global network. At end-2009, she was appointed Managing Director of Digitas France. Then, in 2013, her role was extended to EVP General Manager of Digitas LBi France and European Chief Growth Officer at DigitasLBi.

In 2016, Véronique was appointed CEO of DigitasLBi France. In 2018, when Publicis merged with DigitasLBi and Razorfish to create Publicis Sapient France, she became CEO of this company which further expanded through the end-2018 acquisition of Xebia.

In parallel, Véronique was appointed to the Publicis France Executive Committee. In December 2020, she left Publicis Group to pursue new avenues.

**Number of Wavestone shares held:**

As of 03/31/21, Véronique Beaumont did not own any Wavestone shares.

Furthermore, at its meeting of 03/08/21 meeting, the Supervisory Board voted on the independence of Véronique Beaumont, nominated for the new position on the Supervisory Board. On the same date, the Supervisory Board confirmed the candidate's independence from Wavestone.

The Supervisory Board proposed the candidacy of Ms. Marlène Ribeiro owing to:

- her position as a woman executive officer in an international group;
- her extensive knowledge of the consulting market and IT and digital technologies and the key success factors in this business and these fields;
- her experience in managing consultant teams and project management experience in such activities.

### **2.3. Diversity policy of the Supervisory Board, its Committees and the Executive Committee (EXCOM)**

#### **Diversity policy within the Supervisory Board and its Committees (Audit Committee and Compensation and Nomination 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 and Nomination 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.

Furthermore, the Supervisory Board requests that the Annual General Meeting of 07/27/21 appoint two new women members. If these resolutions are approved, the number of women Board members will increase to four, i.e., 50% parity (excluding employee representatives).

- **International experience - Nationality**

Several Board members have global-reaching roles and responsibilities.

Among them, Mr. Christophe Aulnette has more than 25 years' experience in managing and developing multinational companies in the technology sector, with extensive expertise in business transformation as part of international development plans.

- **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.

Furthermore, it is specified that the Supervisory Board has expertise in investor relations thanks to the positions occupied by Sarah Lamigeon and Benjamin Clément within Wavestone as well as the professional experience of Marie-Ange Verdickt.

- **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 2020/21, the Board's members are aged between 32 and 78, and the average age of the members of the Supervisory Board is 57.

#### **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 was to have women making up 30% of the Executive Committee by 2021 (16% at end-March 2021).

At the beginning of the 2021/22 fiscal year, the configuration of EXCOM has changed. This governance body is now 31.3% female.

## 2.4. Preparation and organization of work

### Functioning and work carried out by the Supervisory Board

The Supervisory Board is responsible for permanent monitoring of how the Management Board manages the Company.

The Supervisory Board may conduct as many audits and controls it deems necessary, at any time during the year, and may ask the Management Board to provide any document it considers necessary to fulfill its duties. Moreover, at any time during the course of business between its meetings, the Supervisory Board may request any information considered pertinent or vital, notably in the form of financial analysis reports.

During the fiscal year ended 03/31/21, the Supervisory Board met 8 times (04/06/20, 06/02/20, 07/28/20, 09/14/20, 12/01/20, 12/07/20, 01/29/21, 03/08/21) with an attendance rate of 98%. 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 03/31/2021 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;
- preparation of the Supervisory Board's report on corporate governance;
- 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;
- regular updates on the situation of the Covid-19 epidemic;
- 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 Middledenext 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, and update on the key people bonus share plan number 13;
- the analysis of internal control, risk management and internal audit 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;
- renewal of the mandate of the Management Board members;
- reappointment of the Chairman of the Management Board and the General Director;
- powers of the Management Board;
- reappointment of Marie-Ange Verdickt as Vice-Chairwoman of the Supervisory Board;
- proposal of new members to the Supervisory Board;
- procedure for evaluating current agreements entered into under normal conditions;
- renewal of a regulated agreement.

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 three years. The last formal assessment was carried out by the Supervisory Board on 03/18/19.

**Committees**

**Audit Committee**

The Supervisory Board as a whole also functioned as the Audit Committee until 07/20/16 when the Supervisory Board decided to create an ad hoc Audit Committee separate from the Supervisory Board.

The Committee has three 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;
- reviewing current agreements;
- 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, the internal audit manager, the internal control manager 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 03/31/21, the Audit Committee virtually met five times on 05/29/20, 10/02/20, 11/27/20, 12/07/20 and 01/25/21, 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 03/31/20 presented and approved by the Management Board; examination of the Chief Financial Officer and Statutory Auditors' reports;
- review of additional reports and documents drafted by the Management Board for the Annual General Meeting;
- review, verification and audit of the annual financial report prepared by the Management Board;
- review of the Corporate Governance Report;
- review of the audit plan presented by the Statutory Auditors;
- 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 03/26/20;



- 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;
- review of current agreements;
- 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.

The Supervisory Board, in its various meetings, followed the recommendations of the Audit Committee.

#### Compensation and Nomination Committee

At its meeting on 03/05/18, the Supervisory Board decided to create a Compensation Committee with effect from 04/01/18, renamed Compensation and Nomination Committee in 2020.

The Committee had four members until 03/31/21: Marie-Ange Verdickt, Michel Dancoisne, Rafaël Vivier and Jean-François Perret. As of 04/01/21, it is composed of 5 members: Marie-Ange Verdickt, Michel Dancoisne, Rafaël Vivier, Jean-François Perret and Benjamin Clément.

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 and Nomination 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;
- the study and proposal of new members to the Supervisory Board.

Compensation and Nomination Committee meetings are held separately from Supervisory Board meetings and are chaired by Rafaël Vivier, Chairman of the Compensation and Nomination Committee and independent member of the Supervisory Board.

Minutes are drawn up of each meeting of the Compensation and Nomination Committee and are communicated to each of the members of said Committee.

During the fiscal year ended 03/31/21, the Compensation and Nomination Committee virtually met four times on 04/23/20, 05/29/20, 01/26/21 and 02/18/21, and recorded an attendance rate of 100%.

During these meetings, the main points dealt with by the Compensation and Nomination 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 and Nomination Committee;
- criteria for the admission of new members to the Supervisory Board;
- notice regarding the admission of new members to the Supervisory Board.

**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, Audit Committee and Compensation and Nomination Committee**

- frequency of Board meetings;
- convocation of Board members;
- information concerning Board members;
- recourse to video-conferencing or other means of telecommunication;
- deliberations of the Supervisory Board;
- decisions of the Supervisory Board by written consultation;
- assessment of the work of the Supervisory Board;
- Audit Committee;
- censors;
- Compensation and Nomination Committees.

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

- Supervisory Board;
- Audit Committee;
- Compensation and Nomination Committee.

The internal rules are available in full on the Company's website: [www.wavestone.com](http://www.wavestone.com).

**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](http://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.



# Corporate officer compensation

## 1. Compensation paid to corporate officers for fiscal years 2020/21, 2019/20, and 2018/19

### Summary table of gross compensation of corporate officers due for fiscal years 2020/21, 2019/20, and 2018/19

| (in euros)                              | 2020/21 |                                 |                       |         | 2019/20 |          |                       |         | 2018/19 |          |                       |         |
|---|---------|---------------------------------|-----------------------|---------|---------|----------|-----------------------|---------|---------|----------|-----------------------|---------|
|   | Fixed   | Variable                        | Board and Com-mittees | Total   | Fixed   | Variable | Board and Com-mittees | Total   | Fixed   | Variable | Board and Com-mittees | Total   |
| <b>Management Board</b>                 |         |                                 |                       |         |         |          |                       |         |         |          |                       |         |
| Pascal Imbert                           | 199,157 | 100,972                         |                       | 300,129 | 199,157 | 0        |                       | 199,157 | 197,184 | 30,275   |                       | 227,459 |
| Patrick Hirigoyen                       | 199,157 | 100,972                         |                       | 300,129 | 199,157 | 0        |                       | 199,157 | 197,184 | 30,275   |                       | 227,459 |
|   |         | Benefits-in-kind <sup>(1)</sup> |                       | 5,786   | 5,786   |          |                       | 5,786   | 5,786   |          |                       | 5,786   |
| <b>Supervisory Board and Committees</b> |         |                                 |                       |         |         |          |                       |         |         |          |                       |         |
| Michel Dancoisne <sup>(2)</sup>         | 35,783  |                                 | 24,000                | 59,783  | 35,783  |          | 18,000                | 53,783  | 35,429  |          | 24,000                | 59,429  |
| Marie-Ange Verdickt                     |         |                                 | 32,000                | 32,000  |         |          | 24,000                | 24,000  |         |          | 32,000                | 32,000  |
| Jean-François Perret                    |         |                                 | 16,000                | 16,000  |         |          | 12,000                | 12,000  |         |          | 16,000                | 16,000  |
| Sarah Lamigeon <sup>(3)</sup>           | 89,637  | 15,536                          | 12,000                | 117,173 | 86,893  | 4,850    | 9,000                 | 100,744 | 83,415  | 6,708    | 12,000                | 102,123 |
| Rafaël Vivier                           |         |                                 | 27,100                | 27,100  |         |          | 21,000                | 21,000  |         |          | 28,000                | 28,000  |
| Benjamin Clément <sup>(3)</sup>         | 57,801  |                                 | 12,000                | 69,801  | 54,062  |          | 9,000                 | 63,062  | 50,546  |          | 10,800                | 61,346  |
| Christophe Aulnette                     |         |                                 | 12,000                | 12,000  |         |          | 4,844                 | 4,844   |         |          |                       | 0       |

(1) Patrick Hirigoyen benefits from an unemployment insurance plan for company directors and managers. The charges related to this plan are borne by the Company and reintegrated into Patrick Hirigoyen's compensation package in the form of benefits-in-kind.

(2) Michel Dancoisne receives a fixed remuneration for his mandate as Chairman of the Supervisory Board.

(3) Sarah Lamigeon and Benjamin Clément receive compensation under their Wavestone employment contract.

Reminder: 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.

Other information:

- it is specified that Wavestone's executives and corporate officers do not receive any remuneration from FIH (Pascal Imbert's family holding) or FDCH (Michel Dancoisne's family holding);

- none of Wavestone's executive directors or corporate officers received any compensation other than that listed in the summary table above nor benefit from a complementary mechanism (severance or arrival bonus mechanism or deferred compensation relating to the termination or change in duties for Wavestone corporate officers, or specific supplementary pension plans).

The following tables, prepared in accordance with AMF recommendations, give all the information required by regulations in force.

**Gross compensation, options and shares granted to executive corporate officers (Table 1 of the AMF recommendations)**

| (in euros)   | 2020/21                   | 2019/20                   | 2018/19                   |
|--|---------------------------|---------------------------|---------------------------|
|  | Gross annual compensation | Gross annual compensation | Gross annual compensation |
|  | Amounts due               | Amounts due               | Amounts due               |
| <b>Pascal Imbert, Chairman of the Board</b>                              |                           |                           |                           |
| Compensation due for the fiscal year                                     | 300,129                   | 199,157                   | 227 459                   |
| 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                       |
| <b>Total</b>   | <b>300,129</b>            | <b>199,157</b>            | <b>227 459</b>            |
| <b>Patrick Hirigoyen, Member of the Board</b>                            |                           |                           |                           |
| Compensation due for the fiscal year                                     | 305,915                   | 204,943                   | 233,245                   |
| 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                       | 500,071                   |
| <b>Total</b>   | <b>305,915</b>            | <b>204,943</b>            | <b>733,316</b>            |

**Gross compensation paid to each executive corporate officer (Table 2 of the AMF recommendations)**

| (in euros)                                    | Gross annual compensation 2020/21 |                | Gross annual compensation 2019/20 |                | Gross annual compensation 2018/19 |                |
|---|-----------------------------------|----------------|-----------------------------------|----------------|-----------------------------------|----------------|
|   | Amounts paid                      | Amounts due    | Amounts paid                      | Amounts due    | Amounts paid                      | Amounts due    |
|   |                                   |                |                                   |                |                                   |                |
| <b>Pascal Imbert, Chairman of the Board</b>   |                                   |                |                                   |                |                                   |                |
| Fixed compensation                            | 199,157                           | 199,157        | 199,157                           | 199,157        | 197,184                           | 197,184        |
| Variable compensation                         | 0                                 | 100,972        | 30,275                            | 0              | 35,730                            | 30,275         |
| 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            |
| <b>Total</b>                                  | <b>199,157</b>                    | <b>300,129</b> | <b>229,432</b>                    | <b>199,157</b> | <b>232,914</b>                    | <b>227,459</b> |
| <b>Patrick Hirigoyen, Member of the Board</b> |                                   |                |                                   |                |                                   |                |
| Fixed compensation <sup>(1)</sup>             | 196,818                           | 199,157        | 199,157                           | 199,157        | 197,184                           | 197,184        |
| Variable compensation <sup>(1)</sup>          | 0                                 | 100,972        | 31,193                            | 0              | 37,027                            | 30,275         |
| 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 <sup>(2)</sup>               | 5,786                             | 5,786          | 5,786                             | 5,786          | 5,786                             | 5,786          |
| <b>Total</b>                                  | <b>202,604</b>                    | <b>305,915</b> | <b>236,136</b>                    | <b>204,943</b> | <b>239,997</b>                    | <b>233,245</b> |

(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 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 paid to non-executive corporate officers (Table 3 of the AMF recommendations)**

| <b>(in euros)</b>           | <b>Amounts paid for the<br/>fiscal year 2020/21</b> | <b>Amounts paid for the<br/>fiscal year 2019/20</b> | <b>Amounts paid for the<br/>fiscal year 2018/19</b> |
|-----------------------------|---|---|---|
| <b>Michel Dancoisne</b>     |   |   |   |
| Attendance fees             | 18,000  | 24,000  | n/a   |
| Other compensation          | 35,783  | 35,783  | 35,429  |
| <b>Marie-Ange Verdickt</b>  |   |   |   |
| Attendance fees             | 24,000  | 32,000  | 22,000  |
| Other compensation          | n/a   | n/a   | n/a   |
| <b>Jean-François Perret</b> |   |   |   |
| Attendance fees             | 12,000  | 16,000  | 11,000  |
| Other compensation          | n/a   | n/a   | n/a   |
| <b>Sarah Lamigeon</b>       |   |   |   |
| Attendance fees             | 9,000   | 12,000  | 11,000  |
| Other compensation          | 94,487  | 93,601  | 93,777  |
| <b>Rafaël Vivier</b>        |   |   |   |
| Attendance fees             | 21,000  | 28,000  | 17,233  |
| Other compensation          | n/a   | n/a   | n/a   |
| <b>Jean-Noël Mermet</b>     |   |   |   |
| Attendance fees             | 0   | 0   | 7,511   |
| Other compensation          | n/a   | n/a   | n/a   |
| <b>Benjamin Clément</b>     |   |   |   |
| Attendance fees             | 9,000   | 10,800  | 2,411   |
| Other compensation          | 57,801  | 54,062  | 50,546  |
| <b>Christophe Aulnette</b>  |   |   |   |
| Attendance fees             | 4,844   | n/a   | n/a   |
| Other compensation          | n/a   | n/a   | n/a   |
| <b>Total</b>                | <b>285,916</b>                                      | <b>306,247</b>                                      | <b>250,906</b>                                      |

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

| <b>Information on free shares granted</b>                            | <b>Plan dated<br/>09/15/06</b> | <b>Executive<br/>Plan<br/>n° 5</b> | <b>Executive<br/>Plan<br/>n° 7</b> | <b>Executive<br/>Plan<br/>n° 10</b> | <b>OneFirm<br/>Share<br/>Plan</b> | <b>Key People<br/>Plan<br/>n° 13 <sup>(1)</sup></b> |
|--|--------------------------------|------------------------------------|------------------------------------|-------------------------------------|-----------------------------------|---|
| 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 03/31/21                              | 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 03/31/21 | 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 Executive Board (Table 11 of the AMF recommendations)**

| <b>Executive Corporate</b>  | <b>Employment contract</b> |    | <b>Supplementary pension plan</b> |    | <b>Indemnities or benefits due or likely to be due as a result of the termination or change of functions</b> |    | <b>Compensation relating to a non-competition clause</b> |    |
|---|----------------------------|----|-----------------------------------|----|--|----|--|----|
|   | Yes                        | No | Yes                               | No | Yes  | No | Yes  | No |
| Pascal Imbert<br>Chairman of the Management Board                     |                            | X  |                                   | X  |  | X  |  | X  |
| Patrick Hirigoyen<br>Member of the Executive Board - General Director |                            | X  |                                   | X  |  | X  |  | X  |

**Other tables of the AMF recommendations not applicable**

In accordance with AMF recommendations, the following information is not applicable to Wavestone for the 2020/21 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.225-197-1 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      | 06/05/20         | Sale                | 1,016            | €21.00                  |
| Patrick Hirigoyen   | 06/22/20         | Sale                | 4,000            | €20.45                  |
| Sarah Lamigeon      | 06/23/20         | Sale                | 200              | €20.95                  |
| Sarah Lamigeon      | 06/29/20         | Sale                | 150              | €19.98                  |
| Patrick Hirigoyen   | 11/05/20         | Sale                | 2,000            | €24.1731                |
| Patrick Hirigoyen   | 12/03/20         | Sale                | 2,500            | €26.00                  |
| Patrick Hirigoyen   | 12/22/20         | Sale                | 1,000            | €28.9952                |
| Patrick Hirigoyen   | 01/12/21         | Sale                | 1,000            | €30.45                  |

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

**2.3.1. Consultation on the compensation items paid or allocated during the 2020/21 fiscal year (“say on pay” ex-post vote – Resolutions 8 to 10 of the AGM on 07/27/21)**

The information in this paragraph relative to compensation of Wavestone company officers, as required by Articles L.22-10-9 (and linked to Article L.22-10-20) and L.22-10-34 of the French Commercial Code, are subject to approval of the Combined Ordinary and Extraordinary General Meeting of 07/27/21 and votes on resolutions 8, 9 and 10.

**Compensation paid during fiscal year 2020/21 or allocated for this fiscal year to members of the Supervisory Board**

A total amount of €135,100, within the limits of the 136,000 euros voted by the General Meeting of Shareholders on 07/26/18, allocated for the 2020/21 fiscal year, will be paid to the members of the Supervisory Board.

As a reminder, for the 2019/20 fiscal year, the members of the Supervisory Board and the Committees have decided to renounce 25% of their remuneration.

See section “1.2.4. Preparation and organization of work” for the number of Board and Committee meetings and attendance rates.

| <b>Members of the Supervisory Board</b> | <b>Compensation due for fiscal year 2020/21</b> | <b>Compensation paid in fiscal year 2020/21 in respect of 2019/20</b> |
|---|---|---|
|   | 8 Board meetings<br>8 Committee meetings        | 7 Board meetings<br>9 Committee meetings                              |
| Michel Dancoisne <sup>(1)</sup>         | €24,000   | €18,000   |
| Marie-Ange Verdickt                     | €32,000   | €24,000   |
| Jean-François Perret                    | €16,000   | €12,000   |
| Sarah Lamigeon                          | €12,000   | €9,000  |
| Rafaël Vivier                           | €27,100   | €21,000   |
| Benjamin Clément                        | €12,000   | €9,000  |
| Christophe Aulnette                     | €12,000   | €4,844  |

(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 2020/21 fiscal year**

| <b>Items of compensation due or granted in respect of the 2020/21 fiscal year</b>  | <b>Amount or book value submitted to the vote</b> | <b>Description</b>   |
|--|---|--|
| Fixed compensation   | €199,157  | The Supervisory Board meeting of 06/02/20, on the recommendation of the Compensation Committee, set the fixed compensation for fiscal year 2020/21 of Mr. Pascal Imbert at €199,157 gross.   |
| Variable compensation paid in 2020/21 for fiscal year 2019/20                      | €0  | For fiscal year 2019/20, Pascal Imbert has decided to waive his variable portion.  |
| Variable compensation due in respect of fiscal year 2020/21, to be paid in 2021/22 | €100,972  | The target variable for fiscal year 2020/21 was €77,671. Based on the proposal of the Compensation and Nomination Committee and in accordance with the rules for calculating variable compensation, the amount granted was €100,972. |

Based on the financial statements to end-March 2021, the collective performance indicator (CPI) stood at 130%, i.e., its maximum value.

Note that the setting of targets for variable compensation in May 2020, when revenue had suffered a very marked decline with business down around 20%, and sales forecasts collapsed dramatically. Against this backdrop, an ambitious revenue growth target was set to limit the contraction to only 10% together with an EBIT margin target of 10%.

Based on a proposal from the Compensation Committee, the Supervisory Board also set an individual performance indicator (IPI) at 100%, equivalent to the maximum value, owing to:

- the excellent performance of Wavestone over the fiscal year in the context of a demanding market (Wavestone revenue down less than 1%, whereas Syntec Conseil observed an overall decline in the market of some 11%);
- the implementation of an ambitious cost savings plan to maintain profitability at a level close to that of the previous fiscal year;
- the firm's sound prospects for fiscal 2021/22;
- full preservation of human resources, excluding any headcount adjustment measures, despite the severe crisis faced by the Company during the fiscal year.

Lastly, the Supervisory Board noted the following points, highlighted by the Compensation and Appointments Committee:

- Pascal Imbert decided to renounce the variable component of his compensation for 2019/20 with a view to protecting cash over the period;
- as the calculation of the collective performance indicator (CPI) is the same for all firm employees, the variable compensation presented in the table below is consistent with the variable compensation paid to other Wavestone employees in respect of fiscal 2020/21.

Pascal Imbert does not receive any compensation or benefits other than the amounts shown in the table.

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 2020/21 fiscal year**

| <b>Items of compensation due or granted in respect of the 2020/21 fiscal year</b>  | <b>Amount or book value submitted to the vote</b> | <b>Description</b>   |
|--|---|--|
| Fixed compensation due   | €199,157  | The Supervisory Board meeting of 06/02/20, on the recommendation of the Compensation Committee, set the fixed compensation for fiscal year 2020/21 of Mr. Patrick Hirigoyen at €199,157 gross.   |
| Fixed compensation paid  | €196,818  | A material error in the 2019/20 fiscal year led to an overestimation of the variable portion paid by €2,339. The adjustment of this amount was made on the May 2020 payroll, which explains the difference between the amount paid and the amount due. |
| Variable compensation paid in 2020/21 for fiscal year 2019/20                      | €0  | For fiscal year 2019/20, Patrick Hirigoyen has decided to waive his variable portion.  |
| Variable compensation due in respect of fiscal year 2020/21, to be paid in 2021/22 | €100,972  | The target variable for fiscal year 2020/21 was €77,671. Based on the proposal of the Compensation and Nomination Committee and in accordance with the rules for calculating variable compensation, the amount granted was €100,972.                   |
| 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.   |

Based on the financial statements to end-March 2021, the collective performance indicator (CPI) stood at 130%, i.e., its maximum value.

Note that the setting of targets for variable compensation in May 2020, when revenue had suffered a very marked decline with business down around 20%, and sales forecasts collapsed dramatically. Against this backdrop, an ambitious revenue growth target was set to limit the contraction to only 10% together with an EBIT margin target of 10%.

Based on a proposal from the Compensation Committee, the Supervisory Board also set an individual performance indicator (IPI) at 100%, equivalent to the maximum value, owing to:

- the excellent performance of Wavestone over the fiscal year in the context of a demanding market (Wavestone revenue down less than 1%, whereas Syntec Conseil observed an overall decline in the market of some 11%);
- the implementation of an ambitious cost savings plan to maintain profitability at a level close to that of the previous fiscal year;
- the firm's sound prospects for fiscal 2021/22;
- full preservation of human resources, excluding any headcount adjustment measures, despite the severe crisis faced by the Company during the fiscal year.

Lastly, the Supervisory Board noted the following points, highlighted by the Compensation and Appointments Committee.

- Patrick Hirigoyen decided to renounce the variable component of his compensation for fiscal 2019-2020 with a view to protecting cash over the period;
- as the calculation of the collective performance indicator (CPI) is the same for all firm employees, the variable compensation presented in the table below is consistent with the variable compensation paid to other Wavestone employees in respect of fiscal 2020/21.

Patrick Hirigoyen does not receive any compensation or benefits other than the amounts shown in the table.

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

For the record, the Annual General Meeting of Shareholders of 07/26/18, approved the regulated agreement pursuant to which it was agreed that the suspension period of Mr. Patrick Hirigoyen's employment contract would be considered for the calculation of the number of years of service acquired under his employment contract (Mr. Hirigoyen's contract was suspended as of 04/01/17).

**Items of compensation paid or granted to Michel Dancoisne, Chairman of the Supervisory Board in respect of the 2020/21 fiscal year**

| <b>Items of compensation due or granted in respect of the 2020/21 fiscal year</b> | <b>Amount or book value submitted to the vote</b>   | <b>Description</b>   |
|---|---|--|
| Fixed compensation  | €35,783   | The Supervisory Board meeting of 06/02/20, on the proposal of the Compensation Committee, set the fixed compensation for fiscal year 2020/21 of Mr. Michel Dancoisne at €35,783 gross. |
| Board and Committee compensations   | Remuneration paid in fiscal year 2020/21 in respect of 2019/20: €218,000<br>Remuneration due in respect of fiscal year 2020/21 paid in 2021/22: €24,000 | As a reminder, for fiscal year 2019/20, Michel Dancoisne has decided to waive 25% of his compensation as a member of the Board and Committees.   |

Michel Dancoisne does not receive any compensation or benefits other than the amounts shown in the table.

**In compliance with the ex-ante say-on-pay compensation policy approved by the Annual General Meeting of 07/28/20**

The fixed compensation of the members of the Management Board in respect of fiscal 2020/21 is strictly identical to the amounts approved by the Combined Ordinary and Extraordinary Shareholders' Meeting on 07/28/20.

The variable compensation of the members of the Management Board in respect of fiscal 2020/21 presented to the Annual General Meeting of Shareholders on 07/27/21 is in line with the compensation policy previously approved. As a reminder, the target was set at €77,671. The Supervisory Board submitted for approval to the Annual General Meeting of 07/27/21 an amount of €100,972 for each member of the Management Board. This amount was determined upon the recommendations of the Compensation and Appointments Committee in line with the criteria defined in the ex ante say-on-pay policy approved by the Annual General Meeting of 07/28/20.

The compensation of the Chairman of the Supervisory Board paid in respect of fiscal year 2020/21 is strictly identical to that approved by the Annual General Meeting on 07/28/20.

Compensation attributed to members of the Supervisory Board and Committees in respect of fiscal 2020/21 totaled €135,100 in line with the €136,000 budget approved by the Annual General Meeting of 07/26/18.

**Compensation multiples and performance trends**

In line with paragraphs 6 and 7 of Article L. 22-10-9 of the French Commercial Code, 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 above-mentioned 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.

### Scope and geographies

The data presented in the table below relates to the French scope of consolidation of Wavestone Group. At end-March 2021, 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 year 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 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 included in the data provided starting in fiscal year 2020/21 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 base

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, (v) free share allocation plans (as regards Patrick Hirigoyen, final allocation);
- 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), (iii) free share allocation plans (final allocation).

Regarding bonus amounts for fiscal 2020/21 used in the calculation of total compensation, these are bonuses covered by provisions in the accounts to end-March 2021 since final amounts were not known as of that date. Each year, the provision is extremely close to the actual bonus amounts paid.

Note that for fiscal 2019/20 and earlier, the bonus amounts paid are expressed in real terms.

Furthermore, to take account of AFEP-MEDEF recommendations, free share allocations that have become definitive are integrated in the compensation of Patrick Hirigoyen and employees. For this reason, in fiscal years 2016/17 to 2019/20, the ratios are different from those presented in the 2019/20 Universal Registration Document.

Regarding compensation of the Chairman of the Supervisory Board and members of the Management Board, the amounts booked for fiscal 2020/21 correspond to compensation submitted for say-on-pay approval (ex-post vote) at the Combined Ordinary and Extraordinary General Meeting on 07/27/21 (see 2.3.1 above).

|   |   | 2020/21  | 2019/20  | 2018/19  | 2017/18  | 2016/17  |
|---|---|----------|----------|----------|----------|----------|
| <b>Pascal Imbert</b><br>Chairman of the<br>Management Board                         | Total compensation                          | €300,129 | €199,157 | €227,459 | €232,914 | €217,037 |
|   | Multiple of average compensation            | 5.08     | 3.50     | 3.88     | 3.94     | 3.92     |
|   | Multiple of median compensation             | 6.27     | 4.30     | 4.88     | 4.89     | 4.65     |
|   | Multiple of the minimum wage <sup>(1)</sup> | 16.09    | 10.78    | 12.46    | 12.95    | 12.22    |
| <b>Patrick Hirigoyen</b><br>Member of the<br>Management Board<br>- General Director | Total compensation                          | €305,915 | €204,943 | €233,245 | €234,975 | €245,763 |
|   | Multiple of average compensation            | 5.18     | 3.60     | 11.64    | 4.10     | 4.52     |
|   | Multiple of median compensation             | 6.39     | 4.43     | 14.65    | 5.10     | 5.36     |
|   | Multiple of the minimum wage <sup>(1)</sup> | 16.40    | 11.09    | 37.44    | 13.49    | 14.10    |
| <b>Michel Dancoisne</b><br>Chairman of the<br>Supervisory Board                     | Total compensation                          | €53,783  | €53,783  | €59,429  | €67,503  | €59,428  |
|   | Multiple of average compensation            | 0.91     | 0.94     | 1.04     | 1.16     | 1.09     |
|   | Multiple of median compensation             | 1.12     | 1.15     | 1.30     | 1.44     | 1.29     |
|   | Multiple of the minimum wage <sup>(1)</sup> | 2.88     | 2.89     | 3.33     | 3.82     | 3.39     |
| <b>Wavestone<br/>performance</b>  | Current operating income                    | €53,275k | €55,700k | €55,243k | €50,584k | €38,699k |
|   | % operating margin                          | 12.8%    | 13.2%    | 14.1%    | 14.1%    | 11.4%    |

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

### 2.3.2. Consultation on the principles and criteria used to determine the compensation of executives and corporate officers ("say on pay" ex-ante vote - Resolutions 12 to 14 of the AGM on 07/27/21)

Pursuant to Article L. 22-10-26 of the French Commercial Code, the Combined Ordinary and Extraordinary General Meeting of 07/27/21, 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 07/27/21, 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 96.51%- and 96.51%-approved respectively by the Combined Ordinary and Extraordinary General Meeting of 07/28/20.

#### 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 and Nomination 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.

**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 are decided by the Supervisory Board upon recommendations from the Compensation and Nomination 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.

The compensation structure for the members of the Management Board is composed of different elements:

- a fixed component;
- a variable component, referred to as a bonus. The target bonus (target bonus level achieved) for 2021/22 represents 40% 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 (measured on EBIT) 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 and Appointments Committee. For the 2021/22 fiscal year, the Supervisory Board, on the proposal of the Compensation Committee, has identified the following criteria:

> accounting for 20% of the individual performance indicator (IPI) calculation, the CSR criteria applied are aimed at:

- boosting client satisfaction and supporting them in achieving sustainable performance;
- fostering employee engagement, promoting well-being and developing a high-quality workplace;
- championing diversity and creating an inclusive workplace where everyone is free to be themselves and have the same opportunity to realize their full potential;
- acting as a corporate citizen by adopting ethical and responsible practices;
- limiting environmental impact.

The CSR criteria considered correspond to those identified and assessed in the non-financial dashBoard published in the Statement of non-financial performance. Some of these items are assessed by independent bodies.

> accounting for 80% of the individual performance indicator (IPI):

- assessment of key indicators linked to the smooth running of the business. These indicators are linked to activity, capital, international development and external growth.
- defining and assessing targets or specific project outcomes for the 2021-2022 fiscal year:
  - SmartWorking@Wavestone project rollout;
  - talent management, particularly key personnel;
  - consistency, ambitions and resources allocated to the new medium-term strategic plan.
- internationally:
  - revenue and profitability growth for US activities;
  - profitability growth for UK activities;
  - employee shareholding introduction.

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) Clawback**

For fiscal 2021/22, the Supervisory Board introduced a so-called “clawback” clause, reimbursing all or part of annual variable compensation paid to members of the Supervisory Board under serious and unprecedented circumstances.



As a result, if, during the five years following the payment of annual variable compensation, it is observed that:

- data used to measure performance was clearly and intentionally falsified;
- or, if one of the Management Board members is guilty of serious and willful misconduct;
- the Supervisory Board may require member(s) of the Management Board to reimburse all or part of the variable compensation paid.

**e) Determination of the 2021/22 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 2021/22 are as follows:

**i) Fixed component**

At the proposal of the Compensation and Nomination Committee, the fixed portion is up by 3%, at €205,132 gross.

**ii) Variable component**

It is proposed an amount of target bonus at €82,053 gross, i.e. 40% of the fixed portion. It implements the process explained in this document.

In accordance with Article L.222-10-34 of the French Commercial Code, payment of the annual variable compensation due in respect of the fiscal year ended 03/31/22 will be made after the Ordinary Shareholders' Meeting to be held in 2022 to approve the financial statements for the year ended 03/31/22 and is subject to approval by said Meeting.

**iii) Long-term compensation elements**

As Pascal Imbert is one of the main shareholders of Wavestone, he does not receive any long-term compensation.

**iv) Other items of compensation**

Pascal Imbert benefits from the same welfare insurance and health cover plan as Wavestone's employees.

**f) Determination of the 2021/22 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 2021/22 are as follows:

**i) Fixed component**

At the proposal of the Compensation and Nomination Committee, the fixed portion is up by 3%, at €205,132 gross.

**ii) Variable component**

It is proposed an amount of target bonus at €82,053 gross, i.e. 40% of the fixed portion. It implements the process explained in this document.

In accordance with Article L.222-10-34 of the French Commercial Code, payment of the annual variable compensation due in respect of the fiscal year ended 03/31/22 will be made after the Ordinary Shareholders' Meeting to be held in 2022 to approve the financial statements for the year ended 03/31/22 and is subject to approval by said Meeting.

**iii) Long-term compensation elements**

For the record, Patrick Hirigoyen was awarded free share allocation plans within the context of the 09/15/06, 10/15/10, 07/01/15, 01/28/16 and 07/02/18 plans.

The last plan is still in progress, as the shares have not yet vested. The criteria for the acquisition of shares are as follows:

- **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 2<sup>nd</sup> 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 3<sup>rd</sup> anniversary of the allocation of the shares;
  - for the record, the Management Board, at its 02/04/21 meeting, adjusted its EBIT target applicable to the plan, in accordance with the provisions provided in the latter in the event of major market developments. The new target was set by the Supervisory Board at its 01/29/21 meeting, pursuant to the recommendation of the Compensation and Appointments Committee, based on the initial target and changes in market data in 2020 as communicated by Syntec Numérique and provided in the plan. This revised target applies to all 21 beneficiaries of the "key people" plan awarded on 07/07/18.

**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.

For the record, the Annual General Meeting of Shareholders of 07/26/18, approved the regulated agreement pursuant to which it was agreed that the suspension period of Mr. Patrick Hirigoyen’s employment contract would be considered for the calculation of the number of years of service acquired under his employment contract (Mr. Hirigoyen’s contract was suspended as of 04/01/17).

**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 07/27/21, is in line with the policy. It is 99.69%-approved by the Combined Ordinary and Extraordinary General Meeting of 07/28/20.

**a) Compensation of 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 annual global amount voted by the Annual General Meeting, and distributed in the portions decided upon by the Supervisory Board.

In respect of fiscal year 2021/22, the Combined Ordinary and Extraordinary Shareholders’ Meeting of 07/27/21, proposed to set the overall full-year amount at €176,000, versus €136,000 previously.

This increase takes account of:

- the proposal to appoint two new members;
- a change of €1,000 relative to the individual compensation of Supervisory Board members (also impacts amounts allocated in respect of Committee meetings).

Changes in individual compensation reconcile the average compensation amounts paid to Supervisory Board members with average amounts paid to directors of comparable companies (amounts paid in respect of fiscal 2018—companies listed on Euronext compartment B, source: Middlednext).

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 and Nomination 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 is fixed at €13,000 and includes a fixed portion of 40% and a variable portion of 60%.

Committee Chairmen’s compensation is doubled.



Pursuant to the above-described compensation policy for Supervisory Board members, the Supervisory Board proposes to renew for 2021/22 the following terms and conditions for allocating the sums allocated to the compensation of Supervisory Board members:

#### Supervisory Board

| Name                 | Maximum annual amount | Fixed component (40%) | Variable component (60%) |
|----------------------|-----------------------|-----------------------|--------------------------|
| Michel Dancoisne     | €13,000               | €5,200                | €7,800                   |
| Marie-Ange Verdickt  | €13,000               | €5,200                | €7,800                   |
| Jean-François Perret | €13,000               | €5,200                | €7,800                   |
| Sarah Lamigeon       | €13,000               | €5,200                | €7,800                   |
| Rafaël Vivier        | €13,000               | €5,200                | €7,800                   |
| Benjamin Clément     | €13,000               | €5,200                | €7,800                   |
| Christophe Aulnette  | €13,000               | €5,200                | €7,800                   |
| New member           | €13,000               | €5,200                | €7,800                   |
| New member           | €13,000               | €5,200                | €7,800                   |

#### Audit Committee

| Name                | Maximum annual amount | Fixed component (40%) | Variable component (60%) |
|---------------------|-----------------------|-----------------------|--------------------------|
| Marie-Ange Verdickt | €17,333               | €6,933                | €10,400                  |
| Michel Dancoisne    | €8,667                | €3,467                | €5,200                   |
| Rafaël Vivier       | €8,667                | €3,467                | €5,200                   |

#### Compensation and Nomination Committee

| Name                 | Maximum annual amount | Fixed component (40%) | Variable component (60%) |
|----------------------|-----------------------|-----------------------|--------------------------|
| Rafaël Vivier        | €8,667                | €3,467                | €5,200                   |
| Jean-François Perret | €4,333                | €1,733                | €2,600                   |
| Marie-Ange Verdickt  | €4,333                | €1,733                | €2,600                   |
| Michel Dancoisne     | €4,333                | €1,733                | €2,600                   |
| Benjamin Clément     | €4,333                | €1,733                | €2,600                   |

In addition to receiving compensation for sitting on the Board and in accordance with the provisions of Articles L.225-84 and L.22-10-28 of the French Commercial Code, Supervisory Board members may also receive compensation for carrying out exceptional assignments.

In accordance with Article R. 22-10-18 II, 5° of the French Commercial Code, the employment contracts between Sarah Lamigeon and Benjamin Clément and the firm have the following characteristics:

| <b>Name</b>             | <b>Duration of the work contract</b> | <b>Notice period</b>  | <b>Cancellation conditions</b>   |
|-------------------------|--------------------------------------|---|--|
| <b>Sarah Lamigeon</b>   | 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 |
| <b>Benjamin Clément</b> | 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 |

**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 2021/22 fiscal year**

In accordance with the principles defined in point i) above, for exercising his mandate as Chairman of the Supervisory Board during the 2021/22 fiscal year, Michel Dancoisne will receive a gross sum of €36,856, up by 3% compared to the previous fiscal year. 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 2020/21 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.22-10-29 2 of the French Commercial Code.

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.

| <b>Resolution</b> | <b>Purpose</b>  | <b>Duration</b> | <b>Maximum par value</b>   | <b>Utilization</b> |
|-------------------|---|-----------------|--|--------------------|
| 18 <sup>th</sup>  | 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<br>Debt securities: €40,000,000  | None               |
| 19 <sup>th</sup>  | 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<br>Debt securities: €15,000,000  | None               |
| 20 <sup>th</sup>  | 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<br>Debt securities: €15,000,000<br>Within the limit of the specific ceiling provided for in the 19 <sup>th</sup> resolution and the overall ceiling set in the 27 <sup>th</sup> resolution | None               |
| 21 <sup>th</sup>  | 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 <sup>th</sup> resolution  | None               |
| 22 <sup>th</sup>  | 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<br>Debt securities: €15,000,000<br>Within the limit of the specific ceiling provided for in the 19 <sup>th</sup> resolution and the overall ceiling set in the 27 <sup>th</sup> resolution | None               |



| <b>Resolution</b> | <b>Purpose</b>  | <b>Duration</b> | <b>Maximum par value</b>   | <b>Utilization</b> |
|-------------------|---|-----------------|--|--------------------|
| 23 <sup>th</sup>  | 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<br><br>Debt securities: €15,000,000<br><br>Within the limit of the specific ceiling provided for in the 19 <sup>th</sup> resolution and the overall ceiling set in the 27 <sup>th</sup> resolution | None               |
| 24 <sup>th</sup>  | 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   | None               |
| 25 <sup>th</sup>  | 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 <sup>th</sup>  | 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 <sup>th</sup>  | Common and global ceiling for issues under the 18 <sup>th</sup> to 26 <sup>th</sup> resolutions of the Ordinary and Extraordinary Shareholders' Meeting of 09/16/19.  | -               | Marketable securities: €252,456<br><br>Debt securities: €40,000,000  | None               |
| 28 <sup>th</sup>  | 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<br><br>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.22-10-11 of the French Commercial Code (with reference to Article L.22-10-20), 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 buy-back 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<sup>(1)</sup> members (or their successors in the event of their death) cease to control the Borrower within the meaning of Article L.233-3 1 (paragraphs 1, 2 and 3) and section II of the French Commercial Code; or
  - the Borrower ceases to directly hold 100% of the capital and/or voting rights of Wavestone Advisors.

(1) “Key management members” refers either to all three of the Key Company Management members (Pascal Imbert, Michel Dancoisne and Patrick Hirigoyen) or to Pascal Imbert and at least one of the two other Key Management members.



## Observations of the Supervisory Board on the report of the Management Board and the financial statements for the 2020/21 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 2020/21 fiscal year.

The accounting documents relating to the company and consolidated financial statements for the 2020/21 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 approved the decision of the Management Board relative to the reimbursement of monies received under short-time working arrangements and the related provision booked in the accounts to end-March 2021 as presented by the Management Board.

The Supervisory Board has no comments to make on the company and consolidated financial statements for the year ended 03/31/21, or on the reports and related documents prepared by the Management Board and presented to you.

The Supervisory Board reviewed the draft resolutions submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting of 07/27/21 and approved them, except for the (i) 26<sup>th</sup> resolution insofar as the Management Board does not plan to make use of this authorization, and considering that previously-approved authorizations (25<sup>th</sup> and 26<sup>th</sup> resolutions of the Annual General Meeting of 09/16/19) fully meet the needs of the employee shareholding mechanism introduced by the Company, and, (ii) the 30<sup>th</sup> resolution insofar as an employee representative was appointed to the Supervisory Board pursuant to Article L.225-79-2 of the French Commercial Code.

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**

06/01/21



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## Consolidated financial statements at 03/31/21

### Consolidated income statement

| (in thousands of euros)   | Note  | 03/31/21      | 03/31/20      |
|---|-------|---------------|---------------|
| <b>Revenue</b>  | 1     | 417,608       | 422,042       |
| Purchases consumed  | 2     | 13,951        | 13,007        |
| Personnel expenses  | 3 & 4 | 310,168       | 289,877       |
| External expenses   | 5     | 23,703        | 46,699        |
| Levies and taxes  |       | 7,241         | 6,313         |
| Depreciation charges and provisions   |       | 9,720         | 10,373        |
| Other current income and expenses   |       | (450)         | 73            |
| <b>EBIT</b>   |       | <b>53,275</b> | <b>55,700</b> |
| Amortization of customer-relationship intangible assets                               | 6     | 1,493         | 1,553         |
| Other operating income and expenses   | 6     | (8,519)       | (627)         |
| <b>Operating profit</b>   |       | <b>43,263</b> | <b>53,521</b> |
| Operating profit  | 7     | 5             | 8             |
| Gross cost of financial debt  | 7     | 1,144         | 2,185         |
| <b>Net cost of financial debt</b>   |       | <b>1,138</b>  | <b>2,177</b>  |
| Other financial income and expenses   | 7     | (1,451)       | (1,242)       |
| <b>Pre-tax profit/loss</b>  |       | <b>40,674</b> | <b>50,101</b> |
| Tax expenses  | 8     | 15,297        | 18,961        |
| <b>Net income</b>   |       | <b>25,377</b> | <b>31,140</b> |
| Non-controlling interests   |       | 0             | 0             |
| <b>Net attributable profit to owners of the parent</b>                                |       | <b>25,377</b> | <b>31,140</b> |
| Net undiluted earnings attributable to owners of the parent (in euros) <sup>(1)</sup> | 9     | 1.27          | 1.57          |
| Net diluted earnings attributable to owners of the parent (in euros)                  | 9     | 1.27          | 1.57          |

(1) Weighted number of shares during the period.

### Consolidated balance sheet

| (in thousands of euros)  | Note | 03/31/21       | 03/31/20       |
|--|------|----------------|----------------|
| Goodwill   | 10   | 162,035        | 166,482        |
| Intangible assets  | 11   | 6,216          | 8,111          |
| Property, plant and equipment  | 11   | 8,548          | 14,024         |
| Rights to use leased assets  | 12   | 20,959         | 30,613         |
| Financial assets - > 1 year  | 13   | 2,091          | 1,986          |
| Other non-current assets   | 13   | 12,789         | 11,535         |
| <b>Non-current assets</b>  |      | <b>212,639</b> | <b>232,750</b> |
| Trade receivables and related accounts                                 | 14   | 125,710        | 128,408        |
| Other receivables  | 14   | 20,112         | 23,282         |
| Cash and cash equivalents  | 14   | 88,009         | 65,131         |
| <b>Current assets</b>  |      | <b>233,831</b> | <b>216,821</b> |
| <b>Total assets</b>  |      | <b>446,469</b> | <b>449,571</b> |
| Capital  | 15   | 505            | 505            |
| Additional paid-in capital   |      | 11,218         | 11,218         |
| Reserves and consolidated income                                       |      | 193,944        | 166,655        |
| Group translation reserves   |      | 395            | (1,235)        |
| <b>Total shareholders' equity attributable to owners of the parent</b> |      | <b>206,063</b> | <b>177,142</b> |
| Non-controlling interests  |      | 0              | 0              |
| <b>Total shareholders' equity</b>                                      |      | <b>206,063</b> | <b>177,142</b> |
| Long-term provisions   | 16   | 17,317         | 15,343         |
| Financial liabilities - > 1 year                                       | 17   | 48,013         | 56,076         |
| Lease liabilities - more than one year                                 | 12   | 22,260         | 29,616         |
| Other non-current liabilities  | 18   | 184            | 959            |
| <b>Non-current liabilities</b>   |      | <b>87,774</b>  | <b>101,993</b> |
| Short-term provisions  | 16   | 6,567          | 5,348          |
| Financial liabilities - < 1 year                                       | 17   | 8,152          | 38,179         |
| Lease liabilities - less than one year                                 | 12   | 8,025          | 8,041          |
| Trade receivables and related accounts                                 | 18   | 11,554         | 16,586         |
| Tax and social security liabilities                                    | 18   | 98,305         | 80,417         |
| Other current financial liabilities                                    | 18   | 20,029         | 21,864         |
| <b>Current liabilities</b>   |      | <b>152,633</b> | <b>170,435</b> |
| <b>Total liabilities</b>   |      | <b>446,469</b> | <b>449,571</b> |

## Change in consolidated cash and cash equivalents

| (in thousands of euros)  | Note | 03/31/21        | Restated<br>03/31/20 | Published<br>03/31/20 |
|--|------|-----------------|----------------------|-----------------------|
| <b>Consolidated net income</b>   |      | <b>25,377</b>   | <b>31,140</b>        | <b>31,140</b>         |
| Elimination of non-cash elements:                                      |      |                 |                      |                       |
| Net depreciation and provisions <sup>(1)</sup>                         |      | 20,680          | 13,204               | 16,837                |
| Charges/(income) related to share-based payments                       |      | 2,300           | 3,470                | 0                     |
| Losses/gains on disposals, net of tax                                  |      | 12              | 129                  | (34)                  |
| Other calculated income and expenses                                   |      | 1,895           | (1,210)              | (188)                 |
| Cost of net financial debt (inc. interest on lease liabilities)        |      | 1,470           | 2,565                | 1,616                 |
| Tax charges / (income)   | 8    | 15,297          | 18,961               | 0                     |
| <b>Self-financing capacity before net financial debt and tax costs</b> |      | <b>67,030</b>   | <b>68,260</b>        | <b>49,371</b>         |
| Tax paid   |      | (17,038)        | (19,167)             | 0                     |
| Change in WCR  |      | 20,828          | 6,205                | 5,927                 |
| <b>Net cash-flow from operations</b>                                   |      | <b>70,820</b>   | <b>55,298</b>        | <b>55,298</b>         |
| Intangible and tangible fixed asset acquisitions                       | 11   | (748)           | (3,062)              | (3,062)               |
| Asset disposals  |      | 14              | 86                   | 86                    |
| Change in financial assets   |      | (114)           | 61                   | 61                    |
| Impact of changes in scope   |      | (0)             | (26,615)             | (26,615)              |
| <b>Net cash-flow from investments</b>                                  |      | <b>(849)</b>    | <b>(29,530)</b>      | <b>(29,530)</b>       |
| Sales (acquisitions) by the company of its own shares <sup>(2)</sup>   |      | 137             | (3,522)              | (3,522)               |
| Dividends paid to parent-company shareholders                          |      | 0               | (4,572)              | (4,572)               |
| Dividends paid to minority interests of consolidated companies         |      | 0               | 0                    | 0                     |
| Loans received   | 17   | 0               | 118,220              | 118,220               |
| Repayment of loans   | 17   | (38,320)        | (111,767)            | (111,767)             |
| Repayments of lease liabilities  | 12   | (7,802)         | (6,720)              | (6,720)               |
| Net financial interest paid  |      | (878)           | (2,487)              | (2,487)               |
| Net interest paid on lease liabilities                                 | 7    | (336)           | (321)                | (321)                 |
| Other flows related to financing operations                            | 17   | 27              | 0                    | 0                     |
| <b>Net cash-flow from financing operations</b>                         |      | <b>(47,173)</b> | <b>(11,168)</b>      | <b>(11,168)</b>       |
| <b>Net change in cash and cash equivalents</b>                         |      | <b>22,798</b>   | <b>14,599</b>        | <b>14,599</b>         |
| Impact of translation differences                                      | 17   | 137             | (123)                | (123)                 |
| Opening cash position  | 17   | 65,068          | 50,592               | 50,592                |
| Closing cash position  | 17   | <b>88,003</b>   | 65,068               | 65,068                |

(1) Including €6,491k for the amortization of property usage rights (IFRS 16) as of 03/31/21 and €6,346k as of 03/31/20.

(2) For information, the company has delivered treasury shares to a value of €2,518k.

The Company decided to adjust the presentation of its cash-flow statement to present cash-flow before the cost of pre-tax net financial debt, and also to better reflect share-based payments. Furthermore, the Group has also opted to present reversals of writedowns linked to fixed assets as net allocations to depreciation and amortization provisions, and to include financial expenses in the cost of net financial debt.

These changes impact the items mentioned previously as well as capital gains/losses on disposals, the calculation of other income and expenses, as well as changes in working capital requirement (WCR). These changes lead to the creation of items relative to (income)/expenses linked to share-based payments, (income)/expenses linked to tax and tax paid, in line with IFRS standards.

### Change in consolidated shareholders' equity

| (in thousands of euros)                              | Capital    | Premiums      | Consolidated reserves | Profit for the year | Translation gain (loss) | Shareholders' equity |
|--|------------|---------------|-----------------------|---------------------|-------------------------|----------------------|
| <b>Consolidated shareholders' equity at 03/31/19</b> | <b>505</b> | <b>11,218</b> | <b>108,992</b>        | <b>30,770</b>       | <b>(675)</b>            | <b>150,810</b>       |
| 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                  |
| <b>Net comprehensive income</b>                      | <b>0</b>   | <b>0</b>      | <b>117</b>            | <b>31,140</b>       | <b>0</b>                | <b>31,257</b>        |
| Impact of non-controlling interests                  | 0          | 0             | 0                     | 0                   | 0                       | 0                    |
| Appropriation of profit                              | 0          | 0             | 30,770                | (30,770)            | 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)                |
| <b>Consolidated shareholders' equity at 03/31/20</b> | <b>505</b> | <b>11,218</b> | <b>135,514</b>        | <b>31,140</b>       | <b>(1,235)</b>          | <b>177,142</b>       |
| Consolidated profit for the year                     | 0          | 0             | 0                     | 25,377              | 0                       | 25,377               |
| Fair value adjustment of hedging instruments         | 0          | 0             | 7                     | 0                   | 0                       | 7                    |
| IAS 19 actuarial gain (loss)                         | 0          | 0             | (477)                 | 0                   | 0                       | (477)                |
| <b>Net comprehensive income</b>                      | <b>0</b>   | <b>0</b>      | <b>(470)</b>          | <b>25,377</b>       | <b>0</b>                | <b>24,907</b>        |
| Impact of non-controlling interests                  | 0          | 0             | 0                     | 0                   | 0                       | 0                    |
| Appropriation of profit                              | 0          | 0             | 31,140                | (31,140)            | 0                       | 0                    |
| Dividends paid out by the consolidating company      | 0          | 0             | 0                     | 0                   | 0                       | 0                    |
| Treasury shares                                      | 0          | 0             | 882                   | 0                   | 0                       | 882                  |
| Restatement of provision for free shares             | 0          | 0             | 1,501                 | 0                   | 0                       | 1,501                |
| Translation gain (loss)                              | 0          | 0             | 0                     | 0                   | 1,630                   | 1,630                |
| <b>Consolidated shareholders' equity at 03/31/21</b> | <b>505</b> | <b>11,218</b> | <b>168,567</b>        | <b>25,377</b>       | <b>395</b>              | <b>206,063</b>       |

Given the uncertain context of the fiscal year 2020/21, at their meeting on 04/06/20, Wavestone's Management and Supervisory Boards decided not to submit the dividend payout for fiscal 2019/20 to the Annual General Meeting on 07/28/20.

Shareholders' equity contains no taxable items. Cumulative deferred tax assets amounting to €432k 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 | 03/31/21      | 03/31/20      |
|--|------|---------------|---------------|
| <b>Net income for the period</b>                                     |      | <b>25,377</b> | <b>31,140</b> |
| Fair value adjustment of hedging instruments                         | 19   | 7             | (2)           |
| IAS 19 actuarial gain (loss)   | 16   | (477)         | 119           |
| <b>Total recognized as equity</b>                                    |      | <b>(470)</b>  | <b>117</b>    |
| <b>Net comprehensive income attributable to owners of the parent</b> |      | <b>24,907</b> | <b>31,257</b> |

# 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 06/01/21.

All amounts presented in the notes are expressed in thousands of euros (€k).

## 2. Significant events in the fiscal year

### Impact of Covid-19 on business

The pandemic and the health restrictions imposed initially fueled fears of a significant and lasting slowdown in business owing to economic uncertainties. This slowdown turned out to be more limited than anticipated for the firm. Consolidated revenue came to €417,608k for fiscal 2020/21, reflecting a limited decline of 1% compared with the previous fiscal year.

Against this backdrop, the firm made less use of short-time working measures than initially anticipated in the first half. During the first half of the year, these measures impacted about 6% of the firm's fee-earning staff. During the second half, the firm practically made no use of these measures, except in the UK to a marginal extent.

With the resumption of hiring in September 2020, which was gradually extended to all of the firm, Wavestone's hiring totaled 450 staff in gross terms on a fiscal-year basis. Over 12 months, the decline in headcount was limited to 1%, an improvement on the 5% decline reported at the half-year stage.

Furthermore, Wavestone implemented a performance plan leading to significant savings over the fiscal year, notably on external charges.

Given these sound trends, Wavestone confirmed its more aggressive strategy for the year ahead, with the priority being to return to growth.

While demand for consulting services still remains strictly controlled, the firm is currently benefiting from the increased number of major transformation projects for clients which have accelerated as a result of the crisis.

### Reimbursement of monies received under short-time working measures

Given Wavestone's solid results for the fiscal year, and in line with the corporate social responsibility values the firm promotes, the Management Board, with the agreement of the Supervisory Board, submitted the reimbursement of monies received under short-time working measures to the Annual General Meeting of 07/27/21 for approval.

These monies were received in France, the UK, Switzerland and Luxembourg, totaling €3,186k for the fiscal year. As a result, 2020/21 EBIT includes a liability of €(3,186)k, equivalent to these monies.

### Decline of around 40% in Paris office space

The health crisis significantly changed work methods at the firm, opening up new prospects in terms of organization.

As such, Wavestone rolled out its Smartworking@Wavestone project. Tomorrow, this should be reflected in a new balance in the time spent by employees on Wavestone premises, at client locations or in co-working areas. In this respect, on 03/26/21, the Management Board decided to give up three of the seven floors the firm occupies in the tower where its Parisian premises are located.

During the closing quarter of the year, the firm started looking for tenants for the three vacated floors. The firm believes it will have to bear the costs related to these floors for a period of around 18 months, as the premises are to remain empty over that period. To this end, 2020/21 operating income includes depreciation of usage rights amounting to €3,397k, and depreciation of fixtures and furniture for €3,565k and a provision for leasing charges amounting to €1,303k.

These items, booked to "other operating expenses," do not impact EBIT for the fiscal year.

### Impact of business combinations

On a like-for-like and constant forex basis, Wavestone generated revenues of €399,722k, operating income on ordinary activities of €52,002k, and Group share of net income of €25,179k at 03/31/21, versus revenues of €402,887k, operating income on ordinary activities of €52,505k and Group share of net income of €30,188k at 03/31/20.

On a like-for-like and current forex basis, revenue came out at €399,249k, operating income on ordinary activities was €51,995k, and Group share of net income stood at €25,195k at 03/31/21.

On a full-scope basis, Wavestone had revenue of €417,608k, operating income on ordinary activities of €53,275k and Group share of net income of €25,377k.

## 3. Accounting principles and methods

### 3.1. Consolidation principles

#### 3.1.1. Reporting framework

Since 04/01/05, Wavestone's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and EU regulation no.1606/02 dated 07/19/02. These standards consist of the IFRS and IAS, and their interpretations, which had been adopted by the EU at 03/31/21.

The accounting principles used to prepare Wavestone's consolidated financial statements are the same as those used to prepare its consolidated financial statements at 03/31/20, 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 04/01/20 (available on the [European Commission](#)) without any significant impacts on the presentation of the financial statements.

### IFRS standards, IFRIC interpretations and amendments applied by the Company as of 04/01/20

| Standards, Amendments and Interpretations                                    | Dates of adoption by the EU | Dates of application <sup>(1)</sup> : fiscal years beginning on or after |
|--|-----------------------------|--|
| Amendments to references to the Conceptual Framework                         | 12/06/19                    | 01/01/20   |
| Amendments to IAS 1 and IAS 8 "Definition of 'Equipment'"                    | 12/10/19                    | 01/01/20   |
| Amendments to IAS 39, IFRS 7 and IFRS 9 "Reform of reference interest rates" | 01/16/20                    | 01/01/20   |
| Limited amendments to IFRS 3 "Definition of a Business"                      | 04/22/20                    | 01/01/20   |
| Amendments to IFRS 16 "Covid-19 Rent Relief"                                 | 10/09/20                    | 06/01/20   |

(1) Date of application of the European Union.

**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 03/31/21.

| <b>Standards, amendments and interpretations</b>  | <b>Date published by the IASB</b> | <b>Date of application: fiscal years beginning on or after:</b> |
|---|-----------------------------------|---|
| Amendments to IAS 28 and IFRS 10 “Sale or contribution of assets between associated companies and joint ventures” | 09/11/14                          | Undetermined  |
| IFRS annual improvements (2018-2020)  | 05/14/20                          | 01/01/22  |
| Amendments to IAS 37 “Onerous contracts – Cost of fulfilling a contract”  | 05/14/20                          | 01/01/22  |
| Amendments to IFRS 3 “Business combinations”  | 05/14/20                          | 01/01/22  |
| Amendments to IAS 1 on classification of liabilities as current and non-current                                   | 01/23/20                          | 01/01/23  |
| Amendments to IAS 1 “Presentation of financial statements”  | 01/12/21                          | 01/01/23  |
| Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”                             | 01/12/21                          | 01/01/23  |

The IASB has published standards and interpretations, adopted by the European Union at 03/31/21, that are applicable to reporting periods beginning on or after 01/01/21. The Group has chosen not to early adopt these texts.

| <b>Standards, amendments and interpretations</b>  | <b>Date of adoption by the EU</b> | <b>Dates of application<sup>(1)</sup>: fiscal years beginning on or after:</b> |
|---|-----------------------------------|--|
| Amendments to IFRS 4, IFRS 9, IFRS 16 and IAS 39 “Benchmark Interest Rate Reform - Phase 2” | 01/13/2021                        | 01/01/21   |

(1) Date of application of the European Union.

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 03/31/21 and 03/31/20 are comparable, except for changes in the scope of consolidation.

**3.2. Consolidation methods**

Wavestone is the consolidating company.

The financial statements of the companies placed under its exclusive control are fully consolidated.

Wavestone does not exert significant influence or joint control over any company. It does not directly or indirectly control any special purpose vehicle.

The financial statements of the consolidated companies are, if necessary, restated to ensure the uniform application of accounting and measurement rules.

The financial statements of the consolidated companies were all prepared as at 03/31/21.

On 03/31/21, the consolidated financial statements included all Wavestone’s companies for 12 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 |          |
|------------------|-----|-----------------------|----------|-----------------------|----------|
|                  |     | 03/31/21              | 03/31/20 | 03/31/21              | 03/31/20 |
| Swiss Franc      | CHF | 0.903342              | 0.944733 | 0.926863              | 0.913903 |
| Chinese Yuan     | CNY | 0.130188              | 0.128561 | 0.126338              | 0.129139 |
| Pound Sterling   | GBP | 1.173585              | 1.128121 | 1.121778              | 1.142937 |
| Hong Kong Dollar | HKD | 0.109706              | 0.117723 | 0.110041              | 0.115307 |
| Indian Rupee     | INR | 0.011653              | 0.012063 | 0.011516              | 0.012597 |
| Moroccan Dirham  | MAD | 0.094051              | 0.089728 | 0.092228              | 0.093042 |
| US Dollar        | USD | 0.852878              | 0.912742 | 0.853261              | 0.901036 |

Source: Banque de France.

The average exchange rate is determined by calculating the average monthly closing rate over the period.

#### Recognition of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros at the exchange rate on the transaction date.

#### 3.4. Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions concerning the measurement of certain amounts in the financial statements, notably with regard to:

- duration of asset depreciation;
- measurement of provisions and pension obligations;
- measurements used for impairment testing;
- fair value measurement of financial instruments;
- estimates of accrued income and expenses;
- measurement of share-based payments;
- 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. Where appropriate, the five-year horizon can be shortened only if this simplification does not have an impact on the outcome of the impairment test (as is the case this fiscal year).

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 9.4% 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.

Depreciation and amortization are calculated on the basis of the straight-line method without any deduction of residual value, applied over the estimated service life of the assets. The service life of major fixed assets is reviewed at the end of every fiscal period. The initial estimated service life is extended or reduced in accordance with the actual conditions of use.

The depreciation periods generally applied are as follows:

- software: 3-5 years;
- customer relationships: 3, 4 or 9 years;
- fixtures and fittings: 5-10 years, depending on the term of the leases in question;
- passenger vehicles: 4 years;
- IT equipment: 3-4 years;
- office furniture: 9 years.

### 3.7. Leases

The Group has applied IFRS 16 since 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. It removes the distinction between financial leases and operating leases.

The right-of-use asset and lease liability are booked at the start date of the leasing contract, the date at which the lessor makes the underlying asset available to the lessee. The initial value is equal to the lease's discounted value and, where appropriate, any advantages received from the lessor. A unique discount rate of 1% was retained for all entities, corresponding to that prevailing on the main current credit lines.

The rights to use leased assets are amortized on a straight-line basis over the term of the contract.

The Group applies the exemptions provided for in the standard relating to contracts with a duration of 12 months or less or with a value of less than 5 k\$. In addition, the Group has excluded from the scope of the restatement vehicle leases whose value is not material.

Thus only real estate leases are subject to the restatement required by the standard.

In accordance with the IFRIC Interpretations Committee's decision of November 2019 published on 12/16/19 on the lease term and useful life of leasehold improvements, a maximum term of 9 years has been adopted for so-called "3 6 9" leases in France. This period is aligned with the depreciation periods for the fixtures and fittings of said premises.

### 3.8. 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.

### 3.9. 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.

### 3.10. 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.

### 3.11. Receivables

Receivables are measured at their nominal value. A provision for impairment is recognized when their recoverable value is less than their carrying value.

### 3.12. 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.

### 3.13. 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.

### 3.14. 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 15% as of 03/31/20;
- 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: 0.70%, versus 1.42% as of 03/31/20;
- retirement age: 65 years;
- voluntary departure.

Retirement benefits for Switzerland are based on the following assumptions:

- BVG2015 GT mortality table;
- discount rate: 0.40% versus 0.50% as of 03/31/20.

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 03/31/21.

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

### 3.15. 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.

### 3.16. Financial instruments

Wavestone has set up currency hedges (cash-flow hedges) to cover the risk to which certain export sales may be exposed. The gain or loss resulting from the fair value measurement of hedging instruments is booked under “Other comprehensive income” (OCI). Unrealized gains and losses are written to the income statement when the hedged item is realized.

The Company has also set up cross-currency swaps and currency futures contracts to hedge some of the value of Exceed securities and foreign-currency loans and current accounts.

Lastly, the Company contracted interest rate hedges (caps) to cover the risk of an increase in the interest rate on the loans contracted to finance acquisitions.

### 3.17. 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.

### 3.18. 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.

### 3.19. 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”).

#### 3.19.1. 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.

#### 3.19.2. 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.

#### 3.19.3. 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.

### 3.20. 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.

### 3.21. 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 10 years.

Deferred tax assets and liabilities are measured at the expected tax rate for the fiscal year in which the asset will be realized or the liability settled.

Tax on items recognized directly in equity is booked under shareholders’ equity.

#### 4. Scope of consolidation

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<br>100/101 terrasse Boieldieu<br>92042 Paris La Défense Cedex  | 37755024900041              | SA                   | Sté mère    | France         | 12                            |
| Wavestone Advisors UK          | Warnford Court<br>29-30 (4 <sup>th</sup> Floor) Cornhill<br>London, EC3V 3NF | 5896422                     | Limited company      | 100%        | United Kingdom | 12                            |
| Wavestone Switzerland          | 1 place de Pont-Rouge<br>1212 Grand-Lancy, Genève                            | CHE-109.688.302             | SARL                 | 100%        | Switzerland    | 12                            |
| Wavestone Advisors             | Tour Franklin<br>100/101 Terrasse Boieldieu<br>92042 Paris La Défense Cedex  | 43322484700114              | SAS                  | 100%        | France         | 12                            |
| Wavestone US                   | 1330 Avenue of the Americas<br>New York, NY10019                             | 5905389                     | Incorporated company | 100%        | United States  | 12                            |
| Wavestone Luxembourg           | 10 rue du Château d'Eau<br>3364 Leudelange                                   | B114630                     | SA                   | 100%        | Luxembourg     | 12                            |
| Wavestone Belgium              | 6 avenue des Arts<br>Immeuble The Artist<br>1210 Bruxelles                   | 0879.426.546                | SA/NV                | 100%        | Belgium        | 12                            |
| Wavestone Advisors Maroc       | Immeuble Racine d'Anfa<br>157 boulevard d'Anfa<br>20100 Casablanca           | 219375                      | SARL                 | 100%        | Morocco        | 12                            |
| Wavestone HK                   | 21/F, On Hing Building,<br>1 On Hing<br>Terrace Central, Hong Kong           | 66431968-000-07-16-9        | Limited company      | 100%        | Hong Kong      | 12                            |
| Xceed Group (Holdings) Limited | Warnford Court<br>29-30 Cornhill<br>London, EC3V 3NF                         | 10468064                    | Limited company      | 100%        | United Kingdom | 12                            |
| Xceed Group Limited            | Warnford Court<br>29-30 Cornhill<br>London, EC3V 3NF                         | 6526750                     | Limited company      | 100%        | United Kingdom | 12                            |
| Wavestone Consulting UK        | Warnford Court<br>29-30 Cornhill<br>London, EC3V 3NF                         | 4965100                     | Limited company      | 100%        | United Kingdom | 12                            |
| M3G                            | Tour Franklin<br>100/101 terrasse Boieldieu<br>92042 Paris La Défense Cedex  | 79120544600028              | SASU                 | 100%        | France         | 12                            |
| Metis Consulting               | Tour Franklin<br>100/101 terrasse Boieldieu<br>92042 Paris La Défense Cedex  | 50299920400030              | SASU                 | 100%        | France         | 12                            |
| Metis Consulting Hong Kong     | Flat 7107B, 1 Austin Road West,<br>Kowloon, Hong Kong                        | 2381018                     | Private company      | 100%        | Hong Kong      | 12                            |

| Companies                       | Head office  | Company registration number | Legal form              | Holding (%) | Nationality   | Number of months consolidated |
|---------------------------------|--|-----------------------------|-------------------------|-------------|---------------|-------------------------------|
| WGroup                          | 150 N. Radnor Chester Road, Suite A230 Radnor, PA 19087, USA   | 3191624                     | Incorporated company    | 100%        | United States | 12                            |
| UpGrow                          | 150 N. Radnor Chester Road, Suite A230 Radnor, PA 19087, USA   | 6360853                     | Incorporated company    | 100%        | United States | 12                            |
| WGroup Consulting India Project | 2 <sup>nd</sup> Floor, WeWork, Behind 32 <sup>nd</sup> Milestone The Galaxy Hotel Sector 15 Gurgaon HR 122001, India | U74999HR2019FTC079593       | Private limited company | 100%        | India         | 12                            |

All of these companies have been fully consolidated.

#### Transfer of business from Wavestone Consulting UK to Wavestone Advisors UK

The transfer of business from Wavestone Consulting UK to Wavestone Advisors UK was implemented pursuant to the Business Transfer Agreement of 09/18/20, with an effective date as of 09/30/20.

This transaction, which involves the payout of a dividend in kind, with the transfer of assets and liabilities from Wavestone Consulting UK to Wavestone Advisors UK, has no impact on the consolidated financial statements.

## 5. Notes relative to certain income statement and balance sheet items

### Note 1. Revenues

85% of the firm's consolidated revenue is generated in France.

| Revenue       | 03/31/21       | 03/31/20       |
|---------------|----------------|----------------|
| France        | 356,548        | 360,790        |
| International | 61,060         | 61,252         |
| <b>Total</b>  | <b>417,608</b> | <b>422,042</b> |

Revenue is 57% made up of fixed-price contracts, and 43% time based services contracts.

The order book represents 4.1 months of business as of 03/31/21.

| Average staff | 03/31/21     | 03/31/20     |
|---------------|--------------|--------------|
| France        | 2,943        | 2,850        |
| International | 373          | 392          |
| <b>Total</b>  | <b>3,316</b> | <b>3,242</b> |

### Note 2. Purchases

The majority of the purchases are the purchase of subcontracting services.

### Note 3. Payroll expenses

| <b>Personnel expenses</b> | <b>03/31/21</b> | <b>03/31/20</b> |
|---------------------------|-----------------|-----------------|
| Salaries and benefits     | 224,771         | 208,593         |
| Social contributions      | 85,397          | 81,284          |
| <b>Total</b>              | <b>310,168</b>  | <b>289,877</b>  |

In the context of the Covid-19 health crisis, Wavestone has benefited from support measures offered by several countries, including France. Monies received relative to short-time working measures are booked as deductions to payroll costs. As mentioned with respect to events of the fiscal year, the Management Board decided to request approval from the Annual General Meeting of Shareholders for the

reimbursement of monies received under short-time working measures, leading to the booking of a provision for payroll costs of €(3,186)k. Short-time working measures for the fiscal year generated savings net of the reimbursement provision of €2,129k in the payroll costs item, equivalent notably to the savings on employer contributions.

| <b>Average FTE headcount</b> | <b>03/31/21</b> | <b>03/31/20</b> |
|------------------------------|-----------------|-----------------|
| Engineers and managers       | 3,260           | 3,186           |
| Employees                    | 55              | 56              |
| <b>Total</b>                 | <b>3,316</b>    | <b>3,242</b>    |

### Note 4. Executive directors' compensation

| <b>Executive compensation</b>                  | <b>03/31/21</b> | <b>03/31/20</b> |
|--|-----------------|-----------------|
| Compensation paid to Management Board members  | 402             | 466             |
| Compensation paid to Supervisory Board members | 286             | 306             |
| <b>Total</b>                                   | <b>688</b>      | <b>772</b>      |

As part of the measures implemented to tackle the Covid-19 pandemic, the members of the Management Board decided to renounce the payment of their variable compensation in

respect of fiscal 2019/20, while members of the Supervisory Board and Committees agreed to a 25% reduction in their compensation.

### Note 5. External expenses

|                               | <b>03/31/21</b> | <b>03/31/20</b> |
|-------------------------------|-----------------|-----------------|
| Rent and other lease expenses | 13,024          | 13,804          |
| IFRS 16 restatement           | (6,404)         | (6,603)         |
| Professional fees             | 8,200           | 11,151          |
| Travel, assignments           | 1,797           | 15,926          |
| Other external expenses       | 7,086           | 12,421          |
| <b>Total</b>                  | <b>23,703</b>   | <b>46,699</b>   |

Most other external expenses are for non-stock equipment and supplies, maintenance and repair costs, and expenditure on advertising.

**Note 6. Non-recurring operating income and expenses**

The amortization of customer relationships is recognized as non-current given the non-recurring nature and the scale of the Kurt Salmon transaction.

|                                 | <b>03/31/21</b> | <b>03/31/20</b> |
|---------------------------------|-----------------|-----------------|
| Other                           | 695             | 1,581           |
| <b>Other operating income</b>   | <b>695</b>      | <b>1,581</b>    |
| Securities trading charges      | (348)           | (1,337)         |
| Other                           | (8,865)         | (870)           |
| <b>Other operating expenses</b> | <b>(9,213)</b>  | <b>(2,207)</b>  |
| <b>Net total</b>                | <b>(8,519)</b>  | <b>(627)</b>    |

Various other operating costs broke down in particular on 03/31/21, as unoccupied lease properties for €8,798k.

Other operating income is essentially made up of reversals of writedowns of lease fittings for €288k and adjustment of right of use for €198k.

**Note 7. Financial income**

|  | <b>03/31/21</b> | <b>03/31/20</b> |
|--|-----------------|-----------------|
| Net income from sale of cash equivalents | 5               | 8               |
| Interest on borrowings                   | (1,144)         | (2,185)         |
| <b>Cost of net debt</b>                  | <b>(1,138)</b>  | <b>(2,177)</b>  |
| Other financial income and expenses      | (1,451)         | (1,242)         |
| <b>Financial profit (loss)</b>           | <b>(2,589)</b>  | <b>(3,419)</b>  |

Interest on borrowings mainly includes interest on the 2020 Refinancing loan for €806k and on the 2020 External Growth Loan for €195k. Other financial income and expenses specifically include hedging instruments for a negative €1,103k.

Other financial income and expenses specifically include hedging instruments for a negative €573k.

## Note 8. Tax charge

### Net impact of profit tax

|              | 03/31/21      | 03/31/20      |
|--------------|---------------|---------------|
| Current tax  | 17,130        | 19,646        |
| Deferred tax | (1,833)       | (685)         |
| <b>Total</b> | <b>15,297</b> | <b>18,961</b> |

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 €4,348k.

|  | Consolidated statement<br>of financial position |               | Income statement |              |
|--|---|---------------|------------------|--------------|
|  | 03/31/21  | 03/31/20      | 03/31/21         | 03/31/20     |
| Tax loss carryforwards capitalized       | 3,336   | 4,017         | 601              | (734)        |
| Temporary time differences on provisions | 4,506   | 2,899         | (1,643)          | 654          |
| Consolidation entries                    | 3,966   | 3,181         | (779)            | (566)        |
| <b>Total deferred tax assets</b>         | <b>11,808</b>                                   | <b>10,097</b> | <b>(1,821)</b>   | <b>(645)</b> |
| Tax loss carryforwards capitalized       | -   | (20)          | 20               | (20)         |
| Temporary time differences on provisions | -   | 33            | (33)             | (20)         |
| <b>Total deferred tax liabilities</b>    | <b>-</b>  | <b>13</b>     | <b>(13)</b>      | <b>(40)</b>  |
| <b>Deferred tax charge</b>               | <b>-</b>  | <b>-</b>      | <b>(1,833)</b>   | <b>(685)</b> |

All deferred taxes generated by transactions carried out over the period have been recognized.

The losses generated by the former subsidiary Audisoft Oxéa before its acquisition by Wavestone 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 rationalization

The difference between the theoretical and the effective tax expense breaks down as follows:

|   | 03/31/21      | 03/31/20      |
|---|---------------|---------------|
| Consolidated net income                         | 25,377        | 31,140        |
| Tax expense (income)                            | 15,297        | 18,961        |
| IAS 12: CVAE and other                          | (4,348)       | (4,703)       |
| Tax credits                                     | (1,644)       | (1,956)       |
| Pre-tax profit/loss                             | 34,681        | 43,443        |
| Theoretical tax rate                            | 32,02%        | 33,33%        |
| <b>Theoretical tax expense (income)</b>         | <b>11,105</b> | <b>14,479</b> |
| <b>Reconciliation:</b>                          |               |               |
| Permanent differences                           | 589           | 40            |
| Deactivation (reactivation) of previous deficit | -             | (1,398)       |
| Activities taxed at a different rate            | 157           | 1,766         |
| Tax credit                                      | (902)         | (629)         |
| IAS 12: CVAE and other                          | 4,348         | 4,703         |
| <b>Effective tax expense (income)</b>           | <b>15,297</b> | <b>18,961</b> |

**Note 9. Earnings per share**

|  | 03/31/21   | 03/31/20   |
|--|------------|------------|
| Net income attributable to owners of the parent              | 25,377     | 31,140     |
| Weighted average number of shares outstanding <sup>(1)</sup> | 19,938,793 | 19,872,524 |
| Net undiluted earnings attributable per share (in euros)     | 1.27       | 1.57       |
| Number of shares issued at March 31 <sup>(1)</sup>           | 19,938,793 | 19,872,524 |
| Net diluted earnings attributable per share (in euros)       | 1.27       | 1.57       |

(1) Excluding treasury shares.

**Note 10. Goodwill on the assets side of the balance sheet**

|                       | Net value at<br>03/31/20 | Change in<br>scope | Decrease<br>in the year | Translation<br>gains (losses) | Net value at<br>03/31/21 |
|-----------------------|--------------------------|--------------------|-------------------------|-------------------------------|--------------------------|
| Wavestone SA          | 45,200                   | -                  | -                       | -                             | 45,200                   |
| Wavestone Advisors UK | 2,423                    | -                  | -                       | 98                            | 2,521                    |
| Wavestone Switzerland | 2,890                    | -                  | -                       | (127)                         | 2,763                    |
| Kurt Salmon           | 69,093                   | -                  | -                       | (258)                         | 68,835                   |
| Xceed                 | 11,776                   | -                  | -                       | 475                           | 12,250                   |
| Metis                 | 9,968                    | -                  | -                       | -                             | 9,968                    |
| WGroup                | 25,131                   | -                  | (2,986)                 | (1,647)                       | 20,498                   |
| <b>Total</b>          | <b>166,482</b>           | <b>-</b>           | <b>(2,986)</b>          | <b>(1,460)</b>                | <b>162,035</b>           |

Because of its structure, Wavestone consists of only one cash-generating unit (CGU) as noted in section 3.5 “Accounting principles and methods.”

Given the lag in the WGroup business plan in 2020, the second additional payment as part of the acquisition of this company was not paid.

The consolidated financial statements were revised accordingly.

**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:

|   | <b>Wavestone</b> |
|---|------------------|
| Difference between value in use and carrying value                      | > 420,000        |
| Theoretical impairment of a 1 point reduction in growth to infinity (a) | -                |
| Theoretical impairment of a 1 point increase in the discount rate (b)   | -                |
| Theoretical impairment of (a) + (b)                                     | -                |

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**

| <b>Gross value</b>                 | <b>03/31/20</b> | <b>Change in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|------------------------------------|-----------------|------------------------|-----------------|-----------------|-----------------------------------|-----------------|
| Software                           | 5,047           | -                      | -               | (1,963)         | (20)                              | 3,065           |
| Clients                            | 16,546          | -                      | -               | -               | -                                 | 16,546          |
| Intangible assets in progress      | -               | -                      | -               | -               | -                                 | -               |
| <b>Total intangible assets</b>     | <b>21,592</b>   | <b>-</b>               | <b>-</b>        | <b>(1,963)</b>  | <b>(20)</b>                       | <b>19,610</b>   |
| Other tangible assets              | 24,406          | -                      | 775             | (611)           | (28)                              | 24,542          |
| Tangible assets under construction | 27              | -                      | 95              | (122)           | (1)                               | -               |
| <b>Total tangible assets</b>       | <b>24,434</b>   | <b>-</b>               | <b>870</b>      | <b>(733)</b>    | <b>(29)</b>                       | <b>24,542</b>   |

| <b>Amortization</b>            | <b>03/31/20</b> | <b>Change in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|--------------------------------|-----------------|------------------------|-----------------|-----------------|-----------------------------------|-----------------|
| Software                       | 3,493           | -                      | 911             | (1,963)         | (12)                              | 2,429           |
| Clients                        | 9,424           | -                      | 1,493           | -               | -                                 | 10,917          |
| <b>Total intangible assets</b> | <b>12,917</b>   | <b>-</b>               | <b>2,404</b>    | <b>(1,963)</b>  | <b>(12)</b>                       | <b>13,346</b>   |
| Other tangible assets          | 10,215          | -                      | 2,741           | (585)           | (9)                               | 12,362          |
| <b>Total tangible assets</b>   | <b>10,215</b>   | <b>-</b>               | <b>2,741</b>    | <b>(585)</b>    | <b>(9)</b>                        | <b>12,362</b>   |

| <b>Impairment</b>                  | <b>03/31/20</b> | <b>Change in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|------------------------------------|-----------------|------------------------|-----------------|-----------------|-----------------------------------|-----------------|
| Software                           | 564             | -                      | -               | (508)           | (8)                               | 48              |
| <b>Total intangible assets</b>     | <b>564</b>      | <b>-</b>               | <b>-</b>        | <b>(508)</b>    | <b>(8)</b>                        | <b>48</b>       |
| Other tangible assets              | 195             | -                      | 3,565           | (127)           | (2)                               | 3,632           |
| <b>Total tangible assets</b>       | <b>195</b>      | <b>-</b>               | <b>3,565</b>    | <b>(127)</b>    | <b>(2)</b>                        | <b>3,632</b>    |
| <b>Net total intangible assets</b> | <b>8,111</b>    | <b>-</b>               | <b>(2,404)</b>  | <b>508</b>      | <b>-</b>                          | <b>6,216</b>    |
| <b>Net total tangible assets</b>   | <b>14,024</b>   | <b>-</b>               | <b>(5,436)</b>  | <b>(21)</b>     | <b>(18)</b>                       | <b>8,548</b>    |

None of Wavestone's tangible and intangible assets are subject to ownership restrictions.

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 €0k at 03/31/21, versus €(1,979)k in the same period last year.

**Note 12. Leases**

**Rights of use**

| <b>Gross value</b>            | <b>03/31/20</b> | <b>Change in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|-------------------------------|-----------------|------------------------|-----------------|-----------------|-----------------------------------|-----------------|
| <b>Operating lease</b>        | <b>36,654</b>   | -                      | <b>972</b>      | <b>(483)</b>    | <b>(120)</b>                      | <b>37,024</b>   |
| Real estate leasing           | 36,654          | -                      | 972             | (483)           | (120)                             | 37,024          |
| <b>Credit lease</b>           | <b>3,997</b>    | -                      | -               | <b>(944)</b>    | <b>(5)</b>                        | <b>3,048</b>    |
| Office and computer equipment | 3,887           | -                      | -               | (944)           | -                                 | 2,943           |
| Transport equipment           | 110             | -                      | -               | -               | (5)                               | 105             |
| <b>Total rights of use</b>    | <b>40,651</b>   | -                      | <b>972</b>      | <b>(1,427)</b>  | <b>(124)</b>                      | <b>40,072</b>   |

| <b>Amortization</b>           | <b>03/31/20</b> | <b>Change in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|-------------------------------|-----------------|------------------------|-----------------|-----------------|-----------------------------------|-----------------|
| <b>Operating lease</b>        | <b>6,291</b>    | -                      | <b>6,491</b>    | <b>(196)</b>    | <b>(2)</b>                        | <b>12,584</b>   |
| Real estate leasing           | 6,291           | -                      | 6,491           | (196)           | (2)                               | 12,584          |
| <b>Credit lease</b>           | <b>3,493</b>    | -                      | <b>385</b>      | <b>(933)</b>    | <b>(4)</b>                        | <b>2,942</b>    |
| Office and computer equipment | 3,420           | -                      | 366             | (933)           | -                                 | 2,853           |
| Transport equipment           | 73              | -                      | 19              | -               | (4)                               | 88              |
| <b>Total rights of use</b>    | <b>9,784</b>    | -                      | <b>6,876</b>    | <b>(1,129)</b>  | <b>(6)</b>                        | <b>15,525</b>   |

| <b>Impairment</b>              | <b>03/31/20</b> | <b>Change in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|--------------------------------|-----------------|------------------------|-----------------|-----------------|-----------------------------------|-----------------|
| <b>Operating lease</b>         | <b>255</b>      | -                      | <b>3,492</b>    | <b>(159)</b>    | -                                 | <b>3,588</b>    |
| Real estate leasing            | 255             | -                      | 3,492           | (159)           | -                                 | 3,588           |
| <b>Credit lease</b>            | -               | -                      | -               | -               | -                                 | -               |
| Office and computer equipment  | -               | -                      | -               | -               | -                                 | -               |
| Vehicles                       | -               | -                      | -               | -               | -                                 | -               |
| <b>Total rights of use</b>     | <b>255</b>      | -                      | <b>3,492</b>    | <b>(159)</b>    | -                                 | <b>3,588</b>    |
| <b>Total net rights of use</b> | <b>30,613</b>   | -                      | <b>(9,396)</b>  | <b>(139)</b>    | <b>(119)</b>                      | <b>20,959</b>   |

Assets financed by a leasing contract are subject to an ownership restriction.

The assets related to the Paris premises were subject to depreciation for unoccupied floorspace from 04/01/21 (see Significant events of the year).

## Lease liabilities

|   | 03/31/20      | Changes in consolidation scope | Change         | Translation gains (losses) | 03/31/21      |
|---|---------------|--------------------------------|----------------|----------------------------|---------------|
| <b>Liabilities due in more than five years</b>              | <b>4,899</b>  | -                              | <b>(2,238)</b> | <b>38</b>                  | <b>2,700</b>  |
| Rental liabilities  | 4,899         | -                              | (2,238)        | 38                         | 2,700         |
| Leasing liabilities   | -             | -                              | -              | -                          | -             |
| <b>Liabilities from one to five years</b>                   | <b>24,717</b> | -                              | <b>(5,006)</b> | <b>(150)</b>               | <b>19,560</b> |
| Rental liabilities  | 24,628        | -                              | (4,917)        | (150)                      | 19,560        |
| Leasing liabilities   | 89            | -                              | (89)           | -                          | (-)           |
| <b>Total non-current lease liabilities</b>                  | <b>29,616</b> | -                              | <b>(7,244)</b> | <b>(112)</b>               | <b>22,260</b> |
| Rental liabilities  | 7,639         | -                              | 310            | (29)                       | 7,919         |
| Leasing liabilities   | 402           | -                              | (295)          | (1)                        | 106           |
| <b>Total current lease liabilities (less than one year)</b> | <b>8,041</b>  | -                              | <b>14</b>      | <b>(31)</b>                | <b>8,025</b>  |
| <b>Total lease liabilities</b>                              | <b>37,657</b> | -                              | <b>(7,230)</b> | <b>(143)</b>               | <b>30,285</b> |

Guarantees pledged as collateral against these lease liabilities are described in note 20 below.

On 03/12/21, Wavestone US signed a lease to sublet for the use of new premises from 04/05/21, located at 130 West 42<sup>nd</sup> Street, New York. This lease commitment will be booked in the firm's accounts as from the Commencement Date of 04/05/21; it equates to a lease liability of €430k.

### Note 13. Other assets

Financial assets consist mainly of deposits and guarantees.

Other non-current assets consist mainly of deferred tax assets in the amount of €11,808k, (€10,097k at 03/31/20).

**Note 14. Current assets**

| <b>Trade receivables and related accounts</b> | <b>03/31/20</b> | <b>Change</b>  | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|---|-----------------|----------------|-----------------------------------|-----------------|
| Client receivables                            | 86,544          | (3,065)        | (554)                             | 82,925          |
| Invoices to be issued                         | 43,000          | 772            | 9                                 | 43,780          |
| <b>Gross value</b>                            | <b>129,544</b>  | <b>(2,293)</b> | <b>(546)</b>                      | <b>126,705</b>  |
| <b>Impairment</b>                             | <b>(1,135)</b>  | <b>145</b>     | <b>(4)</b>                        | <b>(995)</b>    |
| <b>Net book value</b>                         | <b>128,408</b>  | <b>(2,148)</b> | <b>(550)</b>                      | <b>125,710</b>  |

In view of the quality of Wavestone's clients, no overall first-level risk has been identified. Nevertheless, the Company 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.

| <b>Other receivables</b>        | <b>03/31/20</b> | <b>Change</b>  | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|---------------------------------|-----------------|----------------|-----------------------------------|-----------------|
| Advances and downpayments       | 1,309           | (931)          | (2)                               | 376             |
| Tax receivables                 | 15,110          | 270            | 35                                | 15,415          |
| Other debtors                   | 1,261           | 323            | (12)                              | 1,572           |
| Prepaid expenses                | 5,655           | (2,824)        | (17)                              | 2,813           |
| <b>Gross value</b>              | <b>23,335</b>   | <b>(3,162)</b> | <b>4</b>                          | <b>20,177</b>   |
| Impairment of other receivables | (53)            | (12)           | -                                 | (65)            |
| <b>Impairment</b>               | <b>(53)</b>     | <b>(12)</b>    | <b>-</b>                          | <b>(65)</b>     |
| <b>Net book value</b>           | <b>23,282</b>   | <b>(3,174)</b> | <b>4</b>                          | <b>20,112</b>   |

| <b>Cash and cash equivalents</b> | <b>03/31/20</b> | <b>Change</b> | <b>Translation gains (losses)</b> | <b>03/31/21</b> |
|----------------------------------|-----------------|---------------|-----------------------------------|-----------------|
| Liquid assets                    | 65,131          | 22,745        | 133                               | 88,009          |
| <b>Gross value</b>               | <b>65,131</b>   | <b>22,745</b> | <b>133</b>                        | <b>88,009</b>   |
| <b>Impairment</b>                | <b>-</b>        | <b>-</b>      | <b>-</b>                          | <b>-</b>        |
| <b>Net book value</b>            | <b>65,131</b>   | <b>22,745</b> | <b>133</b>                        | <b>88,009</b>   |

**Note 15. Capital**

At 03/31/21, 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 257,699 Wavestone shares.

No new free shares were granted during the year.

For the current plans, the definitive allocation of free shares to the Firm's Key People remains conditional on the beneficiary's personal investment in Wavestone shares, and on the achievement of a performance criterion relating to the Firm's consolidated current operating income target.

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 03/31/21.

## 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. Provisions for risks also cover rental charges for unoccupied Parisian premises (see Significant events of the year).

|                                    | 03/31/20      | Changes in consolidation scope | Increase     | Reversal       |              | Translation gains (losses) | 03/31/21      |
|------------------------------------|---------------|--------------------------------|--------------|----------------|--------------|----------------------------|---------------|
|                                    |               |                                |              | Used           | Unused       |                            |               |
| Provisions for retirement packages | 15,343        | -                              | 2,060        | (274)          | (111)        | (62)                       | 16,956        |
| Provisions for risks               | -             | -                              | 361          | -              | -            | -                          | 361           |
| <b>Total long-term provisions</b>  | <b>15,343</b> | <b>-</b>                       | <b>2,421</b> | <b>(274)</b>   | <b>(111)</b> | <b>(62)</b>                | <b>17,317</b> |
| Provisions for risks               | 5,348         | -                              | 2,503        | (791)          | (543)        | 50                         | 6,567         |
| <b>Total short-term provisions</b> | <b>5,348</b>  | <b>-</b>                       | <b>2,503</b> | <b>(791)</b>   | <b>(543)</b> | <b>50</b>                  | <b>6,567</b>  |
| <b>Total provisions</b>            | <b>20,691</b> | <b>-</b>                       | <b>4,924</b> | <b>(1,065)</b> | <b>(654)</b> | <b>(12)</b>                | <b>23,884</b> |

Changes in provisions for the fiscal year had a €(1,330)k impact on operating income on ordinary activities and a €(1,266)k 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 €610k reported at 03/31/21 stemmed primarily from changes in assumptions (discount rate, staff turnover rate, etc.).

The impact on shareholders' equity is €119k, net of deferred taxes, for the fiscal year ended 03/31/20. It is negative, in the amount of €477k, net of deferred taxes, for the year ended 03/31/21.

The net expense recognized of €1,065k breaks down as follows:

- cost of services rendered: €1,136k;
- interest expenses for the year: €203k;
- benefits provided: €(274)k.

### 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 Helvetia Group Foundation for health and social coverage of its employees (Helvetia Sammelstiftung für Personalvorsorge) 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     | 03/31/20     | 03/31/21     |
|--------------------|--------------|--------------|
| Fondation Helvetia | 4,062        | 4,301        |
| <b>Total</b>       | <b>4,062</b> | <b>4,301</b> |

### 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 €855k decrease in actuarial differences (recognized in shareholders' equity) while a 0.25% decrease in the discount rate would represent a €911k increase in actuarial differences.

**Note 17. Financial liabilities and net debt**

|  | 03/31/20      | Changes in consolidation scope | Change          | Translation gains (losses) | 03/31/21      |
|--|---------------|--------------------------------|-----------------|----------------------------|---------------|
| <b>Debt &gt; 5 years</b>   | <b>23,559</b> | -                              | <b>(23,559)</b> | -                          | -             |
| Bank borrowings  | 23,559        | -                              | (23,559)        | -                          | -             |
| <b>Debt 1 &gt; 5 years</b>   | <b>32,517</b> | -                              | <b>15,497</b>   | (1)                        | <b>48,013</b> |
| Bank borrowings  | 32,517        | -                              | 15,469          | -                          | 47,986        |
| Financial debt (leases)  | -             | -                              | 27              | (1)                        | 27            |
| <b>Total non-current financial liabilities</b>                       | <b>56,076</b> | -                              | <b>(8,062)</b>  | (1)                        | <b>48,013</b> |
| Bank borrowings  | 38,104        | -                              | (29,965)        | -                          | 8,140         |
| Bank overdrafts  | 63            | -                              | (53)            | (4)                        | 6             |
| Accrued interest outstanding   | 12            | -                              | (5)             | -                          | 7             |
| <b>Total current financial liabilities (&lt; 1 year)</b>             | <b>38,179</b> | -                              | <b>(30,023)</b> | (4)                        | <b>8,152</b>  |
| <b>Total financial liabilities excluding current bank overdrafts</b> | <b>94,193</b> | -                              | <b>(38,032)</b> | (1)                        | <b>56,160</b> |
| <b>Total financial liabilities</b>                                   | <b>94,255</b> | -                              | <b>(38,086)</b> | (4)                        | <b>56,165</b> |

Breakdown of financial liabilities by interest rate:

| Rate                               | 03/31/20   |               | 03/31/21   |               |
|------------------------------------|------------|---------------|------------|---------------|
|                                    | Fixed      | Variable      | Fixed      | Variable      |
| Non-current financial liabilities  | 152        | 55,924        | 128        | 47,885        |
| Current financial liabilities      | 101        | 38,079        | 101        | 8,051         |
| <b>Total financial liabilities</b> | <b>252</b> | <b>94,003</b> | <b>229</b> | <b>55,937</b> |

The Group did not default on any of its debt repayment obligations during the period.

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 unused portion of the Renewable and External Growth Facilities is disclosed in note 20.

The contract also provides for an unconfirmed credit of up to €60,000k dedicated to external growth operations.

| <b>Cash and cash equivalents</b>                       | <b>03/31/20</b> | <b>Changes in consolidation scope</b> | <b>Translation Change gains (losses)</b> |            | <b>03/31/21</b> |
|--|-----------------|---------------------------------------|--|------------|-----------------|
| Cash equivalents at historic value                     | -               | -                                     | -  | -          | -               |
| Liquid assets  | 65,131          | -                                     | 22,745                                   | 133        | 88,009          |
| Bank overdrafts  | (63)            | -                                     | 53                                       | 4          | (6)             |
| <b>Total cash net of overdrafts</b>                    | <b>65,068</b>   | <b>-</b>                              | <b>22,798</b>                            | <b>137</b> | <b>88,003</b>   |
| Fair value adjustment of cash equivalents              | -               | -                                     | -  | -          | -               |
| <b>Consolidated cash</b>                               | <b>65,068</b>   | <b>-</b>                              | <b>22,798</b>                            | <b>137</b> | <b>88,003</b>   |
| <b>Financial liabilities excluding bank overdrafts</b> | <b>94,193</b>   | <b>-</b>                              | <b>(38,032)</b>                          | <b>(1)</b> | <b>56,160</b>   |
| <b>Net cash/debt</b>                                   | <b>(29,124)</b> | <b>-</b>                              | <b>60,830</b>                            | <b>137</b> | <b>31,843</b>   |

**Note 18. Other liabilities**

|  | <b>03/31/20</b> | <b>Changes in consolidation scope</b> | <b>Translation Change gains (losses)</b> |              | <b>03/31/21</b> |
|--|-----------------|---------------------------------------|--|--------------|-----------------|
| <b>Other non-current liabilities</b>   |                 |                                       |  |              |                 |
| Tax and social security liabilities    | 193             | -                                     | (9)                                      | -            | 184             |
| <i>o/w tax liabilities</i>             | 193             | -                                     | (9)                                      | -            | 184             |
| Other debt                             | 766             | -                                     | (766)                                    | -            | -               |
| <b>Total</b>                           | <b>959</b>      | <b>-</b>                              | <b>(775)</b>                             | <b>-</b>     | <b>184</b>      |
| <b>Current liabilities</b>             |                 |                                       |  |              |                 |
| Trade receivables and related accounts | 16,586          | -                                     | (4,995)                                  | (38)         | 11,554          |
| Tax and social security liabilities    | 80,417          | -                                     | 17,949                                   | (60)         | 98,305          |
| <i>o/w tax liabilities</i>             | 37,005          | -                                     | 793                                      | 4            | 37,802          |
| <i>o/w social security liabilities</i> | 43,411          | -                                     | 17,156                                   | (64)         | 60,503          |
| Other current financial liabilities    | 21,864          | -                                     | (1,508)                                  | (327)        | 20,029          |
| <i>o/w suppliers of assets</i>         | 8               | -                                     | -  | -            | 8               |
| <i>o/w other debt</i>                  | 9,927           | -                                     | (1,315)                                  | (217)        | 8,395           |
| <i>o/w prepaid income</i>              | 11,928          | -                                     | (193)                                    | (110)        | 11,625          |
| <b>Total</b>                           | <b>118,866</b>  | <b>-</b>                              | <b>11,446</b>                            | <b>(424)</b> | <b>129,888</b>  |
| <b>Total other liabilities</b>         | <b>119,826</b>  | <b>-</b>                              | <b>10,671</b>                            | <b>(424)</b> | <b>130,073</b>  |

**Note 19. Financial instruments**

Wavestone's financial instrument portfolio is made up of:

- treasury stock;
- cross-currency swaps;
- interest rate hedges (caps).

**Accounting classification and fair value of financial assets and liabilities**

| At 03/31/21  | Instrument category                             |               |          |  |   | Value net to statement of financial position | Fair value                       |   |   | Fair value    |
|--|---|---------------|----------|--|---|--|----------------------------------|---|---|---------------|
|  | Financial assets measured at fair value through |               |          | Assets financial derivatives at cost amortized | Liabilities financial at cost amortized |  | Level 1                          | Level 2                                   | Level 3                                       |               |
|  | Set with hedging                                | 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 | -   | -             | -        | 2,061  | -                                       | 2,061  | -                                | 2,061                                     | -   | 2,061         |
| Derivative instrument assets                                 | 946   | -             | -        | -  | -                                       | 946  | -                                | 946                                       | -   | 946           |
| Current accounts   | -   | -             | -        | -  | -                                       | -  | -                                | -   | -   | -             |
| Cash equivalents   | -   | -             | -        | -  | -                                       | -  | -                                | -   | -   | -             |
| Liquid assets  | -   | 88,009        | -        | -  | -                                       | 88,009                                       | 88,009                           | -   | -   | 88,009        |
| <b>Total assets</b>  | <b>946</b>                                      | <b>88,009</b> | <b>-</b> | <b>2,061</b>                                   | <b>-</b>                                | <b>91,016</b>                                | <b>88,009</b>                    | <b>3,008</b>                              | <b>-</b>                                      | <b>91,016</b> |
| Bonds  | -   | -             | -        | -  | -                                       | -  | -                                | -   | -   | -             |
| Bank loans   | -   | -             | -        | -  | 56,133                                  | 56,133                                       | -                                | 56,133                                    | -   | 56,133        |
| Financial debt (including leases)                            | -   | -             | -        | -  | 106                                     | 106  | -                                | 106                                       | -   | 106           |
| Bank overdrafts  | -   | -             | -        | -  | 6                                       | 6  | 6                                | -   | -   | 6             |
| Derivative instrument assets                                 | 58  | -             | -        | -  | -                                       | 58   | -                                | 58  | -   | 58            |
| Current accounts   | -   | -             | -        | -  | -                                       | -  | -                                | -   | -   | -             |
| <b>Total liabilities</b>                                     | <b>58</b>                                       | <b>-</b>      | <b>-</b> | <b>-</b>                                       | <b>56,244</b>                           | <b>56,303</b>                                | <b>6</b>                         | <b>56,297</b>                             | <b>-</b>                                      | <b>56,303</b> |



| At 03/31/20  | Instrument category                             |               |          |  |   |  | Fair value                       |   |   | Fair value    |
|--|---|---------------|----------|--|---|--|----------------------------------|---|---|---------------|
|  | 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                                       |               |
|  | Set with hedging                                | 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        |
| <b>Total assets</b>  | <b>397</b>                                      | <b>65,131</b> | <b>-</b> | <b>1,986</b>                                   | <b>-</b>                                | <b>67,513</b>                                | <b>65,131</b>                    | <b>2,382</b>                              | <b>-</b>                                      | <b>67,513</b> |
| 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   | -   | -             | -        | -  | -                                       | -  | -                                | -   | -   | -             |
| <b>Total liabilities</b>                                     | <b>1,033</b>                                    | <b>-</b>      | <b>-</b> | <b>-</b>                                       | <b>94,747</b>                           | <b>95,780</b>                                | <b>63</b>                        | <b>95,717</b>                             | <b>-</b>                                      | <b>95,780</b> |

**Note 20. Off-balance sheet commitments**

|                                     | Total amount at<br>03/31/21 | < 1 year     | 1 > 5 years    | > 5 years  |
|-------------------------------------|-----------------------------|--------------|----------------|------------|
| <b>Commitments given</b>            |                             |              |                |            |
| Guarantees and sureties             | 1,800                       | 441          | 1,075          | 284        |
| Pledges                             | -                           | -            | -              | -          |
| Finance lease agreements            | 5,553                       | 3,396        | 2,157          | -          |
| <b>Total</b>                        | <b>7,352</b>                | <b>3,837</b> | <b>3,231</b>   | <b>284</b> |
| <b>Commitments received</b>         |                             |              |                |            |
| Guarantees and sureties             | 558                         | 123          | -              | 436        |
| Undrawn credit lines                | 95,000                      | -            | 95,000         | -          |
| Liability guarantees <sup>(1)</sup> | 14,968                      | 7,935        | 7,032          | -          |
| <b>Total</b>                        | <b>110,526</b>              | <b>8,058</b> | <b>102,032</b> | <b>436</b> |

(1) O/w €3,685k in an escrow account.

Real estate leases are now reported as lease liabilities:

- leases in the New York offices are covered by an unlimited guarantee from Wavestone SA which would substitute for Wavestone US should it fail to meet its commitments to its lessors;
- 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;
- the lease in Switzerland is covered by a €124k rental guarantee from a bank maturing in 2030.

Wavestone's liability guarantees arose from the acquisitions carried out during the 2014/15, 2018/19 and 2019/20 fiscal years.

|                                     | Total amount at<br>03/31/20 | < 1 year     | 1 > 5 years   | > 5 years    |
|-------------------------------------|-----------------------------|--------------|---------------|--------------|
| <b>Commitments given</b>            |                             |              |               |              |
| Guarantees and sureties             | 1,798                       | 469          | -             | 1,328        |
| Pledges                             | -                           | -            | -             | -            |
| Finance lease agreements            | 8,070                       | 3,656        | 4,414         | -            |
| <b>Total</b>                        | <b>9,868</b>                | <b>4,125</b> | <b>4,414</b>  | <b>1,328</b> |
| <b>Commitments received</b>         |                             |              |               |              |
| Guarantees and sureties             | 2,890                       | 1,748        | -             | 1,142        |
| Undrawn credit lines                | 65,000                      | -            | 65,000        | -            |
| Liability guarantees <sup>(1)</sup> | 29,711                      | 6,760        | 22,951        | -            |
| <b>Total</b>                        | <b>97,600</b>               | <b>8,508</b> | <b>87,951</b> | <b>1,142</b> |

(1) O/w €3,526k 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

### Dividend distribution

The dividends to be proposed to the Shareholders' Meeting called to approve the financial statements of Wavestone for the year ended 03/31/11 amount to €4, 586k, or €0.23 per share.

### Acquisition of Everest Group's consulting division in the US

On 05/07/21, Wavestone acquired all the assets of the Everest Group Consulting practice.

Founded in 1991 and headquartered in Dallas, Texas, Everest Group is a research and consulting firm, made of two practices: Consulting and Research—the former being acquired by Wavestone.

Everest Group *Consulting* delivers high value-added consulting services on business process optimization, sourcing, and transformation to corporate and IT leaders. Everest Group *Consulting* also advises service providers on how to effectively deliver and monetize services to their targeted markets.

During the last three fiscal years, Everest Group *Consulting* average revenue stood at approximately \$11m (-€9.1m). It recorded a 2020 revenue of more than \$15m (-€12.3m) due to exceptional contracts delivered throughout the year. The profitability of Everest Group *Consulting* is similar to that of Wavestone. The practice is led by 5 senior partners with more than 20 years of experience at top consulting firms. The team consists of about 20 employees, and also relies on a number of contractors.

The acquisition has been paid in cash and has been financed out of Wavestone's own funds.

Everest Group's Consulting division will be integrated in Wavestone's accounts as of 05/01/21, i.e. over 11 months of its financial year.

Goodwill will be recognized in the consolidated financial statements of the group as of 09/30/21.

## Loan agreement: integration of environmental, social and societal criteria

As part of its corporate social responsibility (CSR) strategy, Wavestone has decided to link its financing to its ESG (Environmental, Social and Governance) performance. An amendment to the March 2020 loan agreement was signed on 05/09/21, to include environmental, social and societal criteria.

Wavestone has appointed the extra-financial analysis agency Ethifinance, to annually certify the value of the extra-financial indicators adopted.

Four areas of progress for Wavestone in terms of CSR have been identified, and annual objectives have been set for each of them.

- to deploy Wavestone's responsible consulting approach on an increasing number of assignments;
- to increase the representation of women in management positions;
- to be an increasingly welcoming company with a growing population of employees with disabilities;
- to reduce the firm's environmental footprint using an avoid-reduce-compensate approach.

Wavestone will receive a margin bonus applicable to all of its credit lines, depending on whether or not the objectives are met. In the case that this bonus actually materializes, Wavestone commits to pay the entire amount saved to the Wavestone Foundation. The Wavestone Foundation supports associations working for disadvantaged children around the world.

**Note 23. Auditors' fees**

|  | Mazars     |            |             |             | Aca Nexia  |            |             |             |
|--|------------|------------|-------------|-------------|------------|------------|-------------|-------------|
|  | Amount     | Amount     | %           | %           | Amount     | Amount     | %           | %           |
|  | 20/21      | 19/20      | 20/21       | 19/20       | 20/21      | 19/20      | 20/21       | 19/20       |
| <b>Certification &amp; limited review of the individual and consolidated financial statements on a half-yearly basis</b> |            |            |             |             |            |            |             |             |
| > Issuer   | 115        | 93         | 53%         | 40%         | 88         | 81         | 65%         | 86%         |
| > Fully consolidated subsidiaries  | 102        | 139        | 47%         | 60%         | 47         | 13         | 35%         | 14%         |
| <b>Subtotal</b>  | <b>217</b> | <b>232</b> | <b>100%</b> | <b>100%</b> | <b>135</b> | <b>94</b>  | <b>100%</b> | <b>100%</b> |
| <b>Services other than the legal certification of financial statements</b>   |            |            |             |             |            |            |             |             |
| > Issuer   | 10         | 10         | 100%        | 100%        | 9          | 9          | 100%        | 100%        |
| > Fully consolidated subsidiaries  | -          | -          | -%          | -%          | -          | -          | -%          | -%          |
| <b>Subtotal</b>  | <b>10</b>  | <b>10</b>  | <b>100%</b> | <b>100%</b> | <b>9</b>   | <b>9</b>   | <b>100%</b> | <b>-%</b>   |
| <b>Services other than the certification of financial statements requested by the entity<sup>(1)</sup></b>               |            |            |             |             |            |            |             |             |
| > Issuer   | -          | 2          | -%          | 27%         | -          | 1          | -%          | 100%        |
| > Fully consolidated subsidiaries  | -          | 5          | -%          | 73%         | -          | -          | -%          | -%          |
| <b>Subtotal</b>  | <b>-</b>   | <b>7</b>   | <b>-%</b>   | <b>100%</b> | <b>-</b>   | <b>1</b>   | <b>-%</b>   | <b>100%</b> |
| <b>Total</b>   | <b>227</b> | <b>250</b> | <b>100%</b> | <b>100%</b> | <b>144</b> | <b>104</b> | <b>100%</b> | <b>100%</b> |

(1) The services provided relate to the issue of the certification on financial ratios.

**Note 24. Risk factors**

Risk factors are presented in the "Risk Factors and their management" section of the Management Board Report.



# Statutory auditor's report on the consolidation financial statements - For the year ended 03/31/21

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report 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 Annual General Meeting of Wavestone,

## 1. Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Wavestone for the year ended March 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at March 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

## 2. 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

### Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from April 1<sup>st</sup>, 2020, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no.537/2014.

## 3. Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, 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 our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

### Goodwill

**Note 3.5 "Business combinations and goodwill" in section 3 "Accounting principles and methods" and note 10 "Goodwill on the asset side of the balance sheet" in section 5 "Notes on certain items in the result and balance sheet".**

#### 3.1. Identified risk

In recent years, the Group has continued to expand through numerous targeted acquisitions, in different countries, in all of the activities it covers.

As explained in note 3.5 and note 5.10 of the appendix to the consolidated financial statements, these acquisitions gave rise to the recognition of goodwill. Net goodwill represents 36% of the Group's total assets at the balance sheet date.

The implementation by Wavestone of an integrated operating model whose organization is independent of the perimeters of companies or activities acquired by the company

Wavestone during its development, does not make it possible to individually monitor the goodwill initially attached to these different companies or activities. The Wavestone firm thus constitutes a single cash-generating unit (CGU).

The methodology used for impairment testing is based, on the one hand, on the discounted future cash-flow method, and on the other hand, on the use of the market value resulting from Wavestone's market capitalization.

Cash-flows are determined on the basis of forecasts established over a 5-year horizon. If necessary, the 5-year horizon can be shortened, only if this simplification has no impact on the result of the impairment test (specific case of the exercise). An assumption of infinite growth is adopted from the sixth year. The cash-flows from these forecasts are then discounted.

We therefore considered that goodwill impairment tests are a key point of our audit given the high degree of estimation and judgment implemented by management, the sensitivity of recoverable values to changes in forecast assumptions and the relative weight of these assets in the Group's consolidated financial statements.

### 3.2. Our answer

We took note of the work relating to the impairment test carried out by management and the conclusions that emerged from it.

Our work mainly consisted of:

- Verify that the fair value net of disposal costs is derived from the closing stock market price.
- We thus examined the business plan of the UGT. This review consisted in particular of discussions with management, a review of historical data and an assessment of the reasonableness of the assumptions made within the framework of the projections considered in the business plans.
- Assess the reasonableness of the financial parameters used in the context of the impairment test, the model used to determine the value in use, the method for determining the discount rate and the terminal value used in the business plan.
- Analyze the sensitivity of the impairment test to the variation in the assumptions used and the financial parameters applied.

### Recognition of turnover from fixed-price services

**Note 3.19 "Recognition of revenue" in section 3 "Accounting principles and methods" and note 1 "Revenue" in section 5 "Notes on certain items in the income statement and balance sheet".**

### 3.3. Identified risk

As explained in note 3.19 and note 5.1 to the appendix to the consolidated financial statements, the turnover due is recorded according to the nature of the contracts concluded with the customers. There are three types of contract terms for the services provided by the Group:

- Services subject to time-spent invoicing. The turnover of these services is recognized as the service is rendered. Income is valued based on the contract selling price and billable time spent. Assets or liabilities on contracts are recorded when invoicing is not in line with the progress of the work.
- Services subject to a flat rate. Revenue is recognized as the work progresses on the basis of costs incurred and costs still to come. A provision for loss on completion is recognized contract by contract as soon as a loss is anticipated. Assets or liabilities on contracts are recorded when invoicing is not in line with the progress of the work.
- Services subject to subscription. The turnover relating to these services is recorded pro rata temporis over the duration of the contract. Assets or liabilities on contracts are recorded when invoicing is not in line with the progress of the work. Assets or liabilities on contracts are recorded when invoicing is not in line with this pro rata temporis.

We considered that the recognition of turnover from "fixed-price" contracts is a key point of our audit because fixed-price contracts represent 57% of the Group's activity and the recognition of this turnover is based on judgments and estimates required by management to determine the result on completion and the financial risks expected on these contracts.

### 3.4. Our answer

We have examined the processes put in place by the group relating to profit forecasts at completion and the degree of progress of "fixed-price" contracts over the year. Our internal control review consisted of performing a walkthrough test, reviewing the design and implementation of key controls and verifying the operational effectiveness of these controls.

The audit procedures implemented to assess the turnover of fixed-price contracts consisted, for substantive tests, in selecting, according to a multi-criteria approach (volumes of business or in progress, age of contracts, finalization old contracts during the year, start of new contracts during the year, complexity of projects) projects for which we have:

- Appreciated the reasonableness of the estimates made by management through:
  - interviews conducted with the Projects, Sales Finance Coordination and management controllers' teams, in order to corroborate the analysis of the results at completion and the degrees of progress determined for the projects in progress at the end of the financial year;

- evidence collected to support the financial positions of the projects (contracts, purchase orders, customer acceptance reports, time charge tracking data and payroll data).
- Implemented arithmetic checks and analytical procedures on the assessment of turnover of fixed-price contracts.

#### 4. Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their 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.

#### 5. Report on Other Legal and Regulatory Requirements

##### Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation no.2019/815 of 17 December 2018 to years beginning on or after January 1<sup>st</sup>, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

##### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Wavestone by the annual general meeting held on September 16, 2019 for Aca Nexia and on July 11, 2014 for Mazars.

As at March 31, 2021, Aca Nexia and Mazars were in the second year and seventh 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 operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

#### 6. Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

##### Objective and audit approach

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

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

#### Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration 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.

The Statutory Auditors

Paris et Paris-La Défense, June 4, 2021

**Aca Nexia**  
Sandrine Gimat  
Partner

**Mazars**  
Bruno Pouget  
Partner

## Company financial statements at 03/31/21

### Wavestone income statement

| (in thousands of euros)                                      | 03/31/21       | 03/31/20       |
|--|----------------|----------------|
| <b>Revenue</b>   | <b>332,918</b> | <b>332,128</b> |
| Operating subsidies  | 138            | 83             |
| Reversals on provisions, impairment and transfer of expenses | 2,832          | 3,464          |
| Other operating income                                       | 18,187         | 22,703         |
| <b>Total operating income</b>                                | <b>354,076</b> | <b>358,377</b> |
| Purchases consumed   | 80,225         | 77,069         |
| Staff expenses   | 184,508        | 172,302        |
| Other operating expenses                                     | 31,072         | 49,587         |
| Levies and taxes   | 7,626          | 7,016          |
| Depreciation allowances, impairment and provisions           | 6,011          | 7,079          |
| <b>Total operating expenses</b>                              | <b>309,441</b> | <b>313,055</b> |
| <b>Operating profit</b>                                      | <b>44,635</b>  | <b>45,323</b>  |
| Financial income   | 3,745          | 3,630          |
| Financial expenses   | 4,607          | 3,274          |
| <b>Financial profit (loss)</b>                               | <b>(861)</b>   | <b>356</b>     |
| <b>Profit from continuing operations</b>                     | <b>43,774</b>  | <b>45,679</b>  |
| Non-recurring profit (loss)                                  | (7,987)        | (212)          |
| <b>Company profit</b>  | <b>35,787</b>  | <b>45,466</b>  |
| Equity interests   | 4,201          | 3,896          |
| Income tax   | 10,836         | 11,560         |
| <b>Net income</b>  | <b>20,749</b>  | <b>30,010</b>  |

## Wavestone balance sheet

### Assets

| (in thousands of euros)               | Gross          | Depreciation/<br>Impairment | 03/31/21       | 03/31/20       |
|---------------------------------------|----------------|-----------------------------|----------------|----------------|
|                                       |                |                             | Net            | Net            |
| Intangible assets                     | 66,616         | 21,954                      | 44,662         | 45,064         |
| Tangible assets                       | 20,890         | 14,286                      | 6,603          | 12,405         |
| Financial assets                      | 161,098        | 24                          | 161,074        | 156,581        |
| <b>Fixed assets</b>                   | <b>248,604</b> | <b>36,264</b>               | <b>212,340</b> | <b>214,050</b> |
| Trade receivables and related account | 107,519        | 502                         | 107,016        | 113,796        |
| Other receivables and accruals        | 16,286         | 244                         | 16,042         | 27,889         |
| Trading securities                    | 7,206          | 0                           | 7,206          | 9,449          |
| Liquid assets                         | 72,560         | 0                           | 72,560         | 49,256         |
| <b>Current assets</b>                 | <b>203,571</b> | <b>746</b>                  | <b>202,825</b> | <b>200,390</b> |
| <b>Total assets</b>                   | <b>452,175</b> | <b>37,010</b>               | <b>415,165</b> | <b>414,440</b> |

### Liabilities

| (in thousands of euros)                | 03/31/21       | 03/31/20       |
|--|----------------|----------------|
|  |                |                |
| Capital                                | 505            | 505            |
| Additional paid-in capital             | 11,365         | 11,365         |
| Reserves and retained earnings         | 178,055        | 148,045        |
| Profit                                 | 20,749         | 30,010         |
| Regulated provisions                   | 0              | 0              |
| <b>Shareholders' equity</b>            | <b>210,675</b> | <b>189,925</b> |
| <b>Provisions</b>                      | <b>11,039</b>  | <b>6,051</b>   |
| Bonds                                  | 0              | 0              |
| Bank borrowings                        | 56,740         | 95,017         |
| Trade receivables and related accounts | 43,457         | 44,758         |
| Other debt and accruals                | 93,254         | 78,689         |
| <b>Debt</b>                            | <b>193,451</b> | <b>218,464</b> |
| <b>Total liabilities</b>               | <b>415,165</b> | <b>414,440</b> |

# Notes to the Company financial statements

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## 1. Overview

The fiscal year covers the 12-month period from 04/01/20 to 03/31/21.

These annual financial statements were approved by the Management Board on 06/01/21.

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

### Impact of Covid-19 on business

The pandemic and the health restrictions imposed initially fueled fears of a significant and lasting slowdown in business owing to economic uncertainties. This slowdown turned out to be more limited than anticipated for the firm. Revenue came to €332,918k for fiscal 2020/21, reflecting a limited decline of 0.2% compared with the previous fiscal year.

Against this backdrop, the firm made less use of short-time working measures than initially anticipated in the first half. During the first half of the year, these measures impacted about 6% of the firm's fee-earning staff. During the second half, the firm practically made no use of these measures.

Furthermore, Wavestone implemented a performance plan leading to significant savings over the fiscal year, notably on external charges.

Given these sound trends, Wavestone confirmed its more aggressive strategy for the year ahead, with the priority being to return to growth.

While demand for consulting services still remains strictly controlled, the firm is currently benefiting from the increased number of major transformation projects for clients which have accelerated as a result of the crisis.

### Reimbursement of monies received under short-time working measures

Given Wavestone's solid results for the fiscal year, and in line with the corporate social responsibility values the firm promotes, the Management Board, with the agreement of the Supervisory Board, submitted the reimbursement of monies received under short-time working measures to the Annual General Meeting of 07/27/21 for approval.

These monies totaled €1,245k for the fiscal year. As a result, 2020/21 EBIT includes a liability of €(1,245)k, equivalent to these monies.

### Decline of around 40% in Paris office space

The health crisis significantly changed work methods at the firm, opening up new prospects in terms of organization.

As such, Wavestone rolled out its Smartworking@Wavestone project. Tomorrow, this should be reflected in a new balance in the time spent by employees on Wavestone premises, at client locations or in co-working areas. In this respect, on 03/26/21, the Management Board decided to give up three of the seven floors the firm occupies in the tower where its Parisian premises are located.

During the closing quarter of the year, the firm started looking for tenants for the three vacated floors. The firm believes it will have to bear the costs related to these floors for a period of around 18 months, as the premises are to remain empty over that period. To this end, 2020/21 operating income includes depreciation of usage rights amounting to €5,004k, and depreciation of fixtures and furniture for €3,565k.

### Acquisition of Wavestone US shares and partial capitalization of loans

On 12/14/20, Wavestone SA acquired 100% of the shares of Wavestone US from Wavestone Advisors.

In a decision made on 12/18/2020, Wavestone SA implemented a recapitalization of Wavestone US. This transaction was carried out via a €17,970k capital increase (\$22,029k), to meet the firm's cash receivables due. Upon completion of the transaction, equity investments of Wavestone Advisors were valued at €17,970k.

### Sale of Xceed Group (Holdings) Limited securities

On 06/05/20, Wavestone SA sold 100% of the securities in Xceed Group (Holdings) Limited to Wavestone Advisors UK, which carried out a simultaneous capital increase amounting to €13,500K to which Wavestone SA fully subscribed.

### 3. Accounting rules and methods

#### 3.1. Accounting standards

The financial statements at 03/31/21 were prepared in accordance with Regulation 2014-03 of the ANC (Autorité des Normes Comptables, the French accounting standards board) and its subsequent opinions and recommendations.

The accounting policies have been applied fairly in accordance with the principle of prudence and with the basic assumptions of:

- going concern;
- consistency of accounting methods from one fiscal year to the next; and
- periodicity.

They have also been applied in accordance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used to value the items booked in the financial statements is the historical cost method.

#### 3.2. Intangible and tangible assets

Intangible assets are measured at acquisition cost (purchase price plus ancillary expenses, excluding fixed-asset acquisition costs).

Tangible assets (property, plant and equipment) are measured either at acquisition cost (purchase price plus ancillary expenses, excluding fixed-asset acquisition costs) or at production cost.

The depreciation periods applied to purchases are as follows:

- software: 3-5 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 9.4% 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).

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 15% as of 03/31/20;
- TGHF 2005 mortality table;
- salary increases: 2.00%;
- payroll tax rate: 45%;
- discount rate: 0.70% versus 1.42% as of 03/31/20;
- 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” line.

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

|  | <b>Salaried personnel</b> |
|--|---------------------------|
| Managers                               | 2,092                     |
| Employees, technicians and supervisors | 47                        |
| <b>Total</b>                           | <b>2,139</b>              |

The average number of employees is calculated on a full-time equivalent basis.

**Note 3. Compensation paid to management and supervisory bodies**

| <b>Compensation paid to management</b> | <b>03/31/21</b> | <b>03/31/20</b> |
|--|-----------------|-----------------|
| Management Board                       | 402             | 466             |
| Supervisory Board                      | 286             | 306             |
| <b>Total</b>                           | <b>688</b>      | <b>772</b>      |

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.

As part of the measures implemented to tackle the Covid-19 pandemic, the members of the Management Board decided to renounce the payment of their variable compensation in respect of fiscal 2019/20, while members of the Supervisory Board and Committees agreed to a 25% reduction in their compensation.

**Note 4. Non-recurring expenses and income**

| <b>Non-recurring expenses</b>               | <b>Value</b>  |
|---|---------------|
| <i>Shortfall on treasury share buybacks</i> | 2,683         |
| Other non-recurring expenses                | 8,987         |
| Net book value of securities sold           | 13,729        |
| <b>Total</b>                                | <b>25,398</b> |

| <b>Non-recurring income</b>                                      | <b>Value</b>  |
|--|---------------|
| <i>Gains on treasury share buybacks</i>                          | 356           |
| Other non-recurring income                                       | 808           |
| Income from the sale of securities                               | 13,729        |
| Transfer to personnel expenses of the cost of bonus share grants | 2,518         |
| <b>Total</b>   | <b>17,411</b> |

Other exceptional items include a provision for unoccupied premises for €5,004k and depreciation of fixtures and furniture for €3,565k.

**Note 5. Breakdown of taxes**

|                                   | <b>Profit before tax</b> | <b>Tax</b> | <b>Profit after tax</b> |
|-----------------------------------|--------------------------|------------|-------------------------|
| Current tax, after profit-sharing | 39,573                   | (12,773)   | 26,800                  |
| Non-recurring                     |                          |            |                         |
| • o/w short-term                  | (7,987)                  | (186)      | (8,173)                 |
| • o/w long-term                   | -                        | -          | -                       |
| Tax credits                       |                          | 2,123      | 2,123                   |
| <b>Net income</b>                 |                          |            | <b>20,749</b>           |

Tax credits mainly concern the research tax credit for 2020 in the amount of €950k.

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.

## Note 6. Goodwill

| Goodwill                              | Gross value   | Net value     |
|---------------------------------------|---------------|---------------|
| Items received in contribution/merger | 61,958        | 58,784        |
| Items acquired                        | 1,860         | 1,860         |
| <b>Total</b>                          | <b>63,818</b> | <b>60,644</b> |

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<br>at start<br>of period | Increase                  |               |               | Gross value<br>at end<br>of period |
|--|--------------------------------------|---------------------------|---------------|---------------|------------------------------------|
|  |                                      | Mergers/<br>contributions | Acquisitions  | Decrease      |                                    |
| <b>Intangible assets</b>                 |                                      |                           |               |               |                                    |
| Goodwill                                 | 63,818                               | -                         | -             | -             | 63,818                             |
| Licenses and software                    | 2,798                                | -                         | -             | -             | 2,798                              |
| Intangible assets in progress            | -                                    | -                         | -             | -             | -                                  |
| <b>Total</b>                             | <b>66,616</b>                        | <b>-</b>                  | <b>-</b>      | <b>-</b>      | <b>66,616</b>                      |
| <b>Tangible assets</b>                   |                                      |                           |               |               |                                    |
| Fixtures and fittings                    | 17,299                               | -                         | 41            | 15            | 17,325                             |
| Office and computer equipment, furniture | 3,982                                | -                         | 17            | 434           | 3,565                              |
| Tangible assets under construction       | -                                    | -                         | 10            | 10            | -                                  |
| <b>Total</b>                             | <b>21,281</b>                        | <b>-</b>                  | <b>69</b>     | <b>460</b>    | <b>20,890</b>                      |
| <b>Financial assets</b>                  |                                      |                           |               |               |                                    |
| Other investments                        | 122,394                              | -                         | 31,500        | 13,835        | 140,059                            |
| Receivables from controlled entities     | 32,035                               | -                         | 864           | 14,196        | 18,703                             |
| Other long-term securities               | 675                                  | -                         | 2,043         | 1,988         | 730                                |
| Loans and other financial assets         | 1,602                                | -                         | 22            | 18            | 1,606                              |
| <b>Total</b>                             | <b>156,706</b>                       | <b>-</b>                  | <b>34,429</b> | <b>30,036</b> | <b>161,098</b>                     |
| <b>Total fixed assets</b>                | <b>244,603</b>                       | <b>-</b>                  | <b>34,498</b> | <b>30,496</b> | <b>248,604</b>                     |

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 US subsidiary, presented in the significant events section, led to an increase in the value of equity investments of €17,970k (\$22,029k), offset against a loan linked to this investment of €11,259k, and a current account of €6,711k.

Equity investments, monitored as a whole, are subject to an impairment test conducted on the basis of the discounted future cash-flow method. The impairment test carried out confirmed no impairment over the period.

**Note 8. Depreciation and amortization**

|  | Gross value at start of period | Increase               |              | Decrease Write-backs | Gross value at end of period |
|--|--------------------------------|------------------------|--------------|----------------------|------------------------------|
|  |                                | Mergers/ contributions | Provisions   |                      |                              |
| <b>Intangible assets</b>                 |                                |                        |              |                      |                              |
| Goodwill                                 | 3,174                          | -                      | -            | -                    | 3,174                        |
| Licenses and software                    | 1,799                          | -                      | 402          | -                    | 2,201                        |
| Intangible assets in progress            | -                              | -                      | -            | -                    | -                            |
| <b>Total</b>                             | <b>4,973</b>                   | <b>-</b>               | <b>402</b>   | <b>-</b>             | <b>5,375</b>                 |
| <b>Tangible assets</b>                   |                                |                        |              |                      |                              |
| Fixtures and fittings                    | 6,816                          | -                      | 1,916        | 15                   | 8,717                        |
| Transport equipment                      | -                              | -                      | -            | -                    | -                            |
| Office and computer equipment, furniture | 2,027                          | -                      | 387          | 410                  | 2,004                        |
| Tangible assets in progress              | -                              | -                      | -            | -                    | -                            |
| <b>Total</b>                             | <b>8,843</b>                   | <b>-</b>               | <b>2,303</b> | <b>425</b>           | <b>10,721</b>                |
| <b>Total amortization</b>                | <b>13,816</b>                  | <b>-</b>               | <b>2,705</b> | <b>425</b>           | <b>16,095</b>                |

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 <sup>(1)</sup> |                       |
| Treasury shares | 323,968                 | 81,425                       | 87,662                  | 60,032  | 257,699               |

(1) O/w free share allocation for 60,032.

The gross value of treasury stock held at 03/31/21 came out at €7,937k. This breaks down into treasury shares held for:

- external growth: €0k;
- liquidity transactions: €730k;
- free share allocation: €7,206k.

The net value of treasury stock at 03/31/21 totaled €7,937k.



## Note 10. Maturities of trade receivables and payables

| <b>Receivables</b>                     | <b>Gross value</b> | <b>&lt; 1 year</b> | <b>&gt; 1 year</b> |
|--|--------------------|--------------------|--------------------|
| <b>Of fixed assets</b>                 |                    |                    |                    |
| Other financial assets                 | 20,309             | -                  | 20,309             |
| <b>Of current assets</b>               |                    |                    |                    |
| Trade receivables and related accounts | 107,519            | 107,519            | -                  |
| Social security receivables            | 186                | 186                | -                  |
| Tax receivables                        | 10,282             | 10,196             | 86                 |
| Firm and associates                    | 446                | -                  | 446                |
| Other debtors                          | 994                | 994                | -                  |
| Prepaid expenses                       | 3,062              | 3,062              | -                  |
| <b>Total</b>                           | <b>142,799</b>     | <b>121,957</b>     | <b>20,841</b>      |

| <b>Debts</b>   | <b>Gross value</b> | <b>&lt; 1 year</b> | <b>1 &gt; 5 years</b> | <b>&gt; 5 years</b> |
|--|--------------------|--------------------|-----------------------|---------------------|
| Bond-related debt <sup>(1)</sup>                         | -                  | -                  | -                     | -                   |
| Bank borrowing S < 1 year when contracted <sup>(1)</sup> | 3                  | 3                  | -                     | -                   |
| Bank borrowing S > 1 year when contracted <sup>(1)</sup> | 56,737             | 8,277              | 48,460                | -                   |
| Other borrowings and financial debt <sup>(1)</sup>       | -                  | -                  | -                     | -                   |
| Trade receivables and related accounts                   | 43,457             | 43,457             | -                     | -                   |
| Social security debt                                     | 36,741             | 36,741             | -                     | -                   |
| Tax liabilities  | 26,557             | 26,279             | 278                   | -                   |
| Debts on assets and related accounts                     | 5                  | 5                  | -                     | -                   |
| Firm and associates                                      | 13,458             | -                  | -                     | 13,458              |
| Other debt   | 7,029              | 7,029              | -                     | -                   |
| Deferred income  | 8,437              | 8,437              | -                     | -                   |
| <b>Total</b>   | <b>192,424</b>     | <b>130,228</b>     | <b>48,738</b>         | <b>13,458</b>       |

(1) Of which borrowings contracted during the fiscal year: €0k.  
Of which borrowings repaid during the fiscal year: €38 270k.

## Note 11. Accrued income

| <b>Accrued income included in the following financial position statement items</b> | <b>03/31/21</b> | <b>03/31/20</b> |
|--|-----------------|-----------------|
| Receivables from controlled entities   | 15              | 241             |
| Trade receivables and related accounts   | 37,130          | 43,291          |
| Other receivables  | 1,398           | 2,923           |
| Liquid assets  | 8               | 69              |
| <b>Total</b>   | <b>38,552</b>   | <b>46,524</b>   |

**Note 12. Accrued expenses**

| <b>Accrued expenses included in the following financial position statement items</b> | <b>03/31/21</b> | <b>03/31/20</b> |
|--|-----------------|-----------------|
| Bank borrowings and debt   | 10              | 17              |
| Trade payables and related accounts  | 19,794          | 24,201          |
| Tax and social security liabilities  | 32,103          | 22,836          |
| Other debt   | 6,611           | 5,822           |
| <b>Total</b>   | <b>58,518</b>   | <b>52,877</b>   |

**Note 13. Deferred income and prepaid expenses**

The €8,437k in deferred income relates solely to operating income, and the €3,062k in prepaid expenses relates exclusively to operating expenses.

**Note 14. Measurement differences of marketable securities**

None.

**Note 15. Breakdown of share capital**

| <b>Ordinary shares</b> | <b>Number of shares</b> | <b>(in euros)</b>  |                      |
|------------------------|-------------------------|--------------------|----------------------|
|                        |                         | <b>At 03/31/20</b> | <b>Share capital</b> |
| At 03/31/21            | 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 03/31/21.

**Note 16. Change in shareholders' equity**

|                            | <b>Capital share</b> | <b>Premiums</b> | <b>Reserves and retained earnings</b> | <b>Profit for the fiscal year</b> | <b>Total</b> |
|----------------------------|----------------------|-----------------|---------------------------------------|-----------------------------------|--------------|
| At 03/31/20                | 505                  | 11,365          | 148,045                               | 30,010                            | 189,925      |
| Appropriation of profit    | -                    | -               | 30,010                                | (30,010)                          | -            |
| Dividends                  | -                    | -               | -                                     | -                                 | -            |
| Profit for the fiscal year | -                    | -               | -                                     | 20,749                            | 20,749       |
| At 03/31/21                | 505                  | 11,365          | 178,055                               | 20,749                            | 210,675      |

**Note 17. Provisions and impairment**

|   | Value<br>at<br>start of period | Increase                  |               | Decrease<br>Write-backs | Value<br>at<br>end of period |
|---|--------------------------------|---------------------------|---------------|-------------------------|------------------------------|
|   |                                | Mergers/<br>contributions | Provisions    |                         |                              |
| <b>Regulated provisions</b>             | -                              | -                         | -             | -                       | -                            |
| <b>Provisions <sup>(1)</sup></b>        |                                |                           |               |                         |                              |
| Disputes                                | 547                            | -                         | 130           | 207                     | 470                          |
| Fines and penalties                     | 155                            | -                         | -             | 155                     | -                            |
| Other provisions <sup>(2)</sup>         | 5,348                          | -                         | 8,050         | 2,829                   | 10,569                       |
| <b>Total</b>                            | <b>6,051</b>                   | <b>-</b>                  | <b>8,180</b>  | <b>3,191</b>            | <b>11,039</b>                |
| <b>Depreciation</b>                     |                                |                           |               |                         |                              |
| Intangible assets                       | 16,579                         | -                         | -             | -                       | 16,579                       |
| Tangible assets                         | 33                             | -                         | 3,565         | 33                      | 3,566                        |
| Equity investments                      | -                              | -                         | -             | -                       | -                            |
| Other financial assets                  | 124                            | -                         | 2             | 102                     | 24                           |
| Trade receivables                       | 413                            | -                         | 160           | 71                      | 502                          |
| Other depreciation                      | 290                            | -                         | 241           | 287                     | 244                          |
| <b>Total</b>                            | <b>17,439</b>                  | <b>-</b>                  | <b>3,968</b>  | <b>493</b>              | <b>20,915</b>                |
| <b>Grand total</b>                      | <b>23,490</b>                  | <b>-</b>                  | <b>12,148</b> | <b>3,684</b>            | <b>31,954</b>                |
| Of which appropriations and write-backs |                                |                           |               |                         |                              |
| • operating                             |                                |                           | 3,306         | 3,006                   |                              |
| • financial                             |                                |                           | 260           | 474                     |                              |
| • non-recurring                         |                                |                           | 8,581         | 204                     |                              |

(1) Write-back of €3,060k provision for risks and liabilities.

(2) Mainly concerning a provision for free share allocation and a provision for unoccupied premises.

**Note 18. Increases and decreases in future tax liabilities**

| <b>Increase in future tax liabilities</b>               | <b>Value (basic)</b> |
|---|----------------------|
| Regulated provisions                                    | -                    |
| Other   | 993                  |
| <b>Total</b>  | <b>993</b>           |
| <hr/>   |                      |
| <b>Relief on future tax liabilities</b>                 | <b>Value (basic)</b> |
| <b>Provisions not deductible in the year recognized</b> |                      |
| Employee shareholding                                   | 4,131                |
| Social welfare contributions                            | 143                  |
| <b>Other</b>  |                      |
| Subsidiary acquisition costs                            | 536                  |
| Provisions for risks and charges                        | 5,036                |
| Impairment of fixed assets                              | 3,565                |
| Impairment of receivables                               | -                    |
| Unrealized gains on marketable securities               | -                    |
| Translation gains or losses on liabilities              | 1,027                |
| <b>Total</b>  | <b>14,439</b>        |
| Deferred losses   | 386                  |
| Long-term capital losses                                | -                    |

**Note 19. Leases**

|                               | Value<br>when set up  | Theoretical<br>depreciation charge |            | Net value<br>theoretical | Royalties                     |                                      |
|-------------------------------|-----------------------|------------------------------------|------------|--------------------------|-------------------------------|--------------------------------------|
|                               |                       | Fiscal year                        | Cumulative |                          | Fiscal year                   | Cumulative                           |
| Office and computer equipment | 674                   | 168                                | 584        | 90                       | 169                           | 589                                  |
| <hr/>                         |                       |                                    |            |                          |                               |                                      |
|                               | Royalties outstanding |                                    |            | Total                    | Residual<br>purchase<br>price | Effective<br>value in<br>fiscal year |
|                               | < 1 year              | 1 ≥ 5 yrs                          | > 5 yrs    |                          |                               |                                      |
| Office and computer equipment | 90                    | -                                  | -          | 90                       | 7                             | 169                                  |

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 €95,000k on the guarantee date are hedged by three rate caps.

|                            | Maturity   | 03/31/21      |              |
|----------------------------|------------|---------------|--------------|
|                            |            | Nominal value | Market value |
| <b>Bank loans</b>          |            |               |              |
| Interest rate option       | 01/20/2022 | 17,500        | -            |
| Interest rate option       | 06/26/2023 | 12,500        | 6            |
| Interest rate option       | 06/26/2024 | 15,000        | 27           |
| <b>Subsidiaries' loans</b> |            |               |              |
| None                       |            |               |              |

### Currency risk hedges

In order to hedge its exposure to foreign exchange risk on its loans and current accounts denominated in foreign currencies, Wavestone has entered into forward exchange contracts and currency swaps.

The loan to Wavestone US for \$21,875k is 100% covered by a cross currency swap.

The GBP 16,048k Wavestone Advisors UK securities are GBP 1,200k hedged with a cross-currency swap.

|                                       | Currency | Maturity   | 03/31/21      |              |
|---------------------------------------|----------|------------|---------------|--------------|
|                                       |          |            | Nominal value | Market value |
| <b>Business operations</b>            |          |            |               |              |
| None                                  |          |            |               |              |
| <b>Subsidiaries' current accounts</b> |          |            |               |              |
| None                                  |          |            |               |              |
| <b>Subsidiaries' loans</b>            |          |            |               |              |
| Cross-currency swap                   | USD/EUR  | 12/22/2025 | 19,622        | 903          |
| <b>Subsidiaries' securities</b>       |          |            |               |              |
| Cross-currency swap                   | GBP/EUR  | 07/20/2021 | 1,377         | (36)         |

At 03/31/21, Wavestone did not hold any derivatives not designated as hedges (no open positions).

**Note 21. Off-balance sheet commitments**

|   | <b>Total value</b> | <b>≤ 1 year</b> | <b>1 ≥ 5 years</b> | <b>&gt; 5 years</b> |
|---|--------------------|-----------------|--------------------|---------------------|
| <b>Commitments given</b>                |                    |                 |                    |                     |
| Guarantees and sureties                 | 3,290              | 1,155           | 2,107              | 28                  |
| Pledges                                 | -                  | -               | -                  | -                   |
| Pension commitments                     | 10,722             | -               | -                  | 10,722              |
| Lease commitments                       | 97                 | 97              | -                  | -                   |
| Finance lease agreements <sup>(1)</sup> | 28,966             | 9,367           | 18,225             | 1,375               |
| <b>Total</b>                            | <b>43,075</b>      | <b>10,619</b>   | <b>20,332</b>      | <b>12,125</b>       |
| <b>Commitments received</b>             |                    |                 |                    |                     |
| Guarantees and sureties                 | 319                | 19              | -                  | 300                 |
| Undrawn credit lines <sup>(2)</sup>     | 95,000             | -               | 95,000             | -                   |
| Liability guarantees <sup>(3)</sup>     | 11,556             | 4,524           | 7,032              | -                   |
| <b>Total</b>                            | <b>106,875</b>     | <b>4,543</b>    | <b>102,032</b>     | <b>300</b>          |

(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) Loan agreements also enabled Wavestone to request an unconfirmed credit facility for a maximum amount of €60,000k for external growth transactions.

(3) Wavestone's liability guarantees arose from the acquisitions carried out during the 2014/15 and 2018/19 fiscal years. They consisted of escrow accounts totaling €1,550k.

Following an assessment of the impacts of IFRS 16 on the preparation of the Group's consolidated financial statements, for real estate leases that provide for the possibility of exit after 3, 6 or 9 years, the firm's management assumes that this option will not be exercised.

In the interests of consistency with the consolidated financial statements, the corresponding property rental commitments, previously limited by this possible exit date, are therefore included in the above table until the end of the 9-year period.

Commitments related to hedging instruments are disclosed in note 20.

**Note 22. Information on subsidiaries and equity interests**

|  | Holding (%) | Capital | Other Shareholders' equity | Profit reported at the end of the fiscal year |
|--|-------------|---------|----------------------------|---|
| <b>Subsidiaries</b>  |             |         |                            |   |
| <b>Wavestone Advisors Morocco</b><br>Immeuble Racine d'Anfa<br>157 boulevard d'Anfa<br>20100 Casablanca, Maroc | 95          | 207     | 20                         | 127   |
| <b>Wavestone Advisors UK</b><br>29-30 (4 <sup>th</sup> Floor) Cornhill<br>EC3V 3NF, Londres, Royaume-Uni       | 100         | 4       | 11,439                     | 297   |
| <b>Wavestone Switzerland</b><br>1 place de Pont Rouge<br>1212 Grand-Lancy, Suisse                              | 100         | 27      | 941                        | 314   |
| <b>Wavestone Advisors</b><br>Tour Franklin<br>100/101 terrasse Boieldieu<br>92042 Paris La Défense Cedex       | 100         | 12,303  | 4,909                      | 6,629   |
| <b>Wavestone US</b><br>1330 Avenue of the Americas FL9<br>NY10019 New York, Etats-Unis                         | 100         | -       | 12,184                     | 953   |
| <b>M3G</b><br>Tour Franklin<br>100/101 terrasse Boieldieu<br>92042 Paris La Défense Cedex                      | 100         | 56      | 80                         | (26)  |
| <b>Equity interests</b>  |             |         |                            |   |
| None   |             |         |                            |   |

| <b>Comprehensive information</b> | <b>Gross value of shares</b> | <b>Net value of shares</b> | <b>Advances<sup>(1)</sup>, loans and current accounts</b> | <b>Dividends paid</b> |
|----------------------------------|------------------------------|----------------------------|---|-----------------------|
| <b>Subsidiaries</b>              |                              |                            |   |                       |
| French                           | 98,978                       | 98,978                     | -   | -                     |
| Foreign                          | 41,051                       | 41,051                     | 18,717  | -                     |
| <b>Equity interests</b>          |                              |                            |   |                       |
| 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**

**Dividend distribution**

The dividends to be proposed to the Shareholders' Meeting called to approve the financial statements of Wavestone for the year ended 03/31/11 amount to €4,586k, or €0.23 per share.

Wavestone will receive a margin bonus applicable to all of its credit lines, depending on whether or not the objectives are met. In the case that this bonus actually materializes, Wavestone commits to pay the entire amount saved to the Wavestone Foundation. The Wavestone Foundation supports associations working for disadvantaged children around the world.

**Loan agreement: integration of environmental, social and societal criteria**

As part of its corporate social responsibility (CSR) strategy, Wavestone has decided to link its financing to its ESG (Environmental, Social and Governance) performance. An amendment to the March 2020 loan agreement was signed on 05/19/21, to include environmental, social and societal criteria.

Wavestone has appointed the extra-financial analysis agency EthiFinance, to annually certify the value of the extra-financial indicators adopted.

Four areas of progress for Wavestone in terms of CSR have been identified, and annual objectives have been set for each of them:

- to deploy Wavestone's responsible consulting approach on an increasing number of assignments;
- to increase the representation of women in management positions;
- to be an increasingly welcoming company with a growing population of employees with disabilities;
- to reduce the firm's environmental footprint using an avoid-reduce-compensate approach.



# Statutory auditors' report on the financial statements - Year ended 03/31/21

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report 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, 2021.

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 at March 31, 2021 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 engagement in compliance with independence requirements rules required by the French Commercial Code (*Code de commerce*) and the French Code of ethics (*Code de déontologie*) for statutory auditors for the period from April 1, 2020 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.

## Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future

prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code 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. 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 €159 million represent 38% of total assets as of March 31, 2021. 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.

**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<sup>nd</sup>, 2021 and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D.441-6 of the French Commercial Code is fairly presented and consistent with the financial statements.

### Report on corporate governance

We attest that the Supervisory Board's report on corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 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.22-10-11 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

### Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation no.2019/815 of 17 December 2018 to years beginning on or after January 1<sup>st</sup>, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*).

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Wavestone by the Shareholders' Meeting held on September 16, 2019 for Aca Nexia, and on July 28, 2020 for Mazars.

As of March 31, 2021, Aca Nexia was in the 2<sup>nd</sup> year of total uninterrupted engagement, and Mazars was in the 7<sup>th</sup> 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 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 and in the French Code of Ethics 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 et Paris-La Défense, June 4, 2021

**Mazars**

Bruno Pouget  
Partner

**Aca Nexia**

Sandrine Gimat  
Partner

# Statutory Auditors' special report on regulated agreements

## Shareholders' Meeting held to approve the financial statements for the year ending March 31, 2021

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Wavestone Shareholders' Meeting,

In 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<sup>st</sup>, 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.

The Statutory Auditors

Paris et Paris-La Défense, June 4, 2021

Mazars

Bruno Pouget  
Partner

Aca Nexia

Sandrine Gimat  
Partner



# LEGAL INFORMATION

# 04

**260** GENERAL INFORMATION ON WAVESTONE AND ITS SHARE CAPITAL

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**275** EXCEPTIONAL EVENTS AND DISPUTES

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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 acquisition of Audisoft Oxéa in November 2014. Acquisition of PEA's industrial assets in October 2014.

#### 2015

Takeover of Hudson & Yorke in February 2015. Acquisition of the assets of Hapsis in April 2015. Takeover of the Swiss company, Arthus Technologies, in July 2015. Formation of Belgian subsidiary in October 2015.

Solucom listed on the Tech 40 index.

Solucom completes the "Solucom 2015" strategic plan and launches its new "Up 2020" strategic plan.

#### 2016

Acquisition of Kurt Salmon's European activities (excluding retail and consumer goods) in January 2016.

Solucom changes its legal name and creates the Wavestone brand.

#### 2017

Wavestone finalizes operational merger with the European activities of Kurt Salmon and presents the "Wavestone 2021" strategic plan.

#### 2018

Takeover of Xceed Group in April 2018.

Takeover of Metis Consulting in November 2018.

#### 2019

Takeover of WGroup in July 2019.

#### 2021

Acquisition of the consulting practice of Everest Group in May 2021.

### 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 1<sup>st</sup> of every year to March 31<sup>st</sup> 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 video-conferencing or other means of telecommunication that enable their identity to be established in accordance with current regulations will be included when calculating the quorum if the Management Board specifies the option to use these facilities in the notice of Meeting.

2. Voting rights attached to capital shares or dividend shares are proportional to the percentage of the capital they represent. Every share entitles the holder to one vote except in application of Article 11 paragraph 4 relating to the provisions of L.225-123 et seq. of the French Commercial Code.

3. Votes are by a show of hands, roll call or secret ballot, as decided by the Meeting committee or the shareholders. Shareholders can also vote by post.

#### **Ordinary Shareholders' Meeting (Article 31 of the Articles of Association)**

Ordinary Shareholders' Meetings make all decisions, which do not amend the Articles of Association.

Ordinary Shareholders' Meetings are convened at least once a year, within six months following the close of the Company's fiscal year, to approve the financial statements for that year. Extensions may be obtained by court ruling.

Ordinary Shareholders' Meetings may only validly conduct business, on first convening, if the shareholders present, represented by proxy or voting by post hold at least one fifth of the total shares with voting rights.

Resolutions are adopted by a majority of the votes of the shareholders present, represented by proxy or voting by post.

**Extraordinary Shareholders' Meeting  
(Article 32 of the Articles of Association)**

Extraordinary Shareholders' Meetings may amend any of the clauses of the Articles of Association, and notably decide to adopt a new civil or commercial legal form for the Company. They cannot, however, increase the shareholders' commitments, except in the case of transactions resulting from a legally valid consolidation of shares.

The extraordinary Shareholders' Meeting may delegate the power to amend the Company's Articles of Association to comply with laws and regulations to the Supervisory Board, subject to ratification of such amendments by the next extraordinary Shareholders' Meeting.

Subject to legal derogations, extraordinary Shareholders' 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.

The provision of security, as well as sureties and guarantees by the Company to guarantee third-party commitments is authorized by the Supervisory Board pursuant to conditions established by current law.

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 03/31/21. Details of the share buyback program submitted for shareholder approval at the combined ordinary and extraordinary Shareholders' Meeting on 07/27/21 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 03/31/21, 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 2020/21 fiscal year, please refer to section 3.2 of this chapter.

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 Chapter 1 of this report.

### 2.4. Pledges, guarantees and sureties

#### Current pledges of issuer shares held in direct registered accounts as at 03/31/21

| 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                          |
| <b>Total</b>                          |             |                   |                    |                           |                                   |                               |

#### Current sureties on issuer assets as at 03/31/21 (intangible, tangible and financial assets)

| Type of surety       | Start date of the surety | Expiry date of the surety | Amount of pledged/assigned asset (a)<br>(in millions of euro) | Balance sheet total (b)<br>(in millions of euro) | (a)/(b) %  | Release conditions |
|----------------------|--------------------------|---------------------------|---|--|------------|--------------------|
| On intangible assets | None                     | None                      | None  | 44.7   | n/a        | None               |
| On tangible assets   | None                     | None                      | None  | 6.6  | n/a        | None               |
| On financial assets  | None                     | None                      | None  | 161.1  |            | None               |
| <b>Total</b>         | <b>None</b>              | <b>None</b>               | <b>None</b>   | <b>212.3</b>                                     | <b>n/a</b> | <b>None</b>        |

### 2.5. Shareholders' agreements

#### Provisions related to shareholders

None.

#### Provisions related to issuers

None.

The Company is not aware of any clause that could have an impact on the Company's assets and liabilities, business, financial situation, earnings and outlook.

### 3. Breakdown of share capital and voting rights

#### 3.1. Wavestone shareholders

##### Breakdown of share capital and voting rights

The table below provides a breakdown of Wavestone's shareholders at 03/31/2021:

| Shareholders   | Number of shares  | % capital      | Theoretical voting rights | % of theoretical voting rights <sup>(1)</sup> | Exercisable voting rights | % of exercisable voting rights <sup>(2)</sup> |
|--|-------------------|----------------|---------------------------|---|---------------------------|---|
| <b>Executive and corporate officers</b>                                | <b>11,144,184</b> | <b>55.18%</b>  | <b>14,212,506</b>         | <b>57.78%</b>                                 | <b>14,212,506</b>         | <b>58.39%</b>                                 |
| <i>Pascal Imbert</i>   | 941,978           | 4.66%          | 1,883,956                 | 7.66%   | 1,883,956                 | 7.74%   |
| <i>FIH (family holding company of Pascal Imbert)<sup>(3)</sup></i>     | 4,847,158         | 24.00%         | 5,149,316                 | 20.93%  | 5,149,316                 | 21.15%  |
| <i>Subtotal Pascal Imbert</i>  | 5,789,136         | 28.66%         | 7,033,272                 | 28.59%  | 7,033,272                 | 28.89%  |
| <i>Michel Dancoisne</i>  | 1,195,179         | 5.92%          | 2,390,358                 | 9.72%   | 2,390,358                 | 9.82%   |
| <i>FDCH (family holding company of Michel Dancoisne)<sup>(4)</sup></i> | 2,827,509         | 14.00%         | 2,827,509                 | 11.49%  | 2,827,509                 | 11.62%  |
| <i>Subtotal Michel Dancoisne</i>                                       | 4,022,688         | 19.92%         | 5,217,867                 | 21.21%  | 5,217,867                 | 21.44%  |
| <i>Delphine Chavelas</i>   | 1,221,661         | 6.05%          | 1,740,061                 | 7.07%   | 1,740,061                 | 7.15%   |
| <i>Subtotal Dancoisne - Chavelas family</i>                            | 5,244,349         | 25.97%         | 6,957,928                 | 28.29%  | 6,957,928                 | 28.58%  |
| <i>Patrick Hirigoyen</i>   | 75,953            | 0.38%          | 151,886                   | 0.62%   | 151,886                   | 0.62%   |
| <i>Other directors and corporate officers</i>                          | 34,746            | 0.17%          | 69,420                    | 0.28%   | 69,420                    | 0.29%   |
| <b>Employees</b>   | <b>1,644,495</b>  | <b>8.14%</b>   | <b>2,642,730</b>          | <b>10.74%</b>                                 | <b>2,642,730</b>          | <b>10.86%</b>                                 |
| <b>Treasury stock</b>  | <b>257,699</b>    | <b>1.28%</b>   | <b>257,699</b>            | <b>1.05%</b>                                  | <b>0</b>                  | <b>0.00%</b>                                  |
| <b>Free float</b>  | <b>7,150,114</b>  | <b>35.40%</b>  | <b>7,486,166</b>          | <b>30.43%</b>                                 | <b>7,486,166</b>          | <b>30.75%</b>                                 |
| <b>Total</b>   | <b>20,196,492</b> | <b>100.00%</b> | <b>24,599,101</b>         | <b>100.00%</b>                                | <b>24,341,402</b>         | <b>100.00%</b>                                |

(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) P. Imbert owns the majority of shares and exclusive control of FIH.

(4) M. Dancoisne owns the majority of shares and exclusive control of FDCH.

Total voting rights attached to registered shares: 16,996,320 (1) for 12,593,711 shares.

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

Total bearer shares with single voting rights: 20,196,492 - 12,593,711 = 7,602,781 (2).

Total theoretical voting rights: (1) + (2) = 24,599,101.

Total shares in treasury: 257,699 (3).

Total exercisable voting rights: (1) + (2) - (3) = 24,341,402.

28.66% of Wavestone's shares are held by Pascal Imbert, the Chairman of the Management Board, and 25.97% by Dancoisne - Chavelas family, with Michel Dancoisne as Chairman of the Supervisory Board. These shareholders, acting in concert, therefore together hold 54.63% of Wavestone's share capital and 57.47% of the valid voting rights as at 03/31/21.

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 and Nomination Committee.

According to a review of identifiable registered and bearer shares on 03/31/21, approximately 75% of the shares were held by institutional French and international funds and 25% by private shareholders on that date

Wavestone is therefore controlled by its two founding shareholders and their families. 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.

There were no significant disposals of shares by corporate officers as of 03/31/21.

To recap, on March 29 and 04/01/21, FIH acquired the double voting rights relative to the 4,847,158 Wavestone shares it holds (the table below includes the double voting rights acquired on 03/29/21).

Furthermore, on 04/01/21, FIH issued a proxy, for 2,865,000 voting rights attached to the shares it holds, to Maître Thomas Prud'homoz, notary in Paris.

This proxy was granted out to 12/09/21 inclusive, on an irrevocable basis and without any voting instructions. FIH and Maître Thomas Prud'homoz have stated that they are not acting as a joint ownership structure and confirm, as is necessary, that the proxy given does not constitute a new joint ownership structure.

The purpose of this proxy is to maintain the balance within the joint ownership structure which controls Wavestone represented by Pascal Imbert, FIH, Michel Dancoisne, FDCH (family holding company controlled by Michel Dancoisne) and Delphine Chavelas, the daughter of Michel Dancoisne. The proxy will expire on 12/10/21, the date on which FDCH is to acquire double voting rights relating to the 2,827,509 shares it holds.

As of 04/01/21, following these changes, FIH holds 6,829,316 voting rights, representing 23.43% of the Company's total voting rights.

For the record, on the same date, the joint ownership structure represented by Pascal Imbert, FIH, Michel Dancoisne, FDCH and Delphine Chavelas, holds 54.66% of Wavestone's share capital and 53.79% of the firm's voting rights (compared with 56.36% previously).

### 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, by issuing 71,208 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, by issuing 11,033 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   | 03/31/21 <sup>(3)</sup>         |                |                                |                                | 03/31/20 <sup>(3)</sup> |                |                                |                                | 03/31/19 <sup>(3)</sup> |                |                                |                                |
|--|---------------------------------|----------------|--------------------------------|--------------------------------|-------------------------|----------------|--------------------------------|--------------------------------|-------------------------|----------------|--------------------------------|--------------------------------|
|  | Number of shares <sup>(1)</sup> | % 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 |
| <b>Executive and corporate officers<sup>(2)</sup></b>    | <b>11,144,184</b>               | <b>55.18%</b>  | <b>57.78%</b>                  | <b>58.39%</b>                  | <b>11,163,433</b>       | <b>55.27%</b>  | <b>58.04%</b>                  | <b>58.83%</b>                  | <b>11,170,833</b>       | <b>55.31%</b>  | <b>62.59%</b>                  | <b>63.17%</b>                  |
| <i>Pascal Imbert</i>                                     | 941,978                         | 4.66%          | 7.66%                          | 7.74%                          | 941,978                 | 4.66%          | 7.85%                          | 7.96%                          | 941,978                 | 4.66%          | 7.03%                          | 7.10%                          |
| <i>FIH (family holding company of Pascal Imbert)</i>     | 4,847,158                       | 24.00%         | 20.93%                         | 21.15%                         | 4,847,158               | 24.00%         | 20.21%                         | 20.48%                         | 4,847,158               | 24.00%         | 18.09%                         | 18.26%                         |
| <b>Subtotal P. Imbert</b>                                | <b>5,789,136</b>                | <b>28.66%</b>  | <b>28.59%</b>                  | <b>28.89%</b>                  | <b>5,789,136</b>        | <b>28.66%</b>  | <b>28.06%</b>                  | <b>28.44%</b>                  | <b>5,789,136</b>        | <b>28.66%</b>  | <b>25.13%</b>                  | <b>25.36%</b>                  |
| <i>Michel Dancoisne</i>                                  | 1,195,179                       | 5.92%          | 9.72%                          | 9.82%                          | 1,195,179               | 5.92%          | 9.96%                          | 10.10%                         | 4,022,688               | 19.92%         | 30.03%                         | 30.32%                         |
| <i>FDCH (family holding company of Michel Dancoisne)</i> | 2,827,509                       | 14.00%         | 11.49%                         | 11.62%                         | 2,827,509               | 14.00%         | 11.79%                         | 11.95%                         | -                       | -              | -                              | -                              |
| <b>Subtotal M. Dancoisne</b>                             | <b>4,022,688</b>                | <b>19.92%</b>  | <b>21.21%</b>                  | <b>21.44%</b>                  | <b>4,022,688</b>        | <b>19.92%</b>  | <b>21.75%</b>                  | <b>22.05%</b>                  | <b>4,022,688</b>        | <b>19.92%</b>  | <b>30.03%</b>                  | <b>30.32%</b>                  |
| <i>Delphine Chavelas</i>                                 | 1,221,661                       | 6.05%          | 7.07%                          | 7.15%                          | 1,228,400               | 6.08%          | 7.28%                          | 7.38%                          | 1,228,400               | 6.08%          | 6.52%                          | 6.58%                          |
| <b>Subtotal Dancoisne - Chavelas family</b>              | <b>5,244,349</b>                | <b>25.97%</b>  | <b>28.29%</b>                  | <b>28.58%</b>                  | <b>5,251,088</b>        | <b>26.00%</b>  | <b>29.03%</b>                  | <b>29.43%</b>                  | <b>5,251,088</b>        | <b>26.00%</b>  | <b>36.55%</b>                  | <b>36.90%</b>                  |
| <i>Patrick Hirigoyen</i>                                 | 75,953                          | 0.38%          | 0.62%                          | 0.62%                          | 86,453                  | 0.43%          | 0.66%                          | 0.67%                          | 90,953                  | 0.45%          | 0.63%                          | 0.63%                          |
| <i>Other directors and corporate officers</i>            | 34,746                          | 0.17%          | 0.28%                          | 0.29%                          | 36,756                  | 0.18%          | 0.28%                          | 0.29%                          | 39,656                  | 0.20%          | 0.28%                          | 0.28%                          |
| <b>Employees</b>   | <b>1,644,495</b>                | <b>8.14%</b>   | <b>10.74%</b>                  | <b>10.86%</b>                  | <b>1,655,746</b>        | <b>8.20%</b>   | <b>9.66%</b>                   | <b>9.79%</b>                   | <b>1,631,835</b>        | <b>8.08%</b>   | <b>8.21%</b>                   | <b>8.29%</b>                   |
| <b>Treasury stock</b>                                    | <b>257,699</b>                  | <b>1.28%</b>   | <b>1.05%</b>                   | <b>0.00%</b>                   | <b>323,968</b>          | <b>1.60%</b>   | <b>1.35%</b>                   | <b>0.00%</b>                   | <b>249,083</b>          | <b>1.23%</b>   | <b>0.93%</b>                   | <b>0.00%</b>                   |
| <b>Free float</b>  | <b>7,150,114</b>                | <b>35.40%</b>  | <b>30.43%</b>                  | <b>30.75%</b>                  | <b>7,053,345</b>        | <b>34.92%</b>  | <b>30.95%</b>                  | <b>31.37%</b>                  | <b>7,144,741</b>        | <b>35.38%</b>  | <b>28.27%</b>                  | <b>28.54%</b>                  |
| <b>Total</b>   | <b>20,196,492</b>               | <b>100.00%</b> | <b>100.00%</b>                 | <b>100.00%</b>                 | <b>20,196,492</b>       | <b>100.00%</b> | <b>100.00%</b>                 | <b>100.00%</b>                 | <b>20,196,492</b>       | <b>100.00%</b> | <b>100.00%</b>                 | <b>100.00%</b>                 |

(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 223-11 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.

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      | 06/05/20         | Sale                | 1,016            | €21.00                  |
| Patrick Hirigoyen   | 06/22/20         | Sale                | 4,000            | €20.45                  |
| Sarah Lamigeon      | 06/23/20         | Sale                | 200              | €20.95                  |
| Sarah Lamigeon      | 07/29/20         | Sale                | 150              | €19.98                  |
| Patrick Hirigoyen   | 11/05/20         | Sale                | 2,000            | €24.1731                |
| Patrick Hirigoyen   | 12/03/20         | Sale                | 2,500            | €26.00                  |
| Patrick Hirigoyen   | 12/22/20         | Sale                | 1,000            | €28.9952                |
| Patrick Hirigoyen   | 01/12/21         | Sale                | 1,000            | €30.45                  |

### 3.4. Crossing shareholding thresholds and declarations of intent

In a letter sent to the AMF on 07/23/20, the civil company FIH<sup>(1)</sup> declared that on 07/20/20, it had individually crossed below the threshold of 20% of the voting rights in Wavestone and that it individually held 4,847,158 Wavestone shares representing the same number of voting rights, i.e. 24.00% of the capital and 19.96% of the voting rights<sup>(2)</sup>.

The crossing of this shareholding threshold arose from an increase in the voting rights of Wavestone. On this occasion, the joint ownership structure formed by Pascal Imbert, FIH, Michel Dancoisne, FDCH and Delphine Chavelas did not cross any shareholding threshold and holds, on 07/20/20, 11,040,224 Wavestone shares representing 13,695,781 voting rights, i.e., 54.66% of the share capital and 56.41% of the voting rights of the Company, distributed as follows:

|  | Shares            | % Capital    | Voting rights     | % Voting rights |
|--|-------------------|--------------|-------------------|-----------------|
| Pascal Imbert  | 941,978           | 4.66         | 1,883,956         | 7.76            |
| FIH  | 4,847,158         | 24.00        | 4,847,158         | 19.96           |
| <b>Subtotal Pascal Imbert (A)</b>                            | <b>5,789,136</b>  | <b>28.66</b> | <b>6,731,114</b>  | <b>27.72</b>    |
| Michel Dancoisne   | 1,195,179         | 5.92         | 2,390,358         | 9.84            |
| FDCH   | 2,827,509         | 14.00        | 2,827,509         | 11.65           |
| <b>Subtotal Michel Dancoisne (B)</b>                         | <b>4,022,688</b>  | <b>19.92</b> | <b>5,217,867</b>  | <b>21.49</b>    |
| Delphine Chavelas (C)  | 1,228,400         | 6.08         | 1,746,800         | 7.19            |
| <b>Subtotal Michel Dancoisne and Delphine Chavelas (B+C)</b> | <b>5,251,088</b>  | <b>26.00</b> | <b>6,964,667</b>  | <b>28.68</b>    |
| <b>Total joint ownership structure (A+B+C)</b>               | <b>11,040,224</b> | <b>54.66</b> | <b>13,695,781</b> | <b>56.41</b>    |

## 4. Issuer as a member of a group

Wavestone does not belong to any group.

(1) The company is controlled by Mr. Pascal Imbert.

(2) Based on a share capital of 20,196,492 shares representing 24,280,466 voting rights.

## 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 <sup>(1)</sup> | Dividend per share <sup>(2)</sup> | Portion of the dividend eligible for the 40% tax rebate <sup>(3)</sup> |
|-------------|---|-----------------------------------|--|
| 03/31/20    | N/A   | N/A                               | N/A  |
| 03/31/19    | 19,877,822  | €0.23                             | 100%   |
| 03/31/18    | 5,004,501   | €0.81                             | 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 03/31/21

Wavestone is a growth company and reinvests the bulk of its earnings to fund further development. Wavestone's policy is to distribute each year a dividend representing 15% of the group's share of net income, while reserving the right to adjust this rate according to its financing needs, its cash generation and industry practices.

Owing to the health crisis linked to the Covid-19 pandemic, in 2020, the firm suspended its dividend payout policy. With this in mind, no dividend was paid in respect of fiscal year 2019/20.

At its meeting on 01/29/21, the Wavestone Supervisory Board approved the Management Board's proposal to resume the Company's dividend payout policy. This decision was made in light of the performance of the firm and the resilience of prospects in the consulting market despite the health crisis backdrop.

The Management Board proposed to the Annual General Meeting of Shareholders on 07/27/21, the payout of a dividend in respect of fiscal 2020/21 of €0.23 per share, identical to the amount paid in 2019 in respect of fiscal 2018/19, before the suspension of the dividend payout in 2020. This dividend exceptionally equates to a payout ratio of 18% of Group Share of Net Income.

### 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

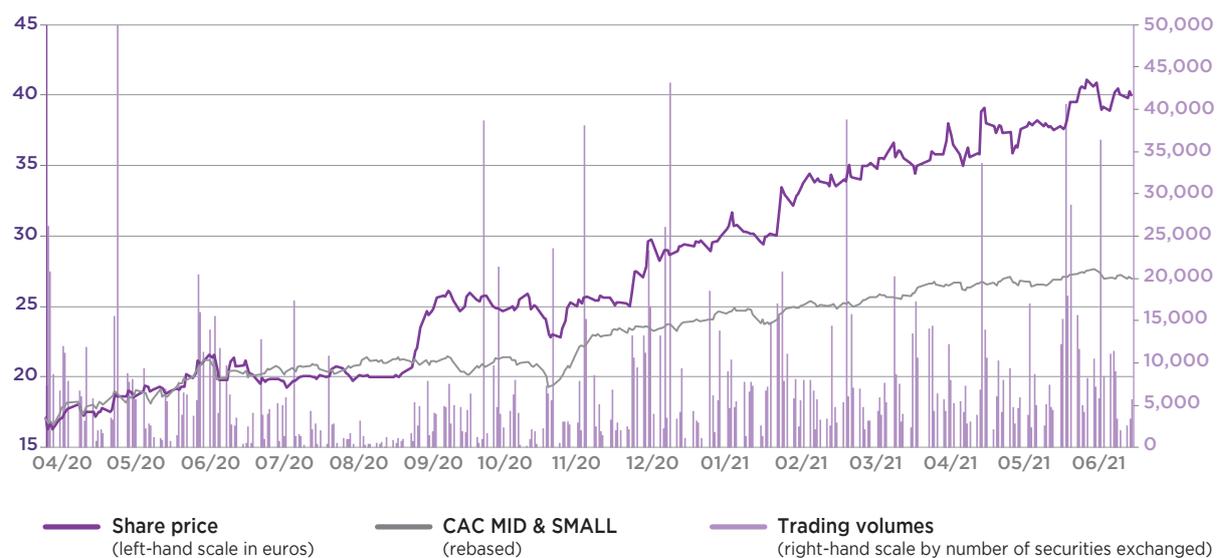
The Company is listed in compartment B of Euronext Paris.

### Trends in the Wavestone share price from 04/01/20 to 06/30/21

| Date  | Lowest price | Highest price | Last listed price | Total volume | Volume of traded capital |
|-------|--------------|---------------|-------------------|--------------|--------------------------|
| 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               |
| 07/20 | €19.26       | €20.85        | €20.75            | 78,830       | €1,564,680               |
| 08/20 | €19.70       | €20.85        | €20.60            | 19,919       | €401,163                 |
| 09/20 | €20.35       | €26.35        | €25.70            | 80,169       | €1,982,568               |
| 10/20 | €21.70       | €27.10        | €23.00            | 156,343      | €3,861,689               |
| 11/20 | €22.85       | €26.00        | €25.25            | 117,938      | €2,984,050               |
| 12/20 | €24.85       | €29.95        | €29.70            | 222,021      | €6,308,554               |
| 01/21 | €28.50       | €31.65        | €30.20            | 143,670      | €4,314,795               |
| 02/21 | €29.60       | €34.90        | €33.55            | 156,408      | €5,137,823               |
| 03/21 | €33.70       | €37.00        | €34.40            | 196,671      | €6,880,156               |
| 04/21 | €33.60       | €40.20        | €38.00            | 176,783      | €6,495,756               |
| 05/21 | €35.20       | €38.60        | €37.80            | 132,095      | €4,979,454               |
| 06/21 | €37.40       | €41.70        | €40.00            | 264,030      | €10,363,966              |

Source: Euronext.

### Trends in the Wavestone share price from 04/01/20 to 06/28/21



Source: Euronext.



## 7. Legal organization chart at 03/31/21

At 03/31/21, Wavestone was comprised of the parent company, Wavestone SA, and six direct subsidiaries:

- Wavestone Advisors Morocco Sarl, 95.5% owned<sup>(1)</sup>;
- Wavestone Advisors UK Limited, wholly owned;
- Wavestone Switzerland Sarl, wholly owned;
- Wavestone Advisors SAS, wholly owned;
- M3G SAS, wholly owned;
- Wavestone US Inc, wholly owned.

Wavestone SA also had indirect stakes in 11 subsidiaries at 03/31/21:

- Wavestone Luxembourg SA, wholly owned by Wavestone Advisors SAS;
- Wavestone Belgium SA/NV, 99.84% owned by Wavestone Advisors SAS<sup>(2)</sup>;
- Wavestone HK Ltd, wholly owned by Wavestone Advisors SAS;
- Xceed Group (Holdings) Ltd, wholly owned by Wavestone Advisors UK Ltd;
- Xceed Group Ltd, wholly owned by Xceed Group (Holdings) Ltd;
- Wavestone Consulting UK Ltd (formerly Xceed Consultancy Services Limited), wholly owned by Xceed Group Ltd;
- Metis Consulting SAS, wholly owned by M3G SAS;
- Metis Consulting HK Ltd wholly owned by M3G SAS;
- WGroup Inc, wholly owned by Wavestone US Inc;
- WGroup Consulting India Project Ltd, 99.99% owned by WGroup Inc<sup>(3)</sup>;
- UpGrow LLC, wholly owned by WGroup Inc.

For more information on the key figures in each subsidiary's income statement at 03/31/21, 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.

(1) The remaining share capital of Wavestone Morocco SARL, i.e., 4.5%, held by Wavestone Advisors SAS, in turn 100% owned by Wavestone SA.

(2) The remaining share capital of Wavestone Belgium SA/NV, i.e., 0.16%, held by Wavestone SA.

(3) The remaining share capital of WGroup Consulting India Project Ltd, i.e., 0.01%, held by Wavestone SA.

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 03/31/21 is provided in the table below.

|                                 |        | <b>Suppliers</b>    |                                  |                                   |                                 |                         |                                |                                |  |                         |                                    |                            |              |            |                         |               |                                |
|---------------------------------|--------|---------------------|----------------------------------|-----------------------------------|---------------------------------|-------------------------|--------------------------------|--------------------------------|--|-------------------------|------------------------------------|----------------------------|--------------|------------|-------------------------|---------------|--------------------------------|
| <b>(in thousands of euros)</b>  |        | <b>Wavestone SA</b> | <b>Wavestone Advisors UK Ltd</b> | <b>Wavestone Switzerland Sàrl</b> | <b>Wavestone Advisors (SAS)</b> | <b>Wavestone US Inc</b> | <b>Wavestone Luxembourg SA</b> | <b>Wavestone Belgium SA/NV</b> | <b>Wavestone Advisors Maroc (SARL)</b> | <b>Wavestone HK Ltd</b> | <b>Xceed Group Holding Limited</b> | <b>Xceed Group Limited</b> | <b>WC UK</b> | <b>M3G</b> | <b>Metis Consulting</b> | <b>WGroup</b> | <b>WGroup Consulting India</b> |
| <b>Clients</b>                  |        |                     |                                  |                                   |                                 |                         |                                |                                |  |                         |                                    |                            |              |            |                         |               |                                |
| Wavestone SA                    | -      | 1,980               | 472                              | 62,717                            | 1,514                           | 806                     | 645                            | 183                            | 428                                    | -                       | -                                  | 443                        | -            | 3,674      | 27                      | -             | -                              |
| Wavestone Advisors UK Ltd       | 76     | -                   | -                                | 28                                | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | 695                        | -            | -          | -                       | -             | -                              |
| Wavestone Switzerland Sàrl      | 352    | 345                 | -                                | 193                               | -                               | 15                      | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | 7          | -                       | -             | -                              |
| Wavestone Advisors (SAS)        | 14,110 | 1                   | 447                              | -                                 | 164                             | 2,678                   | 429                            | 92                             | -                                      | -                       | -                                  | 5                          | -            | 675        | -                       | -             | -                              |
| Wavestone US Inc                | 259    | 199                 | -                                | 28                                | -                               | -                       | -                              | -                              | 2                                      | -                       | -                                  | -                          | -            | -          | -                       | 374           | -                              |
| Wavestone Luxembourg SA         | 164    | 5                   | 39                               | 181                               | -                               | -                       | -64                            | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| Wavestone Belgium SA/NV         | 183    | -                   | -                                | 43                                | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | 12                      | -             | -                              |
| Wavestone Advisors Maroc (SARL) | 157    | -                   | -                                | 28                                | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| Wavestone HK Ltd                | 10     | -                   | -                                | -                                 | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| Xceed Group Holding Limited     | -      | -                   | -                                | -                                 | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| Xceed Group Limited             | -      | -                   | -                                | -                                 | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| WC UK                           | -      | 441                 | -                                | -                                 | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| M3G                             | -      | -                   | -                                | -                                 | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| Metis Consulting                | 28     | -                   | -                                | 107                               | -                               | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| WGroup                          | -      | -                   | -                                | -                                 | 70                              | -                       | -                              | -                              | -                                      | -                       | -                                  | -                          | -            | -          | -                       | -             | -                              |
| 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.

| <b>Investments</b><br>(in thousands of euros) | <b>03/31/19</b> | <b>03/31/20</b> | <b>03/31/21</b> |
|---|-----------------|-----------------|-----------------|
| Tangible and intangible assets                | 3,333*          | 1,098**         | 137***          |

\* of which €214k in finance leases.

\*\* of which €30k in finance leases.

\*\*\* of which €13k 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, 9<sup>th</sup> 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 Building,  
162 Queen's Road Central,  
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, 5<sup>th</sup> Floor, Tower-8, Uniworld Garden, Sohna Road,  
Sector-47,  
Gurgaon, Haryana, India, 122018

#### Luxembourg

12 rue du Château d'Eau  
L-3364 Leudelange

#### Morocco

157, Bd Anfa  
Immeuble Racine d'Anfa  
20100 Casablanca

#### United Kingdom

29-30, Cornhill  
1<sup>st</sup> & 4<sup>th</sup> floors  
London  
EC3V 3NF

#### Switzerland

Place de Pont-Rouge 1,  
1212 Lancy

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 *General 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.

# **2021 COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING**

# 05

**278** DESCRIPTION OF THE SHARE BUYBACK PROGRAM

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**280** RESOLUTIONS TO BE PROPOSED TO THE COMBINED EXTRAORDINARY  
AND ORDINARY SHAREHOLDERS' MEETING OF 07/27/21

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# Description of the share buyback program to be submitted for the approval of the shareholders at the combined ordinary and extraordinary General Meeting on 07/27/21

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 07/27/20, 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 07/28/20.

## 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 07/27/20.

## 2. Breakdown by objective of the equity securities held by Wavestone at 04/30/21

At 04/30/21, Wavestone owned 256,714 shares, equivalent to 1.27% of the Company's share capital. These shares were distributed in the following manner:

- 21,425 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");
- 235,289 shares were allocated to Group employees and/or corporate officers in accordance with the conditions and formalities provided by law, notably with respect to stock option plans introduced under our profit-sharing policy, such as employee savings schemes, free share grants or any other forms of share awards;
- no shares were held in treasury to finance acquisitions.

In accordance with current law and regulations, these shares do not carry voting rights and do not give entitlement to dividends.

## 3. Objectives of the new share buyback program

Wavestone will use the new share buyback program, authorized under resolution 16 submitted for the approval of the Combined and extraordinary Shareholders' Meeting on 07/27/20, 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 cancel all or some of the shares purchased to reduce the share capital, within the context of, and subject to a valid authorization granted by the extraordinary General Meeting;
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share buyback programs and, more generally, to carry out all operations that comply with the regulations in force with regard to these programs.

## 4. Maximum share of capital, maximum number and characteristics of shares that can be purchased, and maximum purchase price

Under the terms of resolution 16 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/27/20, the maximum number of shares the Management Board will be authorized to buy is equivalent to 10% of the share capital at 04/30/21, i.e. 20,196,492 shares. Given the shares held in treasury at 04/30/21, Wavestone would be able to buy back a total of 1,762,935 shares, equivalent to around 8.47% of the shares making up the Company's share capital at that date.

It is specified that within the limit of the 10% of the share capital acquired pursuant to the commitments made in favor of employee shareholding and/or corporate officers, this limit is set at 5%.

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:

- €102 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
- €76 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:

- €179,819,370 (1,762,935 shares x €102) for purchases to promote the market for the Company's share and boost liquidity, under a liquidity contract with an independent investment services provider;
- €133,983,060 (1,762,935 shares x €76) for all other authorizations granted to the Management Board under resolution 16.

Shares may be purchased on one or more occasions and at the times the Management Board deems appropriate, other than during periods of public offerings on Company shares, in compliance with applicable regulations and market practices accepted by the AMF. Shares may be purchased on- or off-market, and through an over-the-counter block purchase. Your Management Board may also use derivative or options transactions, provided that these do not contribute in a significant way to increasing the volatility of the share price.

## 5. Duration of the new share buyback program proposal

Under the terms of resolution 16 submitted for the approval of the combined ordinary and extraordinary Shareholders' Meeting on 07/27/20, 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 07/27/200. This authorization cancels the authorization granted to the Management Board by the combined ordinary and extraordinary Shareholders' Meeting on 07/28/20.

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](http://www.wavestone.com)

# Resolutions to be proposed to the combined extraordinary and ordinary Shareholders' Meeting of 07/27/21

## 1. Ordinary Annual Shareholders' Meeting Resolutions

### Resolution 1:

**Approval of the annual reports and financial statements for the fiscal year ended March 31, 2021**

#### Summary of resolution 1:

##### Purpose:

Approve the Company's individual financial statements at March 31, 2021 showing net income of €20,749,249.

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, 2021 showing net income of €20,749,249, 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 €15,163, as well as the theoretical tax for these expenses and charges, for a total of €4,855.

### Resolution 2:

**Approval of the consolidated annual reports and financial statements for the fiscal year ended March 31, 2021**

#### Summary of resolution 2:

##### Purpose:

Approve the Company's consolidated financial statements at March 31, 2021.

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, 2021, 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, 2021, setting the dividend and the dividend payment date**

#### Summary of resolution 3:

##### Purpose:

Allocate income amounting to €20,749,249 and pay a dividend of €4,585,922, or €0.23 per share to eligible shareholders.

This dividend exceptionally equates to payout ratio of 18% of the Group's Share of Net Income. As a reminder, Wavestone's usual dividend policy is to apply a payout ratio of 15%, although the firm reserves the right to adjust this ratio according to its cash generation, financing needs and industry practices.

Dividend payment date: August 5, 2021.

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, decides on the following appropriation as proposed by the Management Board,

|   |              |
|---|--------------|
| Net profit for the fiscal year:                     | €20,749,249  |
| Appropriation to the legal reserve <sup>(1)</sup> : | –            |
| Loss carryforward:                                  | €160,042,086 |
| Distributable profit:                               | €180,791,335 |
| Dividends:  | €4,585,922   |
| Balance appropriated to retained earnings account:  | €176,205,413 |

(1) The amount of the legal reserve having reached the threshold of 10% of the share capital.

Accordingly, the dividend per eligible share is €0.23 (please note: as at March 31, 2021, the Company held 257,699 treasury shares).

If, on the dividend payment date, the number of shares eligible for the dividend differs from the 257,699 shares comprising the share capital on March 31, 2021, the total dividend will be adjusted to take this difference into account. The balance credited to or debited from the retained earnings account will be calculated on the basis of the dividends actually paid.

The ex-dividend date is August 2, 2021 and dividends will be paid three days later, on August 5, 2021.

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

The following table gives the dividends paid for the last three fiscal years, as required by law:

| Fiscal year                   | Number of shares <sup>(1)</sup> | Dividend per share <sup>(2)</sup> | Portion of the dividend eligible for the 40% tax rebate <sup>(3)</sup> |
|-------------------------------|---------------------------------|-----------------------------------|--|
| March 31, 2020                | N/A                             | N/A                               | N/A  |
| March 31, 2019 <sup>(4)</sup> | 19,877,822                      | €0.23                             | 100%   |
| March 31, 2018                | 5,004,501                       | €0.81                             | 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.

(4) As a reminder, the Company carried out a 4-for-1 stock split of Wavestone shares on 4 September 2018.

#### 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, 2021.*

*Approve the Statutory Auditors' special report on the previously approved agreement which was still in effect during the fiscal year ended March 31, 2021 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, 2021;
- acknowledges the information relating to the previously approved agreement, which remained in effect during the fiscal year ended March 31, 2021.

#### Resolution 5: Appointment of Ms. Marlène Ribeiro as a new member of the Supervisory Board

##### Summary of resolution 5:

###### Purpose:

*Appointment of Ms. Marlène Ribeiro as a new 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, 2025.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, decides to appoint as a new member of the Supervisory Board Ms. Marlène Ribeiro, 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, 2025.

**Resolution 6:**

**Appointment of Ms. Véronique Beaumont as a new member of the Supervisory**

**Summary of resolution 6:**

**Purpose:**

*Appointment of Ms. Véronique Beaumont as a new 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, 2025.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for ordinary Shareholders' Meetings, decides to appoint as a new member of the Supervisory Board Ms. Véronique Beaumont, 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, 2025.

**Resolution 7:**

**Approval of information mentioned in Article L.22-10-9, I. of the French Commercial Code, in respect of the fiscal year ended March 31, 2021**

**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, 2021 and presented in the corporate governance report in accordance with the provisions of Article L.22-10-34 I. 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.22-10-34 I of the French Commercial Code, the information mentioned in Article L.22-10-9, 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, 2021**

**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, 2021.*

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 22-10-34 II 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, 2021 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, 2021**

**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, 2021*

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 22-10-34 II 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, 2021 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, 2021**

**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, 2021.*

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 22-10-34 II 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, 2021 to Mr. Michel Dancoisne, in his role as Chairman of the Supervisory Board, as presented in the above-mentioned report.

**Resolution 11:**

**Set the annual pay for Supervisory Board members**

**Summary of resolution 11:**

**Purpose:**

*Set the total annual amount payable to the Supervisory Board members as of the 2021/2022 fiscal year at €176,000.  
On July 26, 2018, the annual General Meeting set the overall total at €136,000.*

The annual General Meeting, deliberating under the quorum and majority conditions required for ordinary General Meetings, having reviewed the Supervisory Board's report on corporate governance resolves to set the total remuneration payable to the Supervisory Board members at €176,000, as of the fiscal year commencing April 1, 2021, until such time as the Shareholders' Meeting resolves otherwise, as presented in the aforementioned report.

**Resolution 12:**

**Approval on compensation policy for the Chairman of the Management Board in respect of the fiscal year commencing April 1, 2021**

**Summary of resolution 12:**

**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, 2021.*

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.22-10-26 of the French Commercial Code, approves the compensation components allocated in respect of the fiscal year starting April 1, 2021 to Mr. Pascal Imbert, in his role as Chairman of the Management Board, as presented in the above-mentioned report.

**Resolution 13:**

**Approval on compensation policy for the COO and member of the Management Board in respect of the fiscal year commencing April 1, 2021**

**Summary of resolution 13:**

**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, 2021.*

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.22-10-26 of the French Commercial Code, approves the compensation components allocated in respect of the fiscal year starting April 1, 2021 to Mr. Patrick Hirigoyen, in his role as COO and member of the Management Board, as presented in the above-mentioned report.

**Resolution 14:**  
**Approval on compensation policy for the members and Chairman of the Supervisory Board in respect of the fiscal year commencing April 1, 2021**

**Summary of resolution 14:**

**Purpose:**

*Approval of the compensation components for the members and Chairman of the Supervisory Board in respect of the fiscal year starting April 1, 2021.*

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.22-10-26 of the French Commercial Code, approves the compensation components allocated in respect of the fiscal year starting April 1, 2021 to the members and Chairman of the Supervisory Board, as presented in the above-mentioned report.

**Resolution 15:**  
**Approval of the reimbursement by Wavestone group companies of subsidies received under the partial activity scheme**

**Summary of resolution 15:**

**Purpose:**

*Approve the reimbursement of the subsidies received during the financial year ending March 31, 2021 by Wavestone group companies that benefited from the partial activity scheme set up in France, Great Britain, Switzerland and Luxembourg to deal with the Covid-19 pandemic.*

Amount converted at average rate for the fiscal year: €3,186,054

The Annual Shareholders' Meeting, having satisfied the quorum and majority requirements for ordinary Shareholders' Meetings, and having considered the Management Board report, approves the reimbursement by the Wavestone group companies of the subsidies received during the fiscal year ended March 31, 2021 under the partial activity scheme from which they benefited in order to cope with the Covid-19 pandemic, representing for said fiscal year the sum of 3,186,054 euros after conversion of the sums into foreign currencies at the average rate for the year.

**Resolution 16:**  
**Authorization delegating power to the Management Board to trade in the Company's shares**

**Summary of resolution 16:**

**Purpose:**

*Authorize your Management Board to buy back the Company's shares, except during a public offering period. The maximum purchase price, determined according to the same formula as in previous years, is capped at €102 (excluding expenses) for transactions to promote the market for the Wavestone share and boost liquidity, and at €76 (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, of which 5% in respect of commitments made in favor of shareholding by employees and/or corporate officers (free share allocation plans).*

*The Company may buy back its shares:*

- *their cancellation by way of a capital reduction;*
- *to honour obligations related to the issue of shares giving access to the capital;*
- *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 27, 2021.*

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.22-10-62 et seq. of the French

Commercial Code set by the directly applicable provisions of European Commission regulation no. 596/2014 dated 04/16/14 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;
- cancel all or part of the shares thus repurchased in order to reduce the capital, within the framework and subject to the authorization of the extraordinary General Meeting currently in force;
- 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.22-10-62 of the French Commercial Code. This includes treasury shares acquired under previous share buyback authorizations granted by the Shareholders' Meeting, it being specified (i) that the maximum number of shares acquired in the context of commitments made in favor of employee and/or corporate officer shareholding shall be 5% of the share capital, and (ii) 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) €102 (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) €76 (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 €206,004,198, subject to available reserves;
- this authorization cancels the authorization granted to the Management Board by the Combined ordinary and extraordinary Shareholders' Meeting on July 28, 2020. 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.22-10-62 (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 17:

#### Authorization delegating power to the Management Board to reduce the share capital by canceling treasury shares

##### Summary of resolution 17:

##### Purpose:

*Authorize your Management Board to cancel Company shares acquired pursuant to the authorization granted under the 16<sup>th</sup> resolution, except during a public offering period, within a limit of 10% of the share capital per 24 months, and to reduce the Company's share capital accordingly.*

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

*This authorization is valid for a period of 24 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings, and having reviewed the Management Board's report and the Statutory Auditors' special report, hereby:

1. Authorizes the Management Board, in accordance with the provisions of Article L.22-10-62 of the French Commercial Code, to cancel, on one or more occasions, the treasury shares held or acquired by the Company in implementation of Resolution 16 or any other such resolution having the same purpose and which is subject to the same legal provisions, for up to 10% of the Company's share capital by twenty-four (24) month periods, except during public offering periods, and to reduce the share capital accordingly. This 10% ceiling applies to the amount of the Company's share capital which will be adjusted, as necessary, to reflect capital transactions subsequent to the Annual Shareholders' Meeting.
2. Authorizes the Management Board to charge the difference between the redemption value of the canceled shares and their par value against the available premiums and reserves.
3. Grants all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to perform these share cancellation and capital reduction operations, notably to determine the final amount of the capital reduction, set

the terms and conditions and record the completion thereof, make the corresponding amendment to the Company's Articles of Association, complete all formalities required and make all declarations to all bodies and, in general, do all that is necessary.

4. Decides that this authorization is granted for a period of twenty-four (24) months from the date of this Shareholders' Meeting, the authorization granted to the Management Board by the Combined ordinary and extraordinary Shareholders' Meeting on September 16, 2019, having expired.

**Resolution 18:**

**Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, with preferential subscription rights maintained**

**Summary of resolution 18:**

**Purpose:**

*Delegate authority to the Management Board to decide to increase the share capital, with shareholders' preferential subscription rights maintained, by issuing ordinary Company shares and any other securities of any kind whatsoever, giving access by any means, immediately and/or in the future, to Company shares or debt securities and/or securities giving access to equity securities to be issued, it being specified that this delegation may not be used from the time a third-party files a public offer for the Company's securities until the end of the offer period. Shareholders will have, in proportion to the number of their shares, an irreducible preferential subscription right and, if the Management Board decides so, a reducible right to the ordinary shares and securities that would be issued on the basis of this resolution.*

**Ceilings:**

*Capital increase: 151,474 euros, or 30% of the current share capital.  
Debt securities giving immediate or future access to the capital: €40,000,000.  
The transactions will be included in the blanket ceiling set in Resolution 27.  
This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, ruling in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2, L.225-132, L.225-134 and Articles L.228-91 et seq.:

1. Acknowledges, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.
2. Delegates its authority to the Management Board to decide, in the amounts and at any time it deems appropriate, both in France and abroad (either in euros or in any other currency), on one or more capital increases, by issuing ordinary shares of the Company and/or securities giving access by any means, immediately or in the future, to shares to be issued by the Company or to debt securities and/or securities giving access to equity securities to be issued, the subscription for which may be effected either in cash or by offsetting receivables.

Any issuance of preference shares and securities giving access to preference shares is expressly excluded.

3. Decides to set the maximum nominal amount of the share capital increases that may be carried out immediately or in the future pursuant to this delegation at €151,474 (i.e. 30% of the share capital to date), to which shall be added, where applicable, the nominal amount of any additional shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the share capital, subject to the provisions of Resolution 27.
4. Decides that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €40,000,000 or its equivalent in foreign currencies, subject to the provisions of Resolution 27; this ceiling is independent of the amount of debt securities whose issue is decided or authorized by the Management Board in accordance with Article L.228-40 of the French Commercial Code (simple bonds).
5. Decides that shareholders may exercise, under the conditions provided for by law, their preferential subscription right, on an irreducible basis, to ordinary shares to be issued and to securities giving access to shares to be issued by the Company. In addition, the Management Board shall have



the right to grant shareholders the right to subscribe, on a reducible basis, for a number of ordinary shares or securities giving access to shares to be issued by the Company in excess of the number they are eligible to subscribe on an irreducible basis, in proportion to the subscription rights they hold and, in any event, within the limit of their request.

If the subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or securities as defined above, the Management Board may, at its discretion and in the order it deems appropriate, make use of the options provided under Article L.225-134 of the French Commercial Code.

6. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

7. Acknowledges that this resolution entails the waiver by shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities issued on the basis of this delegation may give entitlement.

8. Decides to grant all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular to:

- determine the terms and conditions of the capital increase(s) and/or issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium, if any, for which payment may be requested at the time of issue;
- determine the dates and terms of issue, the nature and form of the securities to be created, which may take the form of subordinated or unsubordinated securities, with or without a fixed term, and, in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their fixed or variable redemption price, with or without a premium, and the terms of amortization;
- determine the method of payment for the shares and/or securities issued;
- determine, if necessary, the terms and conditions for exercising the rights attached to the securities issued or to be issued on the basis of this resolution and, in particular, determine the date, including retroactively, from which the new shares will carry dividend rights, as well as any other terms and conditions for completing the issuance(s);

- determine the terms and conditions under which the Company may, as the case may be, purchase or exchange, at any time or during specified periods, the securities issued or to be issued;
- provide the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- determine the terms and conditions under which, where applicable, the rights of the holders of securities conferring future rights to shares of the Company will be preserved, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual provisions;
- at its sole discretion, charge the costs, fees and expenses of the capital increase(s) against the amount of the related premiums and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;
- determine the terms and conditions under which the Company may, as the case may be, purchase the subscription warrants at any time or during specified periods, with a view to cancelling them, in the event of the issuance of securities giving the right to the allocation of equity securities upon presentation of a warrant;
- in general, enter into all agreements, in particular to ensure the successful completion of the proposed transaction(s), take all measures and carry out all formalities necessary for the financial administration of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto.

9. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

**Resolution 19:**

**Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, without preferential subscription rights, in the event of a public offer**

**Summary of resolution 19:**

**Purpose:**

*Delegate to the Management Board the authority to decide to increase the share capital by way of a public offering, without shareholders' preferential subscription rights, by issuing ordinary shares of the Company and any other securities of any kind whatsoever, giving access by any means, immediately and/or in the future, to shares to be issued by the Company or giving the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, it being specified that this delegation may not be used from the time a third-party files a public offer for the Company's securities until the end of the offer period.*

*Five-day minimum shareholder priority subscription right.*

**Ceilings:**

*Capital increase: 100 982 euros, or 20% of the current share capital.*

*Share issue price: at least equal to the minimum authorized by the laws and regulations in force, i.e. the price must be at least equal to the weighted average of the share price during the last three trading days preceding the day on which the price is set, which may be reduced by a maximum discount of 5%.*

*Debt securities giving immediate or future access to the capital: €15,000,000.*

*The transactions will be included in the blanket ceiling set in Resolution 27.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2, L.225-134, L.225-135, L.225-136, Articles L.22-10-51, L.22-10-52 and Articles L. 228-91 et seq.:

1. Terminates, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.

2. Delegates its authority to the Management Board to decide, in the amounts and at any time it deems appropriate, both in France and abroad (either in euros or in any other currency), on one or more capital increases, as part of a public offering, by way of an issue, with cancellation of shareholders' preferential subscription rights, of ordinary shares of the Company and/or securities giving access by any means, immediately or in the future, to shares to be issued by the Company or to debt securities and/or securities giving access to equity securities to be issued, the subscription for which may be effected either in cash or by offsetting receivables.

Any issuance of preference shares and securities giving access to preference shares is expressly excluded.

3. Decides that the maximum nominal amount of the share capital increases that may be carried out immediately or in the future pursuant to this delegation shall be set at €100,982 (i.e. 20% of the share capital to date), to which shall be added, where applicable, the nominal amount of any additional shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the share capital, subject to the provisions of Resolution 27.

4. Decides that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €15,000,000 or its equivalent in foreign currencies, subject to the provisions of Resolution 27; this ceiling is independent of the amount of debt securities whose issue is decided or authorized by the Management Board in accordance with Article L. 228-40 of the French Commercial Code.

5. Decides to cancel shareholders' preferential subscription rights to ordinary shares and securities giving access to the Company's share capital, it being understood that the Management Board will be required to grant shareholders a priority subscription right (Priority Right), for a period of no less than five days. This priority subscription right will not give rise to the creation of negotiable rights, but may, if the Management Board deems it appropriate, be exercised on an irreducible or reducible basis.

6. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

7. Acknowledges that this resolution entails the waiver by shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities issued on the basis of this delegation may give entitlement.

8. Decides that, if the subscriptions carried out by shareholders or members of the public have not absorbed the entire issue of shares or securities as defined above, the Management Board may, at its discretion and in the order it deems appropriate, make use of the options provided under Article L.225-134 of the French Commercial Code.

9. Decides that the issue price of the ordinary shares shall be at least equal to the minimum price provided for by the legal and regulatory provisions in force at the time of issue.

10. Decides to set the maximum discount applicable to the capital increase at 5%; the issue price of the ordinary shares will, on the date of this Meeting, be at least equal to the weighted average of the share price during the last three trading days on the Euronext Paris regulated market preceding the day on which the subscription price of the capital increase is set, which may be reduced by a maximum discount of 5%, after correction, if necessary, of this average price in the event of a difference between the dividend dates.

11. Decides to grant all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular to:

- determine the terms and conditions of the capital increase(s) and/or issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium, if any, for which payment may be requested at the time of issue;
- determine the dates and terms of issue, the nature and form of the securities to be created, which may take the form of subordinated or unsubordinated securities, with or without a fixed term, and, in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their fixed or variable redemption price, with or without a premium, and the terms of amortization;
- determine the method of payment for the shares and/or securities issued;
- determine, if necessary, the terms and conditions for exercising the rights attached to the securities issued or to be issued and, in particular, determine the date, including retroactively, from which the new shares will carry dividend rights, as well as any other terms and conditions for completing the issuance(s);

- determine the terms and conditions under which the Company may, as the case may be, purchase or exchange, at any time or during specified periods, the securities issued or to be issued;
- provide the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- determine the terms and conditions under which, where applicable, the rights of the holders of securities conferring future rights to shares of the Company will be preserved, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual provisions;
- at its sole discretion, charge the costs, fees and expenses of the capital increase(s) against the amount of the related premiums and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;
- determine the terms and conditions under which the Company may, as the case may be, purchase the subscription warrants at any time or during specified periods, with a view to cancelling them, in the event of the issuance of securities giving the right to the allocation of equity securities upon presentation of a warrant;
- in general, enter into all agreements, in particular to ensure the successful completion of the proposed transaction(s), take all measures and carry out all formalities necessary for the financial administration of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally take all necessary measures.

12. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

**Resolution 20:**

**Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to allocate debt securities and/or securities giving access to equity securities to be issued, without preferential subscription rights, in the event of a private placement**

**Summary of resolution 20:**

**Purpose:**

*Delegate to the Management Board the authority to decide to increase the share capital by way of a private placement, without shareholders' preferential subscription rights, by issuing ordinary shares of the Company and any other securities of any kind whatsoever, giving access by any means, immediately and/or in the future, to shares to be issued by the Company or giving the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, without priority rights, it being specified that this delegation may not be used from the time a third-party files a public offer for the Company's securities until the end of the offer period.*

**Ceilings:**

*Capital increase: 10% of the current share capital.*

*Share issue price: at least equal to the minimum authorized by the laws and regulations in force, i.e. the price must be at least equal to the weighted average of the share price during the last three trading days preceding the day on which the price is set, which may be reduced by a maximum discount of 5%.*

*Debt securities giving immediate or future access to the capital: €15,000,000.*

*The transactions will be included in the ceiling set in Resolution 19 and the blanket ceiling set in Resolution 27.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2, L.225-135, L.225-136, L.22-10-51, L.22-10-52, Articles L.228-91 et seq., and Article L.411-2 of the French Monetary and Financial Code:

1. Delegates to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, its authority to decide to increase the share capital, in the context of an offer referred to in section II of Article L.411-2 II of the French Monetary and Financial Code per twelve-month period, on one or more occasions, in the amount and at any time it may deem appropriate, by issuing, both in France and abroad, in euros or in foreign currencies, without preferential subscription rights for shareholders, ordinary shares of the Company and/or securities giving immediate or future access, by any means, to shares to be issued by the Company or to debt securities and/or securities giving access to equity securities to be issued, the subscription of which may be made either in cash or through the offsetting of receivables.

Any issuance of preference shares and securities giving access to preference shares is expressly excluded.

2. Decides that the maximum nominal amount of the share capital increases that may be carried out immediately or in the future pursuant to this delegation shall not exceed 10% of the share capital as of the date hereof, to which shall be added, where applicable, the nominal amount of any additional shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the share capital. This nominal amount will be included in the ceiling set in Resolution 19 within the limit of the blanket ceiling set in Resolution 27.

3. Decides that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €15,000,000 or its equivalent in foreign currencies, subject to the provisions of Resolutions 19 and 27; this ceiling is independent of the amount of debt securities whose issue is decided or authorized by the Management Board in accordance with Article L.27 of the French Commercial Code.

4. Decides to cancel shareholders' preferential subscription rights to ordinary shares and securities giving access to the Company's share capital.

5. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

6. Acknowledges that this resolution entails the waiver by shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities issued on the basis of this delegation may give entitlement.

7. Decides that, if the subscriptions carried out have not absorbed the entire issue of shares or securities as defined above, the Management Board may, at its discretion and in the order it deems appropriate, make use of the options provided under Article L.225-134 of the French Commercial Code.

8. Decides that the issue price of the ordinary shares shall be at least equal to the minimum price provided for by the legal and regulatory provisions in force at the time of issue.

9. Decides to set the maximum discount applicable to the capital increase at 5%; the issue price of the ordinary shares will, on the date of this Meeting, be at least equal to the weighted average of the share price during the last three trading days on the Euronext Paris regulated market preceding the day on which the subscription price of the capital increase is set, which may be reduced by a maximum discount of 5%, after correction, if necessary, of this average price in the event of a difference between the dividend dates.

10. Decides to grant all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular to:

- determine the terms and conditions of the capital increase(s) and/or issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium, if any, for which payment may be requested at the time of issue;
- determine the dates and terms of issue, the nature and form of the securities to be created, which may take the form of subordinated or unsubordinated securities, with or without a fixed term, and, in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their fixed or variable redemption price, with or without a premium, and the terms of amortization;
- determine the method of payment for the shares and/or securities issued;
- determine, if necessary, the terms and conditions for exercising the rights attached to the securities issued or to be issued and, in particular, determine the date, including retroactively, from which the new shares will carry dividend rights, as well as any other terms and conditions for completing the issuance(s);

- determine the terms and conditions under which the Company may, as the case may be, purchase or exchange, at any time or during specified periods, the securities issued or to be issued;
- provide the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- determine the terms and conditions under which, where applicable, the rights of the holders of securities conferring future rights to shares of the Company will be preserved, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual provisions;
- at its sole discretion, charge the costs, fees and expenses of the capital increase(s) against the amount of the related premiums and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;
- determine the terms and conditions under which the Company may, as the case may be, purchase the subscription warrants at any time or during specified periods, with a view to cancelling them, in the event of the issuance of securities giving the right to the allocation of equity securities upon presentation of a warrant;
- in general, enter into all agreements, in particular to ensure the successful completion of the proposed transaction(s), take all measures and carry out all formalities necessary for the financial administration of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally take all necessary measures.

11. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

**Resolution 21:**

**Delegation of powers to the Management Board to increase the number of securities to be issued in the event of excess demand upon completion of a capital increase with preferential subscription rights, up to a maximum of 15% of the initial issue**

**Summary of resolution 21:**

**Purpose:**

*Delegate authority to the Management Board to decide to increase the share capital, with preferential subscription rights, by issuing additional ordinary shares or any securities giving access to shares to be issued by the Company, over a period of thirty (30) days from the closing date of the subscription, within the limit of:*

- i) 15% of the initial issue, and*
- ii) the ceiling provided for in Resolution 18 under which the capital increase will be decided, and at the same price as that retained for the initial issue.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.
2. Delegates authority to the Management Board to decide, in the event of an excess subscription request during a share capital increase decided pursuant to Resolution 18 presented to this Meeting, to increase the number of ordinary shares and securities to be issued under the conditions set out in Article L.225-135-1 of the French Commercial Code, within thirty days of the closing date of the subscription, at the same price as that used for the initial issue and within the limit of 15% of the initial issue, subject to the ceiling provided for by Resolution 18 pursuant to which the issue is decided and, within the limits of the ceilings referred to in the Resolution 27.
3. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

4. Decides that the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, shall have the same powers as those granted under Resolutions 18, 19 and 20 above, subject to the applicable legal and regulatory provisions.

5. Decides that this authorization is granted to the Management Board for a period of twenty-six (26) months as from the date hereof.

**Resolution 22:**

**Delegation of powers to the Management Board to increase the number of securities to be issued in the event of excess demand upon completion of a capital increase with or without preferential subscription rights, within the context of a public offering, up to a maximum of 15% of the initial issue**

**Summary of resolution 22:**

**Purpose:**

*Delegate authority to the Management Board to decide to increase the share capital, without preferential subscription rights, with a public offering, by issuing additional ordinary shares or any securities giving access to shares to be issued by the Company, over a period of thirty (30) days from the closing date of the subscription, within the limit of:*

- iii) 15% of the initial issue, and*
- iv) the ceiling provided for in Resolution 19 under which the capital increase will be decided, and at the same price as that retained for the initial issue.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.
2. Delegates authority to the Management Board to decide, in the event of an excess subscription request during a share capital increase decided pursuant to Resolutions 19 presented to this Meeting, to increase the number of ordinary shares and securities to be issued under the conditions set out in Article L.225-135-1 of the French Commercial Code, within thirty days of the closing date of the subscription, at the same price as

that used for the initial issue and within the limit of 15% of the initial issue, subject to the ceiling provided for in Resolution 19 pursuant to which the issue is decided and, within the limits of the ceilings referred to in the Resolution 27.

3. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

4. Decides that the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, shall have the same powers as those granted under Resolution 19 above, subject to the applicable legal and regulatory provisions.

5. Decides that this authorization is granted to the Management Board for a period of twenty-six (26) months as from the date hereof.

#### **Resolution 23:**

**Delegation of powers to the Management Board to increase the number of securities to be issued in the event of excess demand upon completion of a capital increase without preferential subscription rights, within the context of a private placement, up to a maximum of 15% of the initial issue**

##### **Summary of resolution 23:**

###### **Purpose:**

*Delegate authority to the Management Board to decide to increase the share capital, without preferential subscription rights, within the context of a private placement, by issuing additional ordinary shares or any securities giving access to shares to be issued by the Company, over a period of thirty (30) days from the closing date of the subscription, within the limit of:*

- i) 15% of the initial issue, and*
- ii) the ceiling provided for in Resolution 20 under which the capital increase will be decided, and at the same price as that retained for the initial issue.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.

2. Delegates authority to the Management Board to decide, in the event of an excess subscription request during a share capital increase decided pursuant to Resolutions 20 presented to this Meeting, to increase the number of ordinary shares and securities to be issued under the conditions set out in Article L.225-135-1 of the French Commercial Code, within thirty days of the closing date of the subscription, at the same price as that used for the initial issue and within the limit of 15% of the initial issue, subject to the ceiling provided for in Resolution 20 pursuant to which the issue is decided and, within the limits of the ceilings referred to in the Resolution 27.

3. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

4. Decides that the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, shall have the same powers as those granted under Resolutions 20 above, subject to the applicable legal and regulatory provisions.

5. Decides that this authorization is granted to the Management Board for a period of twenty-six (26) months as from the date hereof.

**Resolution 24:**

**Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to allocate debt securities and/or securities giving access to equity securities to be issued up to a maximum of 10% without preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third-party companies outside a public exchange offer**

**Summary of resolution 24:**

**Purpose:**

*Delegate to the Management Board its authority to increase the share capital, on the basis of the report of the Contributions Auditor, in order to remunerate contributions in kind granted to the Company and consisting of ordinary shares or securities giving access to the share capital of another company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, other than in the event of a public exchange offer initiated by the Company.*

*The purpose of this resolution is to facilitate the Company's acquisition or merger transactions with other companies, without having to pay in cash.*

**Ceilings:**

*Capital increase: 10% of the current share capital.*

*Debt securities giving immediate or future access to the capital: €15,000,000.*

*The transactions will be included in the ceiling set in Resolution 19 and the blanket ceiling set in Resolution 27.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 and L.22-10-53:

1. Terminates, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.
2. Delegates to the Management Board its authority to decide, on one or more occasions, on the basis of the report of the Contributions Auditor, to issue ordinary shares or securities giving access, by any means, immediately or in

the future, to ordinary shares to be issued by the Company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, in order to remunerate contributions in kind granted to the Company and consisting of shares or securities giving access to the capital of other companies or to debt securities and/or securities giving access to equity securities to be issued, when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable.

3. Decides that the total nominal amount of the share capital increases that may be carried out, immediately and/or in the future, pursuant to this delegation, is set at 10% of the share capital as at the date of this Annual Shareholders' Meeting. This nominal amount will be included in the ceiling set in Resolution 19 within the limit of the blanket ceiling set in Resolution 27.
4. Decides that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €15,000,000 or the equivalent value of this amount in any other currency or unit of account on the date of the issuance decision, it being specified that this amount does not include the redemption premium(s) above par, where applicable. This nominal amount will be included in the ceiling set in Resolution 19 within the limit of the blanket ceiling set in Resolution 27.
5. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.
6. Acknowledges, as necessary, that this delegation entails the waiver by shareholders of their preferential subscription rights to the shares or securities to which the securities issued on the basis of this delegation may give entitlement.
7. The Management Board shall have full powers, with the option of sub-delegating such powers to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, in particular to decide, on the basis of the report of the Contributions Auditor, on the valuation of the contributions and, where applicable, on the granting of special benefits to set the number of shares or securities giving access to the Company's capital and, if necessary, make any adjustment to their values, record the final completion of the capital increases carried out pursuant to this delegation, amend the Articles of Association accordingly, carry out all formalities and declarations, proceed, where necessary, with any set-off against the contribution premium account(s) and, in particular, against the cost(s) incurred in carrying out the issues, and more generally take any other appropriate action.
8. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.



**Resolution 25:**

**Delegation of powers to the Management Board to issue ordinary shares or securities giving access to the Company's share capital or granting the right to allocate debt securities and/or securities giving access to equity securities to be issued up to a maximum of 10% without preferential subscription rights, to remunerate contributions in kind granted to the Company and consisting of shares or securities of third-party companies as part of a public exchange offer initiated by the Company**

**Summary of resolution 25:**

**Purpose:**

*Delegate to the Management Board its authority to increase the share capital, on the basis of the report of the Contributions Auditor, in order to remunerate contributions in kind granted to the Company and consisting of ordinary shares or securities giving access to the share capital of another company or granting the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, in the event of a public exchange offer initiated by the Company.*

**Ceilings:**

*Capital increase: 10% of the current share capital.  
The transactions will be included in the ceiling set in Resolution 19 and the blanket ceiling set in Resolution 27.  
This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report and the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 and L.22-10-54:

1. Delegates to the Management Board the authority to decide to issue shares of the Company, or securities giving access by any means, immediately or in the future, to existing or future shares of the Company or giving the right to the allocation of debt securities and/or securities giving access to equity securities to be issued, as consideration for securities contributed to a public offer involving an exchange component initiated by the Company in France or (depending on local qualifications and rules) abroad, for securities of another company admitted to trading on one of the regulated markets referred to in Article L.22-10-54 of the French Commercial Code.

2. Decides that the maximum nominal amount of any immediate or future increases in the Company's share capital carried out pursuant to this delegation may not exceed 10% of the amount of the share capital as of the date of this Annual Shareholders' Meeting. To this ceiling shall be added, where applicable, the nominal amount of the shares to be issued to protect, in accordance with applicable legal and regulatory provisions and any applicable contractual provisions providing for other cases of adjustment, the rights of the holders of securities or of other rights giving access to the Company's share capital. This nominal amount will be included in the ceiling set in Resolution 19 within the limit of the blanket ceiling set in Resolution 27.

3. Decides that the nominal amount of all debt securities that may be issued pursuant to this resolution may not exceed €15,000,000 or the equivalent value of this amount in any other currency or unit of account on the date of the issuance decision, it being specified that this amount does not include the redemption premium(s) above par, where applicable. This nominal amount will be included in the ceiling set in Resolution 19 within the limit of the blanket ceiling set in Resolution 27.

4. Acknowledges, as necessary, that this delegation entails the waiver by shareholders of their preferential subscription rights (i) to the shares and securities thus issued and (ii) to the shares of the Company to which the securities issued on the basis of this delegation may give entitlement.

5. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

6. Grants all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this resolution, and in particular:

- to set the terms, conditions and details of the transaction, within the limits set by the applicable legal and regulatory provisions and this resolution;
- to determine the exchange ratio as well as, where applicable, the amount of the cash balance to be paid;
- to record the number of shares contributed to the exchange;
- to determine the dates, issue conditions, in particular the price and dividend entitlement date (including retroactively), of the new shares and, where applicable, of the securities giving immediate or future access to a proportion of the Company's share capital;

- to suspend, if necessary, the exercise of the rights attached to these shares for a maximum period of three months within the limits provided by the applicable legal and regulatory provisions;
- to record under liabilities on the balance sheet, in a “contribution premium” account to which all shareholders shall have rights, the difference between the issue price of the new shares and their nominal value;
- to charge, at its sole discretion, the costs of any issue against the “contribution premium” account and to deduct from said account the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase; and
- to generally take all necessary measures, enter into all agreements (in particular with a view to ensuring the successful completion of the issue), request all authorizations, carry out all formalities and take all necessary steps to ensure the successful completion or postponement of the planned issue, and in particular to record the capital increase or increases resulting from any issue made under this delegation, amend the Company’s Articles of Association accordingly, request the admission to the Euronext Paris market of any securities issued under this delegation, and ensure the financial management of the securities involved and the exercise of the rights attached thereto.

7. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

**Resolution 26:**

**Delegation of powers to the Management Board to increase the share capital of the Company by issuing ordinary shares or securities giving access to the share capital, without shareholders’ preferential subscription rights, to employees participating in a Company Savings Plan and to corporate officers eligible for the Company Savings Plan**

**Summary of resolution 26:**

**Purpose:**

*Delegate authority to the Management Board to decide to increase the share capital of the Company in favor of employees who are members of the Company Savings Plan and corporate officers eligible for the Company Savings Plan.*

**Ceilings:**

*Capital increase: 5% of the share capital.  
The transactions will be included in the blanket ceiling set in Resolution 27.  
This authorization is valid for a period of 26 months as of the Annual Shareholders’ Meeting on July 27, 2021.*

The Annual Shareholders’ Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders’ Meetings and having reviewed the Management Board’s report and the Statutory Auditors’ special report, in accordance with the provisions of Articles L.3332-1 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 to L.225-129-6 et seq. and Article L.225-138-1 of the French Commercial Code:

1. Terminates, with immediate effect, the delegation granted to the Management Board by the Combined ordinary and extraordinary Shareholders’ Meeting of September 16, 2019, which had the same purpose.

2. Delegates its authority to the Management Board to increase the share capital, on one or more occasions, at its sole discretion, by issuing ordinary shares or securities giving access to the share capital of the Company reserved for employees or corporate officers of the Company and/or of a group company, whether French or foreign, affiliated with the Group within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, who are members of (i) a Company Savings Plan and/or (ii) a Group Savings Plan, for up to 5% of the share capital on the date of implementation of this delegation and within the limit of the overall ceiling provided for in Resolution 27.

To this ceiling shall be added, where applicable, the nominal value of the ordinary shares to be issued to protect, in accordance with the law, the rights of holders of securities giving access to the Company’s share capital.

3. Decides to cancel, in favor of the above-mentioned beneficiaries, the shareholders’ preferential subscription rights to the new ordinary shares or securities to be issued and to the shares and securities to which they will give entitlement, pursuant to this resolution, and to waive any entitlement to ordinary shares and securities giving access to the Company’s share capital that may be allocated under the terms of this resolution.

4. Decides that the subscription price of the new shares, set by the Management Board in accordance with the provisions of Article L.3332-19 of the French Labor Code at the time of each issue, may not be more than 30% lower than the average opening share price on the Euronext Paris market during the twenty trading days preceding the date on which the Management Board decides on the subscription opening date, it being specified that the Management Board may set a discount lower than this maximum discount of 30%.

5. Decides, pursuant to Article L.3332-21 of the French Labor Code, that the Management Board may grant, free of charge, ordinary shares or other securities giving immediate or future access to ordinary shares of the Company in respect of the employer contribution and/or, where applicable, as a substitute for the discount, it being understood that the total benefit



resulting from this allocation in respect of the discount and/or contribution may not exceed the legal or regulatory limits. The Board and may also decide, in the event of the issue of new shares or securities in respect of the discount and/or the contribution, to incorporate into the share capital the reserves, retained earnings or share premiums necessary for the payment of the aforementioned shares.

6. Authorizes the Management Board, under the conditions of this delegation, to sell shares to members of an employee savings plan as provided for in Article L.3332-24 of the French Labor Code, it being specified that the sales of shares made at a discount to members of one or more employee savings plans covered by this resolution shall be included in the amount of the ceiling referred to in paragraph 2 above, in the nominal value of the shares thus sold.

7. Decides that the characteristics of issuances of securities giving access to the Company's share capital shall be determined by the Management Board under the conditions set by law.

8. The Annual Shareholders' Meeting grants all powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation, and in particular:

- to determine and lay down the terms and conditions for the issue and allocation of free shares or securities giving access to the share capital, pursuant to this delegation;
- to determine the amount to be issued, the issue price, the terms and conditions of each issue;
- to determine the opening and closing dates of the subscription period;
- to set, within the legal limits, the period granted to subscribers for the payment of shares and, where applicable, securities giving access to the Company's share capital;
- to determine the date, including retroactively, from which the new ordinary shares and, where applicable, the securities giving access to the Company's share capital will carry dividend rights;
- to set the terms and conditions of the transactions to be carried out pursuant to this delegation and to request the admission to trading of the securities created wherever it deems fit,

9. The Management Board shall also have, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, all powers to record the completion of capital increases in the amount of the shares actually subscribed, to amend the Articles of Association accordingly, to carry out, at its sole discretion, either directly or through an agent, all transactions and formalities related to the share capital increases and, if it deems it appropriate, to charge the costs of the share

capital increases against the amount of the premiums relating to these transactions and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase, and to carry out all formalities and declarations with the relevant bodies and take all other necessary measures.

10. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

**Resolution 27:  
Overall limitation of delegations**

**Summary of resolution 27:**

**Purpose:**

*Set at €151,474, or 30% of the share capital, the total amount of share capital increases that may be carried out immediately or in the future, pursuant to all the delegations and authorizations granted by*

- i) Resolutions 18 to 26 above, with each resolution having a sub-ceiling that is included in this overall ceiling, and*
- ii) Resolutions 25 and 26 of the Combined ordinary and extraordinary Shareholders Meeting of September 16, 2019 on authorizations granted to the Management Board for free share allocations.*

*Set at €40,000,000 the maximum nominal amount of debt securities that may be issued pursuant to the authorizations granted by Resolutions 18 to 25 above. Each resolution has a sub-ceiling that is included in this overall ceiling.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings, and having reviewed the Management Board's report, hereby decides:

- to set the maximum cumulative nominal amount of the immediate or future share capital increases that may be carried out pursuant to the delegations and authorizations granted by Resolutions 18 to 26 above, and Resolutions 25 and 26 of the Combined ordinary and extraordinary Shareholders Meeting of September 19, 2019, at €151,474 (30% of the share capital), it being specified that to this nominal amount shall be added, where applicable, the nominal amount of additional shares to be issued to preserve, in accordance with the law, the rights of holders of rights attached to securities giving access to the share capital and to preserve the rights of holders of free shares;
- to set at €40,000,000 or its equivalent in foreign currencies, the maximum nominal amount of debt securities that may be issued pursuant to the delegations and authorizations granted by Resolutions 18 to 25 above.

**Resolution 28:  
Delegation of powers to authorize the Management Board to increase the share capital by incorporating reserves, profits, issue premiums or contribution premiums**

**Summary of resolution 28:**

**Purpose:**

*Delegate to the Management Board the authority to increase the share capital, up to a maximum nominal amount of €400,000, by capitalizing premiums, reserves, retained earnings or other amounts that may be capitalized by law and the Articles of Association, in the form of a free allocation of shares or an increase in the nominal value of existing shares, or by using both methods in combination.*

*This authorization is valid for a period of 26 months as of the Annual Shareholders' Meeting on July 27, 2021.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report, in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code and, in particular, Articles L.225-129-2 and L.22-10-50, hereby:

1. Terminates, with immediate effect, the delegation of authority granted by the Combined ordinary and extraordinary Shareholders' Meeting of September 16, 2019, which had the same purpose.

2. Delegates to the Management Board its authority to increase the share capital, on one or more occasions, in the proportions and at such times as it shall deem appropriate, up to a maximum nominal amount of €400,000, by the successive or simultaneous capitalization of all or part of the reserves, retained earnings or issue premiums, through the creation and free allocation of ordinary shares, the increase in the nominal or par value of capital securities or a combination of these two methods. This limit will be increased by the amount of capital necessary to preserve, in accordance with the law, the rights of holders of securities giving access to the Company's share capital, share subscription options or free shares.

The above-mentioned ceiling is independent and autonomous from the ceiling referred to in Resolution 27.

3. Decides that the Management Board may not, except with the prior authorization of the Annual Shareholders' Meeting, make use of this delegation of authority from the time of the filing by a third-party of a public offer for the Company's shares until the end of the offer period.

4. The Annual Shareholders' Meeting decides that fractional rights will be neither negotiable nor transferable, and that the corresponding equity securities will be sold. The proceeds from the sale thereof will be allocated to the holders of the rights within the period provided for by the regulations.

5. The Annual Shareholders' Meeting grants full powers to the Management Board, with the option of sub-delegating to any person authorized by the applicable legal and regulatory provisions, to implement this delegation and in particular to determine the dates and terms of the issues, make any adjustment and preserve any rights, set the prices and conditions of the issues, set the amounts to be issued, and more generally take all measures to ensure their successful completion, perform any acts and formalities to make the corresponding capital increase or increases final and amend the Articles of Association accordingly.

6. The delegation thus granted to the Management Board is valid for a period of twenty-six (26) months, as from the date hereof.

**Resolution 29:  
Amendment to Article 18 of the Company's Articles of Association regarding the appointment of a member to the Supervisory Board representing the Company's employee shareholders**

**Summary of resolution 29:**

**Purpose:**

*Pursuant to Articles L.225-71 and L.22-10-22 of the French Commercial Code, as a result of the fact that the Wavestone group's employee shareholders have exceeded the threshold of 3% of the Company's capital, you are asked to introduce the principle and conditions for the appointment of a member representing the employee shareholders to the Company's Supervisory Board.*

The Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report, in accordance with Articles L.225-71 and L.22-10-22 of the French Commercial Code, hereby resolves to introduce into the Company's Articles of Association the provisions relating to the principle and conditions of appointment of a member of the Supervisory Board representing employee shareholders and to add a paragraph IV entitled "MEMBER OF THE SUPERVISORY BOARD REPRESENTING EMPLOYEE SHAREHOLDERS" to Article 18 of the Company's Articles of Association, worded as follows:

*"IV - MEMBER OF THE SUPERVISORY BOARD REPRESENTING EMPLOYEE SHAREHOLDERS*

When the Management Board's report to the Annual ordinary Shareholders' Meeting establishes that the shares held, under the conditions of Article L.225-102 of the French Commercial Code, by the personnel of the Company as well as the personnel of companies which are linked to the Company according to Article L.225-180 of the French Commercial Code represent more than 3% of the Company's share capital at the end of the fiscal year to which the report relates, a member of the Supervisory Board representing employee shareholders must be appointed by the ordinary Shareholders' Meeting in accordance with the legal and regulatory provisions in force and with these Articles of Association.

*1°) Designation of candidates*

*The member of the Supervisory Board representing employee shareholders shall be chosen from a list of candidates designated as follows.*

*1) when employee shareholders' shares are held in one or more company mutual funds (FCPE), it is up to each FCPE supervisory board to designate a candidate from among its members representing employee shareholders who have submitted an application.*

If there is more than one FCPE, the Chairman of the Management Board may decide to combine the FCPE supervisory boards so that they may designate a fixed number of candidates, to be determined by the Chairman. The candidates are designated by a majority of the votes cast by the FCPE supervisory boards, with each FCPE having a number of votes corresponding to the number of Company shares held in the assets of the FCPE.

*2) when employee shareholders' shares are held directly by the employee shareholders and/or voting rights are exercised directly by them, a candidate is designated by a vote of these employee shareholders.*

*The terms and conditions relating to the organization and timetable of the election of the member of the Supervisory Board representing employee shareholders, not specified by applicable laws or regulations or by these Articles of Association, shall be determined by the Chairman of the Management Board, with the option of sub-delegation, in a regulation (the "Regulation"). The Regulations shall be brought to the attention of the supervisory board members of the FCPEs and of the employee shareholders in the context of the procedure for the designation of candidates provided for above, by any means.*

*2°) Nomination of the Supervisory Board member representing employee shareholders by the ordinary Shareholders' Meeting*

*The Supervisory Board member representing employee shareholders is nominated by the ordinary Shareholders' Meeting.*

*As many resolutions as there are candidates shall be submitted to the vote of the ordinary Shareholders' Meeting, with the candidate receiving the most votes being appointed as the Supervisory Board member representing the employee shareholders.*

*In the event of a tie, the candidate nominated as the Supervisory Board member representing employee shareholders will be determined according to the following criteria:*

- *the candidate with the most seniority within the Company or its affiliates within the meaning of Article L. 225-180; and, failing that,*
- *the eldest candidate.*

*3°) Term of office of the Supervisory Board member representing employee shareholders*

*The term of office of the Supervisory Board member representing employee shareholders is four years. His or her term of office expires at the end of the ordinary Shareholders' Meeting called to approve the financial statements for the previous fiscal year, held in the year in which the term of office expires.*

*If the threshold of 3% of the Company's share capital is passed after the appointment of the member of the Supervisory Board representing employee shareholders, this will have no effect on his or her term of office.*

*Supervisory Board members representing employee shareholders shall be deemed to have resigned automatically (i) in the event of their ceasing to be employees of the Company or of an affiliated company within the meaning of Article L.225-180 of the French Commercial Code, (ii) in the event of their ceasing to be shareholders of the Company, or (iii) in the event of their ceasing to be members of the Supervisory Board of an FCPE. This automatic resignation shall take effect on the date on which the Supervisory Board member representing employee shareholders loses his or her status as an employee or shareholder (or alternatively as a member of the FCPE Supervisory Board).*

**Resolution 30:**

**Amendment to Article 18 of the Company's Articles of Association relating to the election by employees of an employee as a Supervisory Board member, pursuant to Articles L.225-71, L.225-79 and L.22-10-22 of the French Commercial Code**

**Summary of resolution 30:**

**Purpose:**

*In accordance with Articles L.225-71 and L.22-10-22 of the French Commercial Code and in view of the amendments to the Articles of Association provided for in Resolution 29, you are asked to introduce the principle and conditions for the appointment of a member representing employees to the Company's Supervisory Board under the optional scheme provided for in Article L.225-79 of the French Commercial Code.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for extraordinary Shareholders' Meetings and having reviewed the Management Board's report, decides, in accordance with the provisions of Articles L.225-71, L.225-79 and L.22-10-22 of the French Commercial Code, to amend Article 18 of the Company's Articles of Association as follows:

| Former text   | New text  |
|---|---|
| <p><b>"ARTICLE 18: COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD</b><br/>.../...</p> <p><b>III - SUPERVISORY BOARD MEMBERS REPRESENTING EMPLOYEES</b></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"> <li>• <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 12, one employee representative is appointed.</i></li> <li>• <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 12, two employee representatives are appointed.</i></li> </ul> <p><i>As an exception to the obligation set forth in Article 18 of these Articles of Association, members representing employees are not required to own shares in the Company.</i></p> <p><i>The term of office of the Supervisory Board members representing employees is four years, renewable.</i></p> <p><i>The term of office of the Supervisory Board members representing employees shall expire prematurely in accordance with legal and regulatory conditions.</i></p> <p><i>It is subject to the rules of incompatibility provided by law.</i></p> <p><i>In the event of a vacant seat of a Supervisory Board member representing employees, the vacancy is filled by a new appointment at the first ordinary meeting of the Social and Economic Committee following the Supervisory Board's acknowledgement of said vacancy.</i></p> <p><i>The provisions of this article shall automatically cease to apply when, at the end of a fiscal year, the Company no longer meets the conditions requiring the appointment of a Supervisory Board member representing employees, it being specified that the term of office of any Supervisory Board member representing employees appointed pursuant to this article shall expire at the end of such term.</i></p> | <p><b>"ARTICLE 18: COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BOARD</b><br/>.../...</p> <p><b>III - EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD</b></p> <p><b>Supervisory Board members representing employees appointed in accordance with Article L.225-79-2 of the French Commercial Code</b><br/>.../...</p> <p><b>Supervisory Board members representing employees appointed in accordance with Article L.225-79 of the French Commercial Code</b></p> <p><i>Pursuant to Article L.225-79 of the French Commercial Code, the Supervisory Board includes one member representing employees, appointed by the employees of the Company and its direct or indirect subsidiaries whose registered office is in France, in accordance with the provisions of Article L.225-79 of the Commercial Code.</i></p> <p><i>The terms and conditions of this election are determined by the provisions of the French Commercial Code and by these Articles of Association.</i></p> <p><i>Employees of the Company and its subsidiaries who meet the conditions required by the French Commercial Code are eligible to vote and to stand for election, it being specified that each candidacy must include, in addition to the name of the candidate, that of his or her alternate in the event of a vacancy.</i></p> <p><i>For the vacant seat, the election is held by a two-round majority vote. The candidate having obtained an absolute majority of the votes cast in the first round and a relative majority in the second round is declared elected.</i></p> <p><i>In the event of a vacancy in the said member's seat, the vacancy shall be filled by the replacement when the election was held by majority vote or by the candidate following the last elected when the election was held by ballot.</i></p> <p><i>The term of office of the Supervisory Board member representing employees appointed under Article L.225-79 of the French Commercial Code is four years, renewable.</i></p> <p><i>The term of office of the Supervisory Board member representing employees appointed under Article L.225-79 of the French Commercial Code shall expire prematurely in accordance with legal and regulatory conditions.</i></p> <p><i>The Supervisory Board member representing employees appointed under Article L.225-79 of the French Commercial Code is subject to the rules of incompatibility provided by law.</i></p> <p><i>The terms and conditions relating to the organization and conduct of the election of the Supervisory Board member representing employees designated pursuant to Article L.225-79 of the French Commercial Code, which are not specified by applicable laws or regulations or by these Articles of Association, shall be determined by the Chairman of the Management Board, with the option of sub-delegation, in election regulations (the «Regulations») specifying, in particular, the timetable and organization of the voting procedure, which shall be brought to the attention of the employees by any means."</i></p> |

**Resolution 31:**  
**Powers for formalities**

**Summary of resolution 31:**

**Purpose:**

*This resolution is proposed to grant the powers to carry out the formalities required following the General Meeting.*

The annual General Meeting, deliberating under the quorum and majority conditions required for extraordinary General Meetings, grants full powers to the bearer of the original or copy of the minutes of this annual General Meeting to carry out all filings and other formalities as required.

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# 06

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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](http://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 registration document

Pascal Imbert, CEO.

### Statement by the person responsible for the registration document

*"I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its scope.*

*I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all the companies included in the scope of consolidation, and that the management report on page 66 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."*

Paris, 07/15/21

Pascal Imbert, CEO

## Persons responsible for the statutory audit and auditors

### 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 07/28/20; mandate due to expire at the close of the Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ending 03/31/26, represented by Mr. Bruno Pouget.

Aca Nexia, 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 Ms. Sandrine Gimat.

### Substitute Statutory Auditors

Pimpaneau et 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

E-mail : [action@Wavestone.com](mailto:action@Wavestone.com)

# Universal Registration Document cross-reference table

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na: not applicable

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na: not applicable

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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 03/31/20, as presented on pages 154 to 190 of the Annual Report filed with the AMF on 07/23/20 under number D.20-0700.
- The corporate financial statements for Wavestone and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 03/31/20, as presented on pages 191 to 212 of the Annual Report filed with the AMF on 07/23/20 under number D.20-0700.
- The review of the company's financial situation and its results for the fiscal year ended 03/31/20, as presented on pages 36 to 45 of the Annual Report filed with the AMF on 07/23/20 under number D.20-0700.
- 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.

## Management report cross-reference table

This annual report includes all items of the Board of Directors' management report outlined in Articles L.225-100 et seq. of the French Commercial Code.

Hereafter, you will find references to the extracts of this annual report that correspond with various sections of the management report as approved by Wavestone's Board of Directors.

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na: not applicable

## Corporate governance report cross-reference table

This annual report includes all items of the corporate governance report outlined in Articles L.225-37 et seq. of the French Commercial Code.

Hereafter, you will find references to the extracts of this annual report that correspond with various sections of the corporate governance report as approved by Wavestone's Board of Directors.

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## **WAVESTONE**

Tour Franklin : 100/101, terrasse Boieldieu  
92042 Paris La Défense Cedex  
Tel.: 33 1 49 03 20 00 / Fax: 33 1 49 03 20 01

[www.wavestone.com](http://www.wavestone.com)

 [@wavestoneFR](https://twitter.com/wavestoneFR)