

# WAVESTONE

**Universal Registration Document  
2022/23**



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

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

*This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.*

WAVESTONE

**CORPORATE PROFILE**

2022/23



# Summary

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INTERVIEW WITH

# Pascal Imbert

## Chairman & CEO of Wavestone



### **A year ago, you told us that you wanted to remain active in terms of external growth. With three acquisitions completed in fiscal 2022/23, has this objective been met?**

We were indeed active in external growth in 2022/23. We acquired a total of three companies, representing full-year revenue of around €35m. These acquisitions have enabled us to strengthen both our expertise and our international positions.

At the beginning of the year, the French consulting firm Nomadéis, specializing in sustainable development, joined us. Nomadéis' expertise is now the spearhead of our Sustainability business, through which we support our clients in their sustainable transformations.

Then, in mid-year, we acquired two consulting firms in the UK: PEN Partnership, expert in transformation projects in the financial services and life science sectors, and Coeus Consulting, specialized in IT strategy. With these two acquisitions, Wavestone has changed dimension in the UK, tripling its full-year revenue to around £45m (-€52m).

The combination of Wavestone and these two firms enables us to cover business, digital and cybersecurity expertise, thus broadening our value proposition in the UK.

### **Did the financial performance for the year meet your expectations?**

Wavestone ended the 2022/23 fiscal year with revenue of €532.3m, an increase of +13%, of which +7% was organic, in line with the target we had set ourselves. This growth was driven by a sustained pace of recruitment throughout the year. In one year, some 1,300 new employees joined us, bringing our total workforce to over 4,400 by the end of March 2023.

Our EBIT margin was 14.5%. This was slightly below our initial target of 15%, due to the lower utilization rate of our consultants at the end of the year.

Overall, we achieved net income of €50.1m, representing a solid net margin of 9.4%.

The firm also continues to benefit from a solid financial base, with almost €300 million in shareholders' equity (€299.1m at March 31, 2023) and €27m in net cash, to support our future development.

### **Wavestone's extra-financial performance in terms of sustainable development is an increasingly important focus for your shareholders and investors. How would you describe the year's performance in this area?**

The 2022/23 fiscal year was marked by great progress on the CSR front. Most of our objectives have been met or exceeded, whether in terms of the deployment of our responsible consulting approach, our progress in terms of diversity and inclusion, our commitment to society or the reduction of our carbon footprint.

**In the short term, our first objective will be to re-establish the consultant utilization rate after a decline in Q4 2022/23. This improvement should materialize as early as the 1<sup>st</sup> quarter, and we intend to pursue it progressively throughout the year.**

In terms of employee commitment, we were awarded Great Place To Work® certification in all our offices worldwide, and in France we came 1<sup>st</sup> in our category for the 2<sup>nd</sup> year in a row.

On the environmental front, we obtained SBTi validation of our greenhouse gas emissions reduction targets, in line with SBTi's Net Zero Standard. On scopes 1 & 2, our direct and indirect emissions linked to energy consumption, we have reduced our carbon footprint by -51% compared with the 2019/20 reference year. And on scope 3, indirect emissions linked to our value chain, the decline is -27%.

More broadly, on the basis of the results obtained from Ethifinance ESG Ratings and Ecovadis, we are on track to achieve the objective set out in our *Impact* strategic plan: to be among the top 5% of companies at the forefront of CSR.

But we still have plenty of room for improvement, and we have set ourselves three priorities for 2023/24: to improve client satisfaction, which was down in 2022/23, to strengthen our support for clients on sustainable development issues, and to continue reducing our greenhouse gas emissions as part of the SBTi trajectory.

**2023 is marked by a less buoyant global economic context. What are Wavestone's main priorities in this environment?**

Fiscal year 2023/24 has begun in a less buoyant market environment, in which it is difficult to define lasting sectoral trends.

In the short term, our first objective will be to re-establish the consultant utilization rate after a decline in Q4 2022/23. This improvement should materialize as early as the 1<sup>st</sup> quarter, and we intend to pursue it progressively throughout the year.

In the medium term, in order to cope with a less buoyant economic context, the firm's priority remains the intensity and agility of its commercial action, in order to take advantage of the market segments and clients that present the best development opportunities. At the same time, Wavestone will adopt a cautious approach to recruitment, in view of the current market environment and lower staff turnover.

In terms of external growth, after last year's three acquisitions, we intend to pursue our acquisition policy, targeting the UK and the US as a priority, without precluding tactical operations in other countries.

Finally, as announced as part of our *Impact* plan, we remain attentive to more transformative merger opportunities.

# Marie-Ange Verdickt

## Lead Director on Wavestone's Board of Directors



### **Wavestone's governance changed in July 2022. Could you remind us of the reasons for this change?**

One of the objectives of *Impact*, Wavestone's strategic plan to 2025, is to lay the foundations for its future development in terms of corporate governance.

As part of this, a change in the governance structure was proposed to shareholders at the 2022 Annual General Meeting, in order to switch from a Management Board and Supervisory Board structure to a Board of Directors structure. This resolution was adopted with 99.34% of votes in favor.

Pascal Imbert thus became Chairman and Chief Executive Officer, and Patrick Hirigoyen Chief Operating Officer, with Michel Dancoisne continuing to sit on the Board of Directors.

One of the Board's tasks will be to continue structuring the management team over the next few years, with a view to transitioning to a new management team by 2025. Once this transition is complete, Wavestone plans to return to a dual form of governance, separating the functions of Chairman and Chief Executive Officer.

### **What's your role as Lead Director?**

In order to comply with best practices in corporate governance, I have been appointed Lead Director on the Board of Directors. My role is to ensure that this new form of governance operates smoothly, and that relations with shareholders are of a high quality.

In concrete terms, my role is to liaise between the independent Directors and the other members of the Board

and/or the firm's General Management, and to ensure that these Directors are able to carry out their duties in the best possible conditions. I help draw up the agenda for each Board meeting.

I lead the process of evaluating the functioning of the Board, while ensuring compliance with its internal regulations. I am responsible for preventing conflicts of interest from arising, and inform the Chairman and the Board of any conflicts of interest identified.

Finally, I also ensure that shareholders with questions and suggestions on corporate governance issues receive answers.

### **After a few months, what do you retain from this change?**

The composition of the Board of Directors is almost identical to that of the Supervisory Board, enabling us to capitalize on our knowledge of each other and the value each brings. In addition, two new employee Directors have joined the Board, which is very useful to gain a greater insight into the internal organization, particularly for us independent Directors.

We have already put in place a number of best practices to ensure that Wavestone remains among the best in class when it comes to corporate governance. For example, we held our first Board meeting without the presence of executive Directors Pascal Imbert and Patrick Hirigoyen. During this 1<sup>st</sup> meeting, we ensured that Wavestone's corporate governance procedures complied with the Middlednext code, to which we adhere, and made proposals for further improvements to the Board's operations (continuing the training

**“We have already put in place a number of best practices to ensure that Wavestone remains among the best in class when it comes to corporate governance.”**

plan for Directors, notably on CSR, strengthening coordination between the Board's committees, etc.).

We are all gradually finding our rhythm, in good understanding, and for the time being we are not encountering any obstacles to the smooth running of the Board.

**You are also Chairman of the Audit Committee. How do you work with the Board of Directors?**

The role of the Audit Committee is to monitor issues relating to the preparation and control of accounting and financial information.

Our relationship with the Board of Directors is a close one... just as it was with the Supervisory Board and the Executive Board! In fact, we continue to carry out our duties without any major changes, issuing opinions and recommendations to the Board of Directors and informing them immediately of any difficulties encountered.

**Last but not least, CSR is a key element of Wavestone's strategy. How the Board of Directors supports these actions?**

Wavestone has been committed to CSR for over ten years now, and has made it a key focus of its strategy, in which the Board of Directors plays a full part.

At the end of 2021, the Supervisory Board decided to create a CSR Committee, which has been operational since April 1, 2022.

Under the responsibility of the Board of Directors, this CSR Committee is tasked with examining the company's CSR strategy with regard to social,

environmental and governance issues. It challenges the objectives set by the company in these areas, and ensures that the actions implemented are consistent with the defined strategy. It ensures compliance with the obligations to publish non-financial information in a rapidly changing regulatory context.

The CSR Committee also submits proposals to the Board of Directors to reinforce or clarify the CSR strategy and the resulting actions.

In its 1<sup>st</sup> year of existence, the Committee has focused on gaining a clear understanding of Wavestone's CSR organization and all its initiatives. It has identified its strengths, particularly in the social sphere, as confirmed by the results obtained in the Great Place to Work® ranking, and in the environmental sphere, as part of the demanding SBTi approach. The Committee has also identified areas for improvement, notably in terms of client satisfaction and the pursuit of efforts already underway in the areas of diversity and responsible consulting.

For its part, the Board of Directors may refer to the CSR Committee any specific request falling within its scope of responsibility, and may ask the Chairman of the CSR Committee to convene a meeting with a specific agenda.

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## Key figures

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4,406

employees worldwide

9

countries

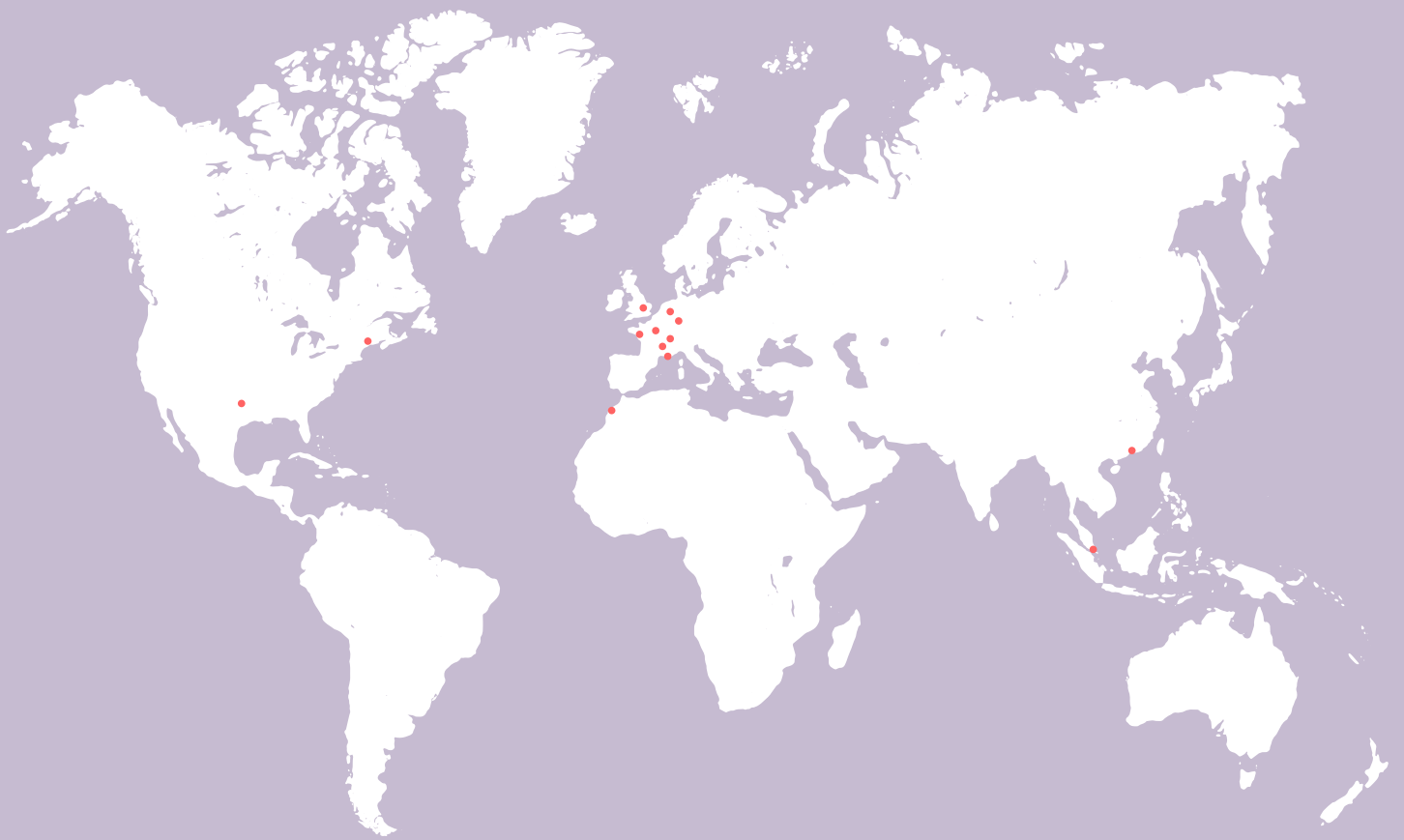
€532.3m

revenue

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# Wavestone on the global stage

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DALLAS  
NEW YORK

BRUSSELS  
CASABLANCA  
GENEVA  
LONDON  
LUXEMBOURG  
LYON  
MARSEILLE  
NANTES  
PARIS

HONG KONG  
SINGAPORE

# Key data for 2022/23 fiscal year

## Simplified consolidated income statement

Audited consolidated figures (in €m)	2022/23	2021/22	Change
<b>Revenue</b>	<b>532.3</b>	<b>470.1</b>	<b>+13%</b>
<b>EBIT</b>	<b>77.0</b>	<b>74.8</b>	<b>+3%</b>
<i>EBIT margin</i>	<i>14.5%</i>	<i>15.9%</i>	
<b>Operating income</b>	<b>72.7</b>	<b>72.8</b>	<b>0%</b>
<b>Group share of net income</b>	<b>50.1</b>	<b>51.0</b>	<b>-2%</b>
<i>Net margin</i>	<i>9.4%</i>	<i>10.9%</i>	

## Consolidated balance sheet as of March 2023

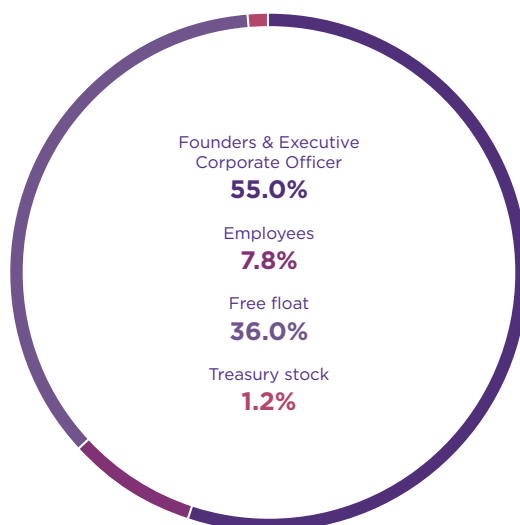
Audited consolidated figures (in €m)	03/31/2023
<b>Non-current assets</b>	<b>272.8</b>
<b>Current assets excluding cash and cash equivalents</b>	<b>193.1</b>
<b>Cash and cash equivalents</b>	<b>70.8</b>
<b>Total</b>	<b>536.8</b>

Audited consolidated figures (in €m)	03/31/2023
<b>Shareholders' equity</b>	<b>299.1</b>
<b>Financial liabilities</b>	<b>43.7</b>
<b>Lease liabilities</b>	<b>15.9</b>
<b>Non-financial liabilities</b>	<b>178.2</b>
<b>Total</b>	<b>536.8</b>

Cash and cash equivalents of €27.1m compared to €60.3m at 03/31/2022



## Capital breakdown as of March 31, 2023



Dividend proposed to the Annual General Meeting of July 27, 2023: €0.38 per share

### Financial calendar

- **07/26/2023**  
Q1 2023/24 revenue
- **07/27/2023**  
Annual General Meeting
- **10/30/2023**  
H1 2023/24 revenue
- **12/04/2023**  
H1 2023/24 results
- **01/30/2024**  
Q3 2023/24 revenue
- **04/29/2024**  
FY 2023/24 revenue
- **06/03/2024**  
FY 2023/24 results

### Stock market data

#### Share price at 06/30/2023

€50.1

#### Number of shares

20,196,492

#### Market capitalization at 06/30/2023

€1.01bn

#### Company value (market capitalization at 06/30/2023 – cash at 03/31/2023)

€973m

#### 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.**









**Making  
our value  
proposition  
a reality**

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# Supporting the most critical transformations

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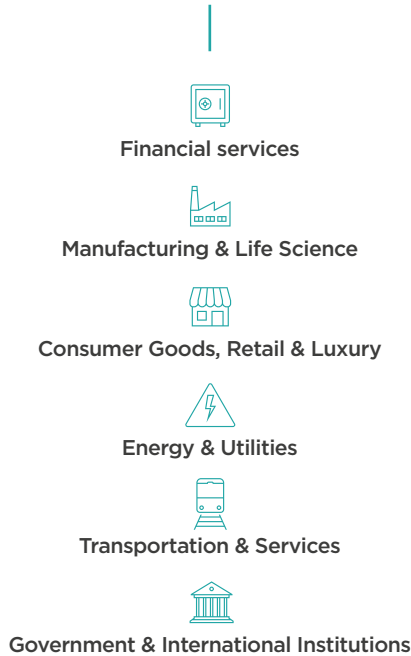
**In a world where knowing how to drive transformation is the key to success, Wavestone's mission is to inform and guide large organizations and public institutions in their most critical transformations.**

Companies and organizations today face unprecedented challenges: the climate emergency, a rapid move towards digitalization, the need to be more competitive in an increasingly uncertain economic climate.

Wavestone was built on the conviction that the implementation of multidisciplinary teams is key to successful transformations. The firm offers a 360° vision of these transformations by closely combining the best business, technological and sustainable development skills.

Wavestone has developed a deep understanding of the value chain and the businesses of sectors such as financial services, industry, luxury goods and energy. In addition to these skills, Wavestone has developed expertise in the issues that are at the heart of its clients' thinking, such as customer experience, data, IoT, supply chain and sustainable development.

## Key sectors



## Domains of expertise



Wavestone relies on **unique resources** to provide relevant, bold and customized transformation solutions:

### Creadesk

A place, methodologies and a team dedicated to foster creativity, generate innovative ideas and bring new ways of working.

### Change Agency

A team in charge of developing innovative change management tools and methods.

### Shake'Up

A unique and personalized accelerator that identifies and selects innovative startups in different industries.

### Research & knowledge center

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

### Insights Lab

A thought leadership booster to help the firm's experts better develop and share their in-depth vision with their ecosystem.

### Learning Factory

A catalyst to develop the expertise of Wavestone consultants by stepping up training and certification initiatives.

# The Freedom of Mobility Forum, an initiative moderated by Wavestone



**Cecilia Edwards**  
Partner, Wavestone US

## Could you remind us what is the Freedom of Mobility Forum launched by Stellantis?

The Freedom of Mobility Forum, initiated by Stellantis and facilitated by Wavestone, took place on March 29, 2023.

The 'Topic of the Year' chosen for this inaugural edition of the live digital debate was: "In a decarbonized world, will freedom of mobility be affordable to a happy few only?".

The debate explored the environmental, social and financial costs of providing accessible, safe, and sustainable freedom of mobility to everyone, as well as the extent to which socioeconomic or geographic status impacts access to mobility.

## What were the challenges of this 1<sup>st</sup> edition?

Given that this was both the first year of the Freedom of Mobility Forum and the corresponding debate, we addressed several challenges.

First, we needed to establish a forum sponsored by Stellantis but executed with neutrality. We also needed to ensure an inclusive and global representation in the governance, debaters, and in the facts. And finally, we aimed to encourage a global participation in the debate by everyday citizens, students, advocates, government officials, mobility industry providers, and the media.

## What was Wavestone role in the project and yours? Why did they choose someone from Wavestone?

Wavestone served as the neutral third party for the forum. During this first year, our role was to:

- establish the forum governance structure;
- recruit a diverse Advisory Board to serve alongside of Stellantis CEO, Carlos Tavares;
- establish a global panel of experts in the mobility space to provide and challenge the fact base;
- secure the panel of debaters identified by the Advisory Board;
- moderate the debate;
- provide monthly updates to the content on the forum's website.

My role, in addition to serving as the co-lead of the Wavestone engagement with Cedric Baecher, Wavestone Partner, was to serve as the debate moderator for the live global event held at the end of March.

The selection process for the neutral third party was competitive. Cedric Baecher's strong experience in sustainability was a key factor of success in Wavestone's selection. Wanting to ensure a global scope, Stellantis requested a native English speaker, preferably from the US to moderate the debate. My experience in leading collaborative efforts led them to select me as the initiative's co-lead and as the moderator.

### **What have you learned from this experience?**

At Wavestone, we have a very valuable role to play in supporting our clients in leading global change. Global solutions require a very disciplined structure and thought process that challenges individual assumptions in order to be inclusive. Our expertise in helping large enterprises with their most challenging transformations translates well in supporting societal change and neutral third parties are a key success factor in the process.

The tension between taking care of the planet and the people that live in it must be addressed. Most individuals globally do not have the luxury of thinking about sustainability as a need. Mobility that allows them to live is a need. Sustainability is a global imperative that governments, companies, and other institutions must tackle to better enable the adoption of sustainable choices by the masses.

The topics included in the United Nations Sustainable Development goals, including mobility, are multifaceted and interconnected. For example, one cannot have a thoughtful conversation about mobility without understand the impact that is has on education, health, and economic status, nor the impact clean energy has on available mobility options.

**“Our expertise in helping large enterprises with their most challenging transformations translates well in supporting societal change and neutral third parties are a key success factor in the process.”**



# L'Oréal monetizes its haircare professional education offer



150  
country of distribution

36  
brands worldwide

110  
years of existence

## Make the Professional Products Division's education a leading O+O academy in the hairdressing industry and a new source of value creation

L'Oréal, the French company which operates in over 150 countries, has 36 brands and is organized into 4 divisions - these being: Consumer Products, L'Oréal Luxe, Dermatological Beauty and Professional Products.

The Professional Products Division (PPD) was created over 110 years ago. This division directly supplies professional hairdressers, both independent and franchised. It has a total of 6 brands worldwide: L'Oréal Professionnel Paris, Kérastase, Redken, Matrix, Pureology and Pulp Riot.

The PPD's commitment is to go beyond the product: it's about providing a high-quality service that develops all aspects of the haircare profession through education and training. Historically, it was offered on-site to professionals and focused on two major themes:

- How to use PPD's brands products?
- How to manage a hair salon?





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**“The operationalization of the project in France, through the work carried out by the Wavestone team, was a major achievement for L’Oréal’s Professional Products Division, as it enabled us to activate the deployment of our strategy worldwide. While we didn’t necessarily have the resources or the necessary hindsight, Wavestone enabled us to give substance to our vision, thanks to a structured methodology.”**

**Katia Dezoteux,**

*Global Education Transformation Manager,  
L’Oréal*

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In 2020, the Covid-19 health crisis led to major changes in the training sector, and accelerated the transformation of companies, particularly through the integration of digital technology. In this context, L’Oréal has developed an online training offer via a Learning Management System platform, i.e a software that accompanies and manages a training course. The software is called “L’Oréal Access” and provides educational content to hairstylists.

This education offer has evolved towards a hybrid O+O (Online + Offline) model and became precise and personalized. This offer, based on professionalization and personalization, is the one that L’Oréal now wishes to monetize.

Thanks to this high-quality offer, L’Oréal has thus defined new objectives for its trainings: to be recognized as the leading O+O academy in the haircare industry, and to create a new source of value for the division. To achieve this, the PPD has redefined the scope of its education strategy to support hairstylists throughout their careers and meet their needs for skills upgrading, expert certification and inspiration.

The Division has therefore defined its offer of monetizable services:

- seminars to develop technical and business skills;
- master classes to develop expertise and creativity through exchanges with peers or artists;
- events, organized to create links between professionals and the Professional Products Division;
- webinars to develop skills through online development tracks;
- 1 to 1 mentoring for personalized, tailor-made support;
- diploma certifications.

To monetize these 6 product families and create an operational guide for all countries, L’Oréal entrusted Wavestone with the task of creating an adapted methodology and utilizing its wide range of expertise (creation of the pricing model, identification of profitability improvement levers, benchmarking, construction of the model to be replicated internationally...).

### 360° analysis to operationalize PPD's education monetization strategy

Wavestone teams worked on several streams to build the operational guide for monetizing the education offer. This 360° analysis was carried out on all L'Oréal training courses in France, the original market of the Professional Products Division.

#### Definition of the O+O education offer to be monetized

- **Benchmark:** what do L'Oréal's competitors offer in terms of training modules? Above all, the aim here was to know how to position the offering in a relevant way vs. the competition.
- **Costs and income:** the second topic was the profitability of the various training modules and their cost models. The teams identified the various costs (trainer, venue, materials, etc.) and revenue variables (price, number of participants, etc.). The aim - to build a profitable sales model.
- **Solution n°1: format of training modules:** the format of training modules was an important component improving profitability. To support this, the teams came up with two new formats, in addition to the traditional ones (100% online or 100% in-person):
  - / the O+O format: preparation and theory are done online, followed by the practical workshop in person;
  - / the hybrid format: premium customers attend the in-person training, while others attend remotely, with or without the assistance of L'Oréal trainers.
- **Solution n°2: occupancy rate:** concretely, it was important to optimize the capacity of each module (especially for in-person trainings) whilst also maximizing the number of participants and being ambitious about the participation rate.
- **What do the professionals say?** Wavestone's consultants carried out two types of studies to refine their recommendations:
  - / twenty qualitative interviews with hairdressers to understand their perception of PPD's training offer (vs. its competitors), and of the various modules on offer...
  - / a quantitative study, sent out to several thousand hairdressers to confirm whether they were interested in the new training module formats on offer, and their prices.

These studies enabled the teams to readjust their recommendations to meet their potential customers' expectations as closely as possible.

All the recommendations and steps for successfully monetizing the education offer were grouped together in a final deliverable, constituting a detailed guide for L'Oréal teams worldwide.

**“One of the key factors in the success of this project was the understanding and quality of the exchanges between L'Oréal and Wavestone. The L'Oréal teams expressed contagious expectation and enthusiasm: we all enjoyed working on this project!”**

#### Romain Pointereau,

Senior Manager Digital Customer, Wavestone

#### The monetization project will soon be extended to all L'Oréal markets

The final deliverable produced by the Wavestone teams is intended for all Training Transformation Directors and their teams. Its aim is to help them put in place a wide-ranging education offer, including a monetized component, to meet the different needs of hairdressers, and make the sale of these services a constituent part of their revenue stream.

This booklet, called the "Playbook", gives all the operational keys to successfully monetize the training offer. It explains:

- the Methodologies to apply;
- the models to follow;
- the KPI's to use to measure training performance, beyond profitability;
- the Key players to involve

It aims to set up a monetization strategy specific to the context of each country, defining its costs, revenues, and margins, but also and above all ensuring the quality of the training and the customer experience.

In France, these recommendations are already being applied from 2023.

Elsewhere in the world, L'Oréal teams can access all the information and replicate what has been done in France. Today, each region is working on its own strategy, pricing, and training services.

# France's leading hotel group Accor accelerates its sustainable transformation

The challenges of climate change, social issues and biodiversity preservation are having an ever-greater impact on business activity. In the tourism and travel sector, which is responsible for 9 to 12% of global greenhouse gas emissions<sup>1</sup>, all stakeholders - customers, investors and governments - are calling for new, more sustainable and responsible ways of traveling.

It is therefore vital for companies in this sector to undertake drastic, high-impact changes to deliver on this. This is even more true for leading companies like Accor, which are best placed to drive real systemic change within their industry.

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**“69% of travelers expect the tourism industry to offer more sustainable travel options”<sup>2</sup>**

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## Integrating sustainability issues into Accor's business model

In 2021, Brune Poirson, previously Secretary of State to the Minister of Ecological and Solidarity Transition, joined Accor as Director of Sustainable Development. This new governance is a step towards enabling the Group's ambitions to become a reality: defining and deploying a sustainable development action plan and integrating this into the heart of its business model and value proposition. As a Group's Executive Committee member, Brune Poirson can enable sustainability issues to carry real weight in strategic decisions, and thus initiate a genuine transformation.

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**“If we want to succeed in integrating sustainability issues into the heart of our business model, sustainable development must be at the negotiating table, where the Group's strategic decisions are made.”<sup>3</sup>**

### Brune Poirson

Director of Sustainable Development, Accor

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2022 marks the second stage in the Accor Group's sustainable strategy: its operationalization. For this phase, Accor has chosen Wavestone's support, aiming to leverage its experience in transforming large companies and organizations. Wavestone offers complementary skills to those provided by Brune Poirson and her teams on sustainability issues, an expertise Wavestone has been developing since the acquisition of Nomadéis in 2022.

The sustainable strategy defined by Accor in 2021 is designed to transform their core business, which is summarized by the following three strategic pillars:

- staying: offering guests a sustainable experience by transforming hotels and their practices;
- food: optimize the traceability of its supply chain, reduce food waste and offer an increasingly plant-based food offering, produced using regenerative and renewable agricultural practices;
- exploring: anchoring hotels in local communities to generate a positive impact on the local environment and educate guests about respect for nature.

<sup>1</sup> Source : Systemiq analysis “Better travel & tourism, better world”, 2022

<sup>2</sup> Source : WTTC 2021 Report & Accor 2022 studies

<sup>3</sup> ACCOR — Document d'enregistrement universel 2022



## An ambitious plan supported by a transformation method

Since the start of this ambitious project at the end of 2021, with the support of Wavestone, the Accor group has been piloting the operationalization of its transformation, around three areas of transformation.

### Transform employee mindsets and skills

Achieving the Group's transformation objective depends on its ability to involve all stakeholders, from the strategic functions at head office to the 5,400 hotels and the Group's 290,000 employees.

2022 saw the spread of a genuine culture of sustainability within the Group, supported by the changing mindset and skills of employees. In particular, Accor deployed a "School for change" platform, which enabled 97% of head office employees to be trained by the end of 2022. Once head office staff were trained, the aim is to train the employees closest to the field, starting with hotel managers.

### Creating a new vision of performance

To give impetus to a new vision of performance, Accor has taken several steps to gradually place extra-financial performance on the same level as financial performance - creating a Performance Department within the Sustainable Development Division, introducing financial tools indexed to social and environmental objectives, and a launching a variable compensation system based on sustainability objectives for managers and teams.

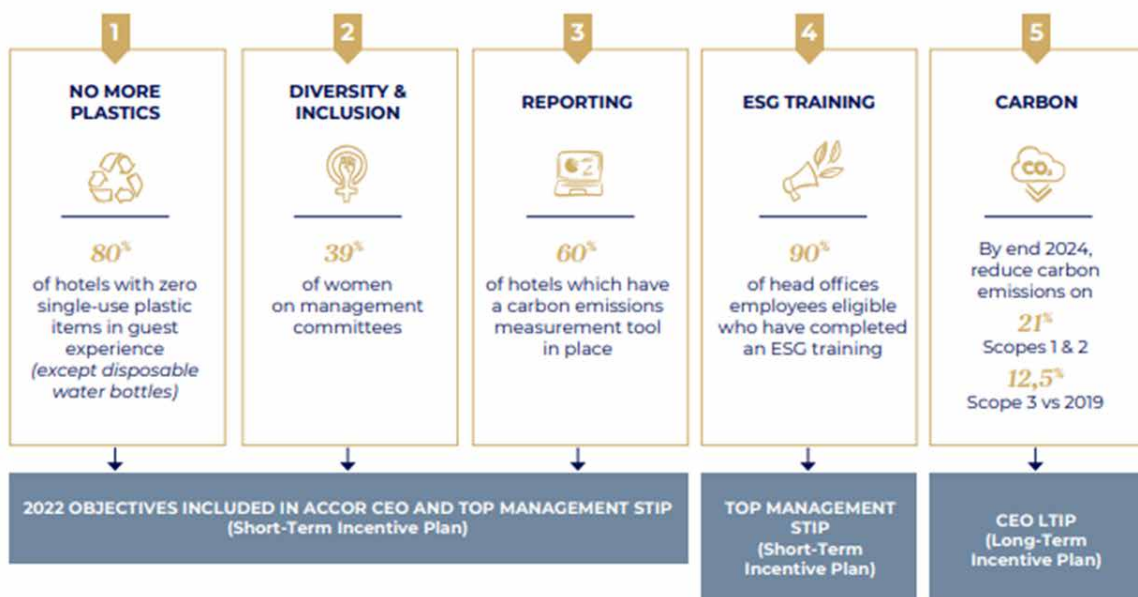
Among these objectives, Accor has defined its trajectory to the global carbon neutrality by 2050 target, with intermediate deadlines validated by the

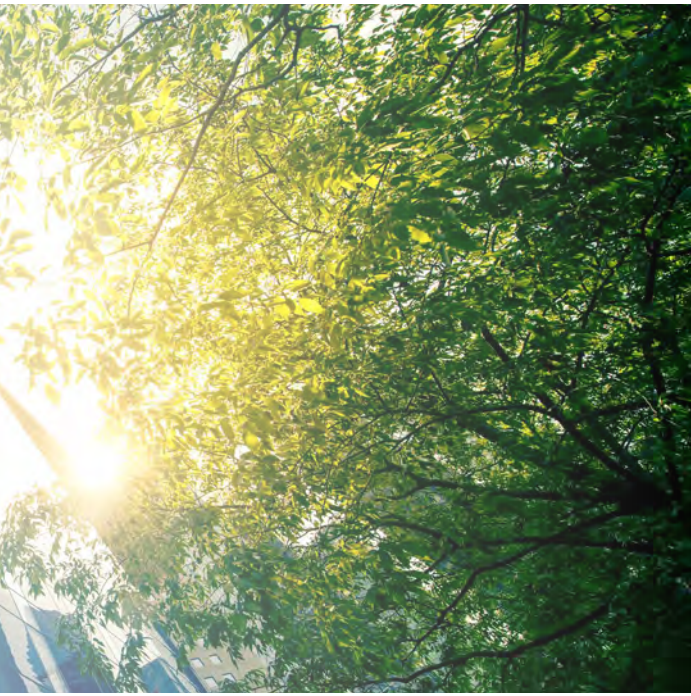
Science Based Targets initiative. By 2024, carbon emissions will have to be reduced by 21% on scope 1 and 2 (direct greenhouse gas emissions and indirect emissions linked to energy consumption) and by 12.5% on scope 3 compared with 2019 (other indirect emissions). This target for 2024, for example, has been included in the variable compensation of Accor's CEO.

### Provide concrete solutions for hotels

Ultimately, the approach aims to transform hotels in depth, so as to genuinely alter the social and environmental impact of their activities in the areas where they are located.

## 2022 objectives to accelerate sustainable transformation and their integration into executives' variable compensation :





However, setting objectives for hotels is not enough to ensure that the strategic changes defined by the Group are implemented. To succeed in this challenge, their hotels need to be given close support and concrete solutions to help them achieve their objectives.

For example, to achieve the objective of eliminating plastic, this support is all the more important because, while some actions are easy to implement, such as eliminating shampoo bottles in favor of dispensers, other sources of plastic use are more difficult to reduce (e.g. toothbrushes, soles of slippers...).

The project to eliminate single-use plastics in the customer journey identified 46 products to be eliminated or replaced, and 49 new references were created using alternative materials that comply with external certifications (Forest Stewardship Council -FSC®- or Ok compost Home, for example).

With regard to the carbon target, the following have been made available:

- efficient tools for measuring and monitoring energy consumption and carbon emissions for each hotel ;
- solutions to decarbonize their activities:
  - / by first acting on the demand side of the equation: making best practices available to encourage energy and water efficiency;
  - / by taking action on the supply side: green energy contracts, energy performance contracts, access to low-carbon products and services via the central purchasing unit.

## 2023, consolidate and launch new projects

2022 has enabled the Group to anchor sustainable transformation at the heart of its business model and to give impetus to numerous projects. Despite this, profound and lasting transformation of a group of this scale takes time: the ambitious challenge for 2023 will be to keep up the pace of transformation on the various projects initiated.

New projects include the creation of a food waste management policy, which will start by providing hotels with tools to measure the waste they produce, before moving towards the ultimate goal of profoundly transforming meal design. The development of a sustainable mobility policy will also encourage customers to use more environmentally-friendly modes of transport to get around the hotels and the local area.

While the design and deployment of solutions in the field require a great deal of energy, communication and performance also have their work cut out for them as they aim to identify the most relevant and then design the solutions that enable certification to be obtained.

What's more, this transformation must include social issues, as policy of human rights, social mobility and solidarity that goes hand in hand with environmental issues.

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**“This mission has made it possible to initiate real change at Accor, which is the leader in its industry. It means taking part in making the hospitality business more sustainable, and working on our own scale for a better world”**

### **Xavier Metz**

Partner Sustainability, Wavestone

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# Client satisfaction: staying on course despite headwinds

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**Wavestone has made client satisfaction one of its four core values, thus reaffirming its desire to be at the top of the consulting market in terms of client satisfaction, even in unfavorable market conditions.**

The Wavestone client satisfaction policy is based on:

- an organization structured around a Steering Committee responsible for the 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 of clients who have used Wavestone's services, supplemented by quality assessments conducted throughout the year on current engagements;
- a mandatory client satisfaction training program for all employees.



### **A NPS<sup>®1</sup> (Net Promoter Score) down to 44.7, bellow our target**

As every year since 2016, the annual satisfaction survey was carried out in April 2023 among clients in all the countries in which Wavestone operates. For the first year, more than 1,000 clients responded to the survey, representing a response rate of 27.7%, which once again confirms the interest that this approach arouses among clients.

After a sharp rise in 2020 and 2021 (+24 points in 2 years), the NPS<sup>®</sup> is down for the second year in a row, at 44.7, below the 50 target set by the firm.

Beyond the NPS, the survey reveals a deterioration in client satisfaction, and a consistency in the areas identified for improvement:

- maximize the contribution of expertise to clients;
- ensure the right level of supervision for junior consultants on assignment;
- better manage team changes during an assignment (following a resignation, for example);
- improve handling of client dissatisfaction.

### **Priority to client proximity and dialogue on client satisfaction**

An action plan defined in the summer of 2022 in response to these areas for improvement has been deployed, but its effects are not yet visible in the results of the 2023 survey, as its implementation has been slowed down by several factors:

- on the one hand, the market environment remained unfavorable for much of the year; in particular, the high staff turnover rate created instability in the staffing of client assignments;
- on the other hand, the implementation of the *Impact* strategic plan, and in particular the changes to the operating model and the associated internal transformation actions, sometimes prevented the firm's teams from being as close to clients as they should have been.

Our priorities for 2023/24 remain the same:

- Strengthen proximity with our clients;
- Intensify dialogue on client satisfaction.

To this end, the emphasis this year will be on the massive use by teams of "Satisfaction Feedback", a tool that enables them to monitor client satisfaction throughout an assignment, and to anticipate any needs for improvement.

<sup>1</sup> NPS<sup>®</sup> is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld.

# Leroy Merlin is automating their storage for the benefit of their teams and performance



36,000  
m<sup>2</sup> of storage concerned by automation

140  
stores served

2,000  
B2C orders per day

To support their growth, Leroy Merlin launched the "Easylog" project in 2017, which aims to automate the Reau warehouse, one of the three sites spread across France and which by itself serves no less than 140 stores. And its activity is intense: 1,000 orders per day in B2B and 2,000 in B2C! In concrete terms, these orders can be requests to restock store shelves (self-service orders), customer orders to be picked up in store (click and collect), or web orders in Direct Warehouse Delivery (DWD). The 72,000 m<sup>2</sup> warehouse has 12 storage cells, 6 of which (36,000 m<sup>2</sup>) have been automated.

After working for a long time on improving its logistics and modernizing its warehouses, the company had reached the limits of the traditional system, particularly in terms of performance and security. Leroy Merlin asked Wavestone to support them from A to Z on the project, from analyzing their sales, to choosing solutions, to deploying said solutions. The service was carried out in collaboration with 3 other service providers: TGW, STILL and AF ERGO CONSEIL.





We interviewed Olivier Mangnier, Director of intralogistics projects at Leroy Merlin, to understand the objectives of this project and the solutions chosen to address them.

### **Why did you decide to automate the Réau warehouse?**

Our first objective was to reduce the workload of the teams and to eliminate, as much as possible, work-related accidents. Leroy Merlin is a distributor of hardware products which are often heavy and bulky. Our range of stocked products ranges from bolts to worktops (tiles, furniture, garden). We knew that we would always need people at the various workstations, even with automation. Improving the ergonomics of these different workstations was therefore of prime importance. Secondly, we wanted to overcome our recruitment difficulties. As our applicant pool is limited, this impacts our organization and can make it difficult to keep our customer promise. If mechanization allows us to be more productive and requires fewer human resources, we also wanted a solution that would allow us to be more attractive on the job market because mechanization sends

out an image of modernity, of a qualitative, thoughtful, and adapted work environment. Finally, we wanted a system capable of handling peaks in activity and adapting to the management of varied flows. The flexibility of the solution and its performance were important to meet the objective of omnicanality. The products go from the warehouse to the store for B2B, to the store for B2C with customer pick-up or delivery, or to the customer at home.

### **Why did Leroy Merlin decide to ask Wavestone to support them?**

This was an extensive 4-year project and we did not have the in-house skills nor the teams available to meet our objectives. Wavestone, in addition to accompanying us through to deployment, already had experience with several projects of this type and helped us to know what the best technology would be to meet our needs, and to interview the suppliers on the market.

### **What solutions have been chosen to meet the objectives of flexibility and performance?**

The main challenge was to have a permanent but evolving handling solution to accompany Leroy Merlin's growth. The solution had to be able to respond to these changes as the flows were constantly evolving. Therefore, we chose a GTP shuttle (automated shuttle storage system), capable of managing two different sizes of bins and therefore of preparing retail and parcel goods on the same centralized system. If there is a high demand for a type of preparation, the system can increase or decrease the number of bins and respond to this peak in activity.

For the storage and removal of products in the aisles, the AGV system (Automatic Guided Vehicle) from the STILL service provider has been chosen. With 30 robots in circulation, this is the largest deployment of this solution in France.

A progressive installation of the latter is planned according to the increase in load and this installation is scalable upwards and downwards. This mechanized system handles both stock pallets and retail orders.



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“We knew that we would always need people at the various workstations, even with automation. Improving the ergonomics of these different workstations was therefore of prime importance.”

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### What challenges have you faced and how did you overcome them?

Our partners TGW and STILL had to design solutions in a compact way to fit into the existing building. For example, mezzanines were put in place to stack the different systems.

Another challenge: the project lasted 4 years, including 2 in the middle of the pandemic. And yet, we were only ten weeks behind schedule. This is remarkable, even exceptional.

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**“The spirit of collaboration between all the parties involved and the positive attitude of each of them particularly impressed me. It is the relationship of trust created between us that, in my opinion, is at the heart of the project’s success. On a day-to-day basis, the Wavestone teams were happy to work with Leroy Merlin, TGW, STILL and AF ERGO CONSEIL.”**

### Lucie Fabre, «EasyLog» project

Manager Supply Chain, Wavestone

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### How did you meet the objective of workstation ergonomics?

This project was first and foremost an innovation for the benefit of our teams, to enable them to work in a qualitative and secure environment.

Wavestone recommended working with AF ERGO CONSEIL to carry out extensive ergonomic work with the involvement of the occupational health department. To address the legitimate fears of operators (fear of losing their jobs, of changing sites), employees were involved at a very early stage of the project in order to understand and take part in the decisions that would impact them. All the teams visited warehouses that had already been automated and then participated in the design of their new workstations through 3D simulations and virtual reality. This upstream involvement greatly facilitated the management of the change and the acceptance of the new working methods by the operators.

The approach was very much appreciated by our teams.

### What is your overall appreciation of this project?

After one year of operations, we are experiencing progress and results: an 11% drop in the processing cost of the storage logistics unit, a 15% drop in the processing cost of the preparation unit, a reliable stock with less than 0.07% error rate, a preparation error rate close to 0 and capacity to pass activity peaks with a potential for an expansion of more than 20% (55,000 product withdrawals from the stocks per day in November).

But beyond these satisfying figures, we are keeping in mind that this is a human project first of all. We have met our first objective: in more than a year of operation, we have had almost no work stoppages. This is a real source of pride, since with a frequency rate close to zero, we are far from the rate of 55 in our distribution network.

The success of this project also depends on the involvement of our teams from the outset: quarterly information meetings, dynamic communication, visits to mechanized sites for 100% of the teams, participation in design workshops, tests and virtual reality.

-11%

cost of processing the logistics storage unit

+20%

potential for expansion during peak periods

30%

of women in the workforce

This has also been an opportunity for the teams to develop through versatility, as changing workstations during the day allows them to develop their skills and learn new jobs: supervisors, data certifiers, flow controllers, maintenance technicians. These actions have also enabled us to open up more positions to women: they now represent more than 30% of the workforce, whereas before, we were close to zero.

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## **A sales force dedicated to the success of our clients**

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**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.**

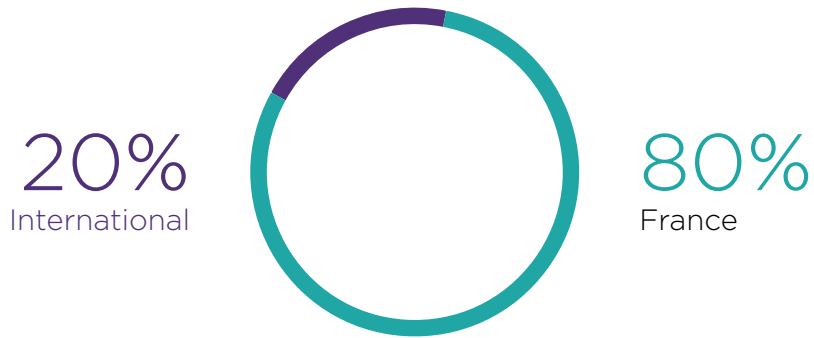
Wavestone boasts a portfolio of clients spanning a very broad spectrum, from global and local companies with leading positions to new entrants, both in the private and public sector. The firm is committed to cultivating an open-minded approach, while maintaining its presence in all main sectors. This 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.

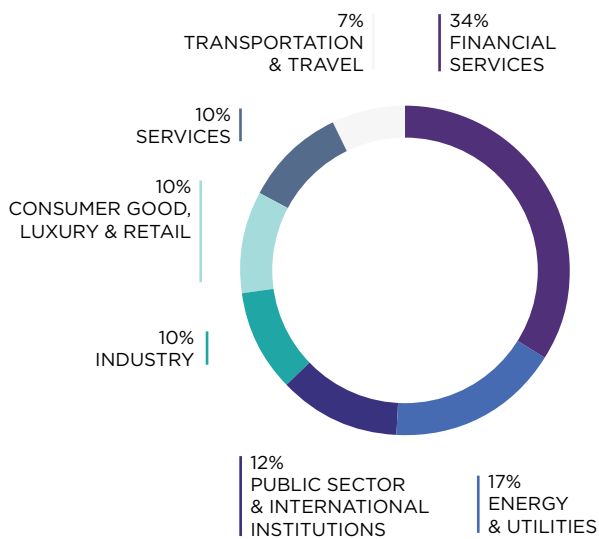
Wavestone's client management has two key missions:

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

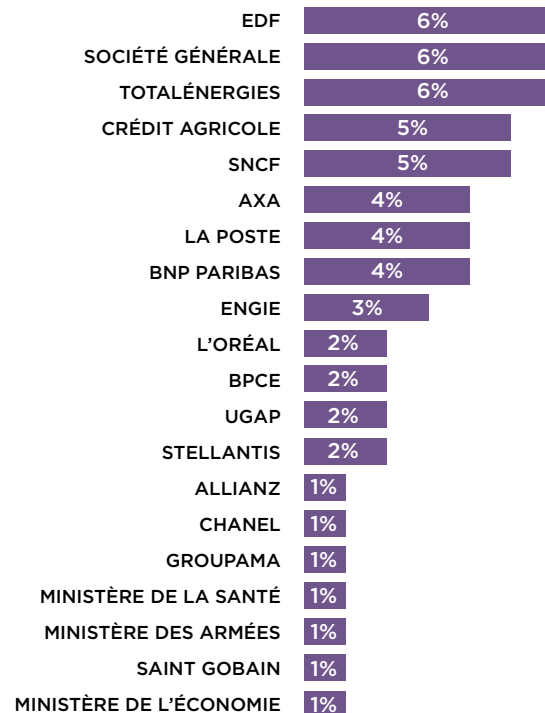
## Geographical breakdown of 2022/23 revenue:



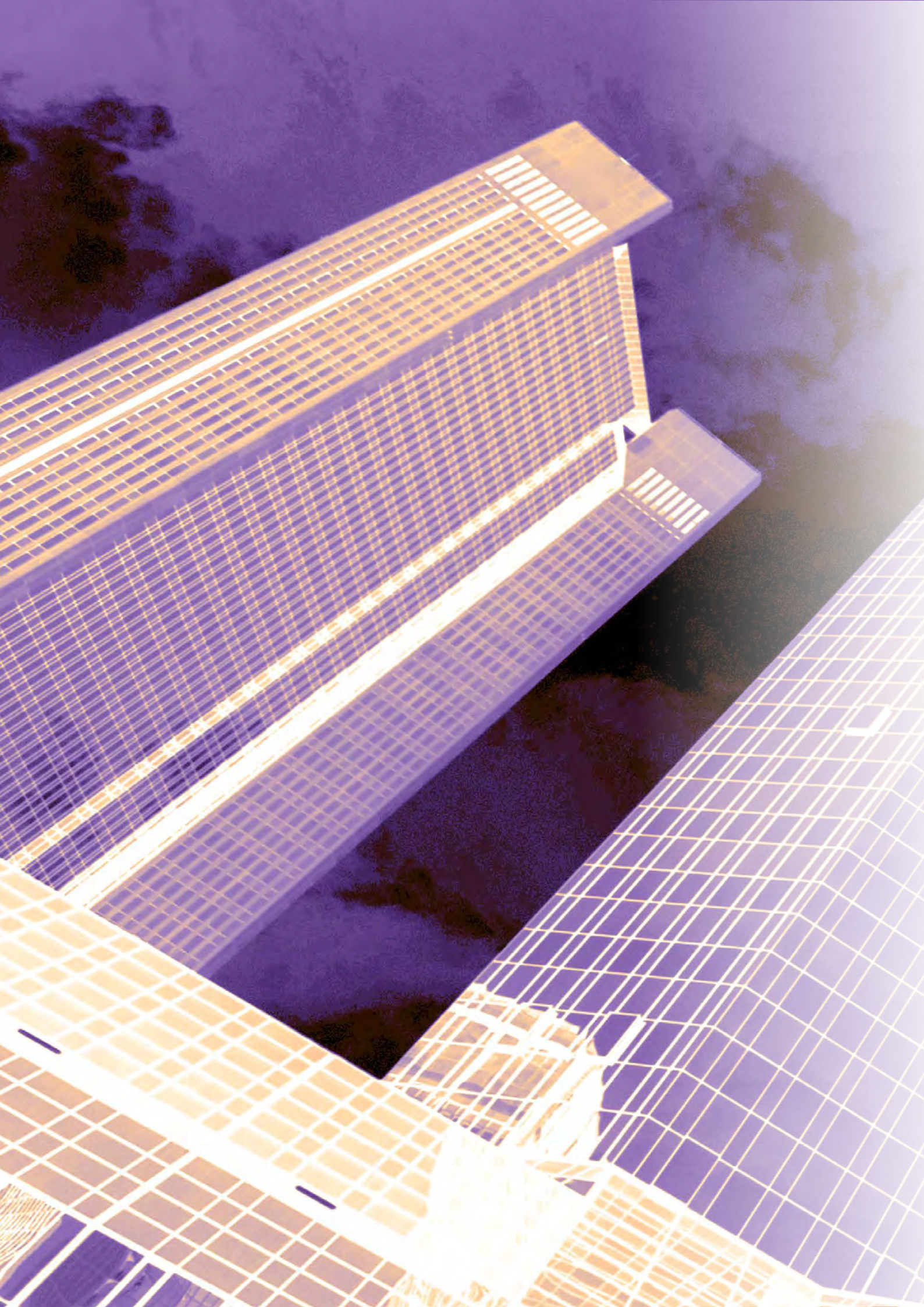
## Sectorial breakdown of 2022/23 revenue:



## Our Top 20 clients in 2022/23:











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# **Expanding internationally**

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# A new dimension for Wavestone in the UK

## Mike Newlove

Partner,  
Wavestone UK

## Ben Barry

Director, Coeus Consulting,  
a Wavestone company

## Chris Gibson

CEO, PEN,  
a Wavestone company

### What is Wavestone's international ambitions?

**MN:** Wavestone has great ambitions when it comes to developing its international footprint. This is one of the three pillars of our *Impact* strategic plan, which underlines the importance of this approach for the firm. We want to become a global firm, with a broad international client base.

Today, the focus is on Wavestone's growth in the UK and the US, given the competitiveness of these markets. We have made a number of key acquisitions in these two regions, to accelerate our presence in these key geographies.

Wavestone acquired PEN Partnership and Coeus Consulting in August and September 2022 to accelerate growth in the UK. We are in the process of their integration, following the firm's strategy for integrating new companies, and everything is going according to plan.

### What has the addition of PEN and Coeus added to Wavestone UK?

**MN:** We more than doubled the size of our UK workforce with the arrival of PEN and Coeus. Today, the UK office generates revenue of almost £50 million, with 250 employees. This has enabled us to grow significantly and position ourselves as a key player in the UK consulting market.

Beyond size, we now have greater depth and breadth of capabilities,

and have expanded the key sectors in which we operate.

### As the 3 companies come together, what are we now able to offer our clients?

**BB:** The combination of business sectors is remarkable. Together, we can cover a wide range of sectors in which our clients operate, including financial services, life science, manufacturing and energy, which we couldn't do as individual entities.

**CG:** Our clients don't overlap very much, and when we joined forces, we didn't have many clients in common. The possibility of benefiting from synergies to offer our broader range of skills to a wider client base is therefore significant.

What's more, the cultures of the three organizations are very similar, which made our first interaction much smoother.

By bringing the teams together over the next few months, we'll be able to bring this culture to life and make the most of each other to develop new shared values.

**MN:** It's also a very attractive proposition for current and future employees, helping us to attract and retain talent. Thanks to our size, we can offer a real, credible alternative to the biggest companies, while giving our employees the opportunity to play an individual role in shaping the company's direction.

**BB:** In April 2023, we launched the *Impact* UK project. It enables all





“We now have greater depth and breadth of capabilities, and have expanded the key sectors in which we operate.”

team members to contribute to the future direction of Wavestone in the UK, so that everyone feels part of this strategy.

**Chris, Ben, why did you decide to join Wavestone?**

**CG:** When we made the decision to join another company, we were lucky enough to have several options, so we could make sure that the company we chose was the one that suited us best.

Our main objective was to find a company that had a similar culture to ours and shared the same values, namely caring for its people while delivering quality assignments for its clients. Wavestone offered all these characteristics.

**BB:** The complementarity of our value proposition and client portfolio was a decisive factor for Coeus. The combination of our capabilities is a perfect match for our clients' needs.

And I agree with what Chris said, the values closely aligned with our own were also very important to us.

**What do you hope for the future of Wavestone in the UK?**

**MN:** We want to be a credible and growing alternative to the big consulting firms, while preserving our culture.

Our ambition is to grow to 500 employees over the next few years, and we are all aligned and motivated to achieve this goal.

**CG:** I'm counting on us to carry out major transformation programs for international clients.

**BB:** We've already won business thanks to the global reach of Wavestone's expertise, and we want to continue to extend that reach.

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# Enhancing our collective knowledge

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**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' 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.

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# Wavestone, resilient player in a less buoyant market environment

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**In a market intimately linked to the health of organizations, where digital technology and innovation have taken hold, Wavestone can rely on the strength of its model and the relevance of its value proposition.**

## **A consulting market back to normal**

In France, where Wavestone generates 80% of its revenue, the consulting market grew by 12.5%<sup>1</sup> in 2022, despite the economic slowdown anticipated as a result of the war in Ukraine and inflation.

For Wavestone, the downturn in the economic climate has led to a certain wait-and-see approach by clients to their spending commitments. Despite this less buoyant environment, the momentum for transformation remained strong, particularly in certain sectors, such as banking, energy and luxury goods, and on hot topics such as sustainable development. As a result, the firm's consolidated revenue grew by a sustained +13% over the 2022/23 financial year.

## **The competitive environment**

Wavestone has four major types of competitors:

- independent management consultancies: BearingPoint, Eurogroup Consulting, SiaPartners, PA Consulting etc.
- consulting divisions of the "Big Four" international auditing firms: Deloitte, EY, KPMG, PwC.

- the consulting branches of major IT players and ESNs: Accenture, Capgemini Consulting, etc.
- niche players (sector, function or country specific): Argon & Co, Capco, 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;
- 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.

<sup>1</sup>Source: Syntec Conseil





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# Reinforcing our values

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# An enhanced training offer for all employees



**Lise Lion**

HR Leader,  
Wavestone



**Jean-François Butez**

Senior Manager Sustainability,  
Wavestone

## As part of the *Impact* strategic plan, what initiatives have been put in place this year to enhance Wavestone's training offering?

**JFB:** For several years now, we have been building up and expanding our cross-functional training catalog, enabling our employees to acquire the basic skills required in the consulting business. In line with *Impact's* focus on expertise, we have built up a new asset, the Learning Factory, to accelerate the development of hard skills and certification training.

The Learning Factory has enabled us to develop new training modules, optimize the use of existing self-training platforms, accelerate the development of training initiatives in practices and offices, and expand the deployment of existing training courses.

“Tomorrow, employees will have access to Wavestone’s entire training offer, and will be able to sign up for training courses via a simple, fluid registration process.”

**What are the areas and themes in which we want our employees to learn?**

**LL:** In 2023, the development of hard skills training focused in particular on three key themes: agility, data and sustainability. More than twenty training courses ranging from beginner to expert level have been rolled out, several of them leading to certification. We have also made several interactive “Micro Learning” modules on these subjects available to all.

**JFB:** In addition to these three themes, we are also interested in several emerging topics such as the cloud, cybersecurity, the use of AI in our business, the professionalization of change management methodologies, business development know-how and the professionalization of project management skills.

Last but not least, we want to strengthen programs for more experienced people, and to this end, a new project management training course for Senior Consultants is currently being rolled out. With the help of experts, we are also looking to set up a training course for Senior Managers, Directors and Partners on how to support and develop a long-term relationship with executives.

**How to encourage employee training and facilitate access to training content?**

**LL:** Today, there is a multitude of catalogs covering cross-functional training by practice and office, which makes it difficult to access and understand the full range of our training offerings. As part of our “Talent Management” project, we are working on integrating training into our new “Workday” tool, a platform that will enable employees to become autonomous players in their own training paths. Tomorrow, employees will have access to Wavestone’s entire training offer, and will be able to sign up for training courses via a simple, fluid registration process.

In addition, self-training platforms are also available to employees, with flexible formats adapted to the constraints of our businesses: the Edflex platform, whose home page has been redesigned to facilitate access to content, the Sequoia platform, and My Sustainable Learning Journey, a new platform with content dedicated to the theme of sustainable development.

# A dynamic recruitment in a competitive market



**Caroline Attané**

Recruitment Manager,  
Wavestone

## **What were the results of the recruitment plan in 2022/23? Have the objectives been achieved?**

The year was a busy one for recruitment, with a very sustained pace throughout the year, which led the firm to recruit around 1,300 new employees, well exceeding our annual target of 1,000 new hires.

This pace of recruitment was achieved in a very tight recruitment market, with strong competition from our direct competitors, as well as from major accounts and start-ups. To differentiate ourselves, we have invested heavily in the quality and follow-up of our recruitment processes, being both highly responsive and seeking to personalize processes as much as possible to meet the specific expectations and questions of our candidates.

## **How are candidates' expectations evolving in the consulting sector?**

For several years now, we have been observing very strong criteria around the quality of the working environment, personal fulfillment, career dynamics and flexibility of the working environment. However, these criteria are no longer sufficient to attract the best talent on the market.

This year, in addition to these criteria, candidates have increasingly strong expectations regarding the search for meaning in their work, the development of expertise and business skills, and their value on the market. In concrete terms, this means paying close attention to the type of assignments and subjects covered within the firm, to the quality of supervision and, of course, to a crucial element: training.

To meet all these expectations, we are pursuing our efforts to remain at the top of the list of companies where people enjoy working: in particular, we have been awarded Great Place to Work® in 2023 in all our geographies, and once again in the 1<sup>st</sup> place in our category in France.



|

**“To meet all these expectations, we are pursuing our efforts to remain at the top of the list of companies where people enjoy working.”**

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**What are the recruitment challenges for 2023?**

In terms of recruitment, even though we will maintain relatively sustained recruitment volumes, the firm will nevertheless be slowing down its efforts in 2023, due to the less favorable trend in the consulting market, but also to the drop in staff turnover over the last few months.

We have also noted a significant decrease in the age pyramid over the past year. As a result, we intend to strengthen this pyramid by, among other things, hiring a higher proportion of experienced employees over the course of the year. At the same time, we are continuing to recruit young graduates - although to a lesser extent than last year - to keep pace with our growth in France and abroad. The three key international development zones remain the United States, the United Kingdom and Asia.

Finally, the market trend towards “boomerang recruitment” has encouraged us to invest more heavily in our alumni network. To this end, we recently launched the “Wavestone Alumni Meet-up”, a series of meetings

between Wavestone alumni and associates to look back on good times together and, why not, seize new opportunities. The success of the first editions has confirmed the strength of our alumni network.

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# Setting the benchmark as an employer

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**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 and offer them a quality work environment, conducive to quick career development and a worklife balance.**

## **Attracting top candidates**

Wavestone recruits candidates from diverse backgrounds with varying degrees of experience. The firm 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 graduate schools (engineering and management) and universities, and also more experienced profiles.

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: cooptation, welcoming interns and work-study students with a view to pre-employment, recourse to recruitment agencies, events dedicated to students and candidates, alumni events, etc.

To stand out in a highly competitive field, Wavestone aims to offer a memorable experience to its candidates. The firm attaches great importance to treating each phase of the recruitment process as a privileged moment of exchange, with attention paid to the quality of the candidate's experience, regardless of the outcome of the process. This includes training for all recruiters and compliance with the recruitment charter.

### 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 730 local managers, the Career Development Managers, supported by HR relays (one for approximately 120 employees).

To support its growing 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 to the working environment of employees, such as measures to support parenthood or the Smartworking@Wavestone initiative. The Smartworking@Wavestone initiative, launched at the end of Covid-19, enables each employee to choose the most appropriate working arrangements (teleworking, co-working, office) at any given moment, depending on their current activities and assignments, their clients, their work group and the stages of their career path.

Under the impulse of the firm's CSR approach, 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 high quality work environment for all Wavestone employees.

## LABELS AND HR CERTIFICATIONS



Great Place To Work® 2023 in all offices



Best Workplaces for Women 2023



Best Workplaces for Wellbeing 2023 in United-Kingdom



1<sup>st</sup> in the Great Place to Work® France 2023 ranking



14<sup>th</sup> of the 25 Best Employers Glassdoor France 2023



5<sup>th</sup> in the Happy Trainees France 2023 ranking



Happy Candidates 2023 awards in France, the UK, Switzerland, Europe and worldwide.

# Wavestone's commitment to the environment



**Hélène Cambournac**

CSR Leader,  
Wavestone

## Wavestone has committed to a trajectory aligned with the Net Zero Standard SBTi in 2022. What does this mean?

In June 2022, we committed to reducing our greenhouse gas (GHG) emissions over the short and long term, in line with the Net Zero Standard of the Science Based Targets initiative (SBTi).

This standard, one of the most demanding and internationally recognized on the subject of carbon footprint reduction, enables companies to define a reduction trajectory, consistent with limiting global warming to 1.5°C (the Paris Agreement target).

This commitment implies reducing emissions to achieve a carbon footprint close to zero by 2050, and neutralizing residual emissions thereafter.

Our reduction targets cover all our direct and indirect emissions (scope 1, 2 and 3)<sup>1</sup>. By 2026, Wavestone is committed to reducing its scope 1 and 2 GHG emissions by 29%, and its scope 3 emissions by 40% per employee. By 2050, Wavestone is committed to reducing its scope 1 and 2 GHG emissions by 90%, and its scope 3 emissions by 97% per employee. We have chosen 2019/20 as our reference year, for which the carbon footprint corresponds to a more normative situation, before the effects of the Covid-19 crisis.

Achieving these ambitious targets requires the mobilization of all stakeholders in our value chain: employees, clients, suppliers and partners.

As the SBTi standard is very demanding, the process of validating our objectives is meticulous and took several months. Our short- and long-term objectives were validated by SBTi in May 2023.

## What actions have you taken to achieve your objectives?

We have set up a multi-annual action plan with concrete measures, in line with our approach of always giving priority to avoiding and reducing GHG emissions rather than neutralizing or sequestering them.

The priority measures concern the reduction of GHG emissions linked to business travel (particularly by air), IT equipment (for example, more durable and repairable computers and phones), digital usage, and the purchase of goods and services.

In order to reduce our carbon footprint linked to the energy consumption of our premises, we are aiming for a transition to 100% renewable electricity for all sites where we have control over electricity contracts.

In the long term, we won't be able to reduce all our emissions to achieve Net Zero without mobilizing all the stakeholders in our value chain. With this in mind, we have joined a number of working groups.

## In terms of energy efficiency, has the company launched any specific initiatives?

In response to last winter's energy crisis, we launched a sobriety plan in the autumn, consisting of measures with a very short-term impact (reducing heating, optimizing lighting and screen usage, closing floors or premises for specific periods) and awareness-raising initiatives for employees (eco-actions at home or at work), to contribute to the collective effort and avoid power cuts. We intend to make some of these initiatives permanent over the medium term. Local action plans have also been implemented in our geographies.

<sup>1</sup> The scope of CO<sub>2</sub> emissions taken into account by the SBTi standard includes all three GHG Protocol scopes (market-based), excluding optional emissions as defined by the GHG Protocol (hotel expenses, employee teleworking, external use of sites).



|

**“In response to the climate change issue, Wavestone wishes to act not only on the footprint of its activities, but also with its clients, by supporting them in their ecological transition challenges.”**

|

### **What are the challenges specific to Wavestone as a consulting firm?**

Wavestone has been committed to reducing its carbon footprint for several years, enabling us to report a low carbon footprint per employee in 2019/20, around 52%<sup>2</sup> lower than other players in the consulting market. To continue to reduce our footprint in a context of recovery from the Covid crisis and growth, we will have to meet several challenges.

Firstly, Wavestone is present in 9 countries, and aims to grow its operations outside France, particularly in the United States. Sensitivity and legislation in terms of environmental protection are different there, and it is therefore up to us to implement locally adapted action plans.

Secondly, training and awareness-raising for all our employees is of course essential. Since 2023, the “ Fresque du Climat ”, the famous workshop for understanding climate change, has been delivered systematically to all employees. Already 1,792 employees have been trained since 2019, by nearly 50 internal trainers! Wavestone has in fact been awarded the Fresque du Climat label, in France, rewarding the quality and professionalism of the firm's deployment of the fresco. In addition, My Sustainable Learning Journey, dedicated to the understanding and action on sustainable development issues, was launched in early 2023 with 6 hours of training, mandatory for all.

Finally, in response to the climate change issue, Wavestone wishes to act not only on the footprint of its activities, but also with its clients, by supporting them in their ecological transition challenges. To achieve this, we have, as I said earlier, invested in training our employees. We have also structured ourselves with the

creation of a new Sustainability activity. At the same time, we are continuing to roll out our responsible consulting approach in order to enrich the way we carry out our most standard assignments by taking proactive action to enlighten our clients on the CSR challenges of their transformation projects and propose concrete, measurable actions. During 2022/23, 119 assignments were carried out using this approach, tripling last year's total.

### **How does Wavestone contribute more broadly to environmental protection?**

We are also active on a wider scale, notably in the preservation and restoration of biodiversity.

We have a skills sponsorship scheme that enables us to carry out pro bono consulting assignments for associations, of which almost 30% (2,647 man-days) were devoted to issues relating to the preservation of biodiversity and environmental protection in 2022/23.

The 5<sup>th</sup> call for projects from our startup accelerator, Shake up, focused this year on the theme of sustainable development. Four new winners joined the program, including Néolithé, which transforms non-recyclable, non-inert and non-hazardous waste into mineral aggregates for use in the construction industry.

Finally, we want to contribute to reflection and action within our ecosystem. To this end, Wavestone is committed to and contributes to various initiatives: Planet Tech'Care, Institut du numérique responsable, Boavizta, Collectif “Pour un réveil écologique”, and the CSR and sustainable development commissions of Numeum and Syntec Conseil.

<sup>2</sup> Average carbon footprint per employee observed on the basis of a study of half a dozen consulting firms.

# Skills sponsorship, a strong social commitment for Wavestone



**Caroline De Bardy**

CSR Manager,  
Wavestone

## What is Wavestone's skills sponsorship approach?

As part of its CSR approach, Wavestone is committed to being an ethical and responsible corporate citizen. Since 2017/18, the firm has set itself the annual target of dedicating 1% of employees' time to supporting projects that create societal value and putting its skills at their service.

To achieve this ambitious goal, we have developed several forms of skills sponsorship. Firstly, we offer pro bono consulting to socially-oriented organizations. Then, for the past 6 years, we have been organizing the Powerday, a day of solidarity during which all employees are invited to get involved in an associative project to be chosen from a list of field actions or skills sponsorship. Last but not least, since 2012, we have been mentoring students at the Institut Villebon and organizing professional workshops.

This commitment, in all its forms, reflects our desire to work with associations in support of major social causes such as sustainable development, professional integration and the fight against poverty, and to get our employees involved.

## How is skills sponsorship managed internally?

We manage our skills sponsorship autonomously, without any external support.

The consulting assignments carried out free of charge for the benefit of socially-oriented organizations are managed by a core team, supported by referral collaborators in liaison with the firm's teams or with the associations supported. A key factor in our success is the day-to-day support provided by our functional teams (e.g. finance, legal, IT), enabling us to fully integrate our operations into the firm's processes and tools.

Let me also remind you that we aim for the same high standards for free assignments as for invoiced ones. They require the same capabilities and the same level of quality and satisfaction. We apply the same pre-sales and staffing process as for classic assignments. This also means that pro bono assignments are evaluated with the same expectations and contribute to the same level as a classic assignment in the career path of the employee involved.

With regard to the organization of Powerday, a dedicated team is set up each year. The mentoring scheme is managed by mentors and a network of sponsors.

|

**“Excluding Powerday,  
this represents a total of  
114 pro bono consulting  
assignments carried out for  
54 associations, involving  
over 300 consultants.”**

|

**Can you share with us some figures on sponsorship ?**

For the 2<sup>nd</sup> year in a row, we achieved our objective, by dedicating 1.3% of employees' time to societal actions in 2022/23, representing 10,747 man-days.

Excluding Powerday, this represents a total of 114 pro bono consulting assignments carried out for 54 associations, involving over 300 consultants. This marks a sharp acceleration compared with 2021/22, during which 86 assignments were carried out.

Through these numerous projects, we address 13 different Sustainable Development Goals (SDGs), with a stronger presence on the subjects of health, the fight against climate change and environmental preservation.

A record number of Powerday participants also took part in the September 2022 edition, with nearly 1,600 employees mobilized across all our offices. A total of 112 associations benefited from our support for the day.

**What types of skills sponsorship assignments are carried out by Wavestone consultants?**

We work with associations of all sizes and in a wide variety of sectors. The expertise required for these projects is completely in line with that of our consultants: cybersecurity audit for APF France handicap, digital transformation for Share.IT, carbon assessment for the French Red Cross, etc.

**What are the objectives and challenges for 2023/24?**

We are maintaining our objective of 1% of employees' time dedicated to social actions for the 2023/24 fiscal year.

We face many challenges this year. Firstly, we need to strike the right balance between providing long-term support to our key partners, while remaining available to new associations. Secondly, we want to continue developing our sponsorship internationally, with the mobilization of new offices in 2023/24. Finally, we will continue to raise awareness among our employees, and externally, we would like to involve other companies in the world of corporate sponsorship, to create an emulation around the subject, for example by continuing our work with the “Alliance pour le mécénat de compétences”.

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# Embodying and sharing our own values

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**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. The CSR strategy is structured around 5 key commitments:



Improve client satisfaction and support clients in sustainable performance



Promote employee engagement, well-being, and quality-of-life at work



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



Be a corporate citizen that behaves ethically and responsibly



Minimize the impact of our activity on the environment



## WAVESTONE, RECOGNIZED FOR ITS COMMITMENT TO CSR



5<sup>th</sup> in its revenue category by 2022  
Top 5% nationally



1<sup>st</sup> in its category in 2023 (France)  
GPTW certified in all offices



Score B-



78/100 –  
« Platinum » level



Happy Candidates label in France, the UK, Switzerland, Europe and worldwide



Awarded the Happy Trainees label and ranked 5<sup>th</sup> best company for internships and work-study programs in France



Fresque du Climat label (France)

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# Dialogue with shareholders

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**Wavestone is committed to maintain a regular dialogue and build a relationship of trust with all its stakeholders. Over the past few years, the company has developed a number of mechanisms and taken numerous actions to maintain its ties with its shareholders.**



The Wave Club Actionnaires is free and open to all Wavestone shareholders. Its aim is to promote a better understanding of the firm, its business and its strategy. The Club offers the opportunity to receive Wavestone's financial information (press releases, shareholder letters, annual report, etc.) and to meet the firm's management and teams at information meetings.

Since March 2020, 7 information meetings on Wavestone's results or strategy have been organized, exclusively for the club's members. Replays of these meetings are available in the [Shareholders section](#) of the Wavestone website or on the firm's [YouTube channel](#).

On April 3, 2023, a Wave Club Actionnaires meeting was held at Wavestone's offices in La Défense. Participants attended presentations on responsible consulting and the luxury sector at Wavestone.

## THE INDIVIDUAL SHAREHOLDERS' CONSULTATIVE COMMITTEE (CCAI)

Created in 2020, the CCAI enables Wavestone to stay in touch with its individual shareholders by facilitating regular, high-quality dialogue, to gather their opinions on the various aspects of shareholder communication and to improve shareholder materials.

For the 2022/23 financial year, discussions focused, for example, on the firm's results, the organization of shareholder events (the Annual General Meeting and the Club Actionnaires meeting), and the content of shareholder documentation ("shareholder letters", universal registration document).

The Committee has five members, including two individual employee shareholders:

- Pierre Allard, member and employee
- Valérie Bondon, member and employee
- Françoise Derollepot, member
- Claude Haroche, member
- Caroline Meignen, member

All Wavestone shareholders and future shareholders have access to the following communication media: the annual report, shareholder letters, the shareholder guide and press releases. All the firm's news is available on the Wavestone website and social networks.

To become a Wavestone shareholder, you need to have a securities account with a bank or online broker. A PEA or PEA-PME account is also suitable, as Wavestone shares are eligible for these schemes. Then place a buy order for Wavestone shares (ISIN code: FRO013357621).

There are three ways of holding Wavestone shares:

### How can I become a Wavestone shareholder?

Holding	Pure registered shares	Registered shares	Bearer shares
General Meeting	Automatic delivery of invitation to attend and documents required for postal voting (proxy and internet)		You must contact your financial intermediary to make a request
Account holder	Wavestone's securities service	Via your financial intermediary	
Stock market order processing	Via the website Olis Actionnaires	Via your financial intermediary	
Fees	No custodian fees or management fees Higher transaction fees	Varies by financial intermediary	
Possibility of registering your shares in a PEA	Hard	Yes	
Possibility of receiving a consolidated statement of account	No	Yes	
Annual tax declaration	Uptevia will send you a single tax form (calculation of capital gains: done or not by Uptevia)	Your financial intermediary sends you a single tax form containing all the transactions relating to your securities account + capital gains management by certain intermediaries	

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# The efficiency of an integrated organization

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**Wavestone has adopted an integrated organizational model that closely combines all of the firm's skills in order to provide each client with the best possible response to its needs.**

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 a client business sector, an area of expertise covered by the firm and/or in a geographical area. As of July 1<sup>st</sup>, 2023, Wavestone had 18 practices.

Each practice is also responsible for the sales of its offerings. This is done by both the practice's consultants and by dedicated sales professionals under the responsibility of a practice sales leader.

The firm has also defined a list of priority clients, called key accounts. Each key account is under the responsibility of a practice, in charge of developing sales with this client on behalf of the entire firm.

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

Finally, Wavestone has chosen to invest in the long-term in exclusive assets designed to enrich its value proposition (see page 14).

## **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. Wavestone's CSR team is part of the Human Resources department.



### **Executive Committee (EXCOM)**

The firm is managed by an Executive Committee, led by the General Management, which is composed of Pascal Imbert, Chairman & Chief Executive Officer, and Patrick Hirigoyen, Chief Operating Officer.

The members of this Executive Committee are:

**Pascal Imbert**, Chairman & Chief Executive Officer

**Patrick Hirigoyen**, Chief Operating Officer

**Reza Maghsoudnia**, Strategic Development Director

**Anne Régnier**, Commercial Director

**Fanny Rouhet**, HR Director

**Hélène Cambournac**, CSR Leader

**Laure Michel**, Recruitment Director

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

**Beth Thomas**, Marketing Director

**Laurent Stoupy**, Chief Financial Officer

**Florence Noizet**, Partner

**Philippe Dajean**, Partner

**Benoît Darde**, Partner

**Guillaume Durand**, Partner

**Frédéric Goux**, Partner

**Mike Newlove**, Partner

### **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

Sarah Lamigeon

Laure Michel

Florence Noizet

Anne Régnier

Fanny Rouhet

Gérôme Billois

Philippe Dajean

Benoit Darde

Guillaume Durand

Chadi Hantouche

Jim Hennigan

Patrick Hirigoyen

Pascal Imbert

Reza Maghsoudnia

Nicolas Nepomiastchy

Laurent Stoupy

Alessandro Zamboni

**Boards of Directors**

As of March 31, 2023, the composition of Wavestone’s Board of Directors is as follows:



**Pascal Imbert**  
Chairman & Chief Executive Officer



**Patrick Hirigoyen**  
Chief Operating Officer



**Marie-Ange Verdickt\***  
Lead Director



**FDCH (represented by Michel Dancoisne)**  
Director



**Christophe Aulnette\***  
Director



**Raphaël Vivier\***  
Director



**Sarah Lamigeon**  
Director



**Benjamin Clément**  
Director, employee representative



**Véronique Beaumont\***  
Director



**Marlène Ribeiro\***  
Director



**Pierre Allard**  
Director, shareholder employees representative



**Emilie Salas**  
Director, employee representative

\* independent members

As a reminder, a change in the governance structure was proposed to shareholders at the Annual General Meeting of 07/28/2022, from a Management Board and Supervisory Board to a Board of Directors. The 10<sup>th</sup> resolution was adopted with 99.34% of votes in favor.

To comply with best practices in corporate governance, the Board of Directors has appointed Marie-Ange Verdickt as Lead Director, responsible for ensuring that the Board operates smoothly.

WAVESTONE

FINANCIAL  
REPORT

2022/23

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# MANAGEMENT REPORT

# 01

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## Board of directors' report to the Combined General Meeting of 07/27/23

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

The report includes the "Board of Directors' Report-General Report" together with the:

- Board of Directors' Report - *Risk factors and internal control*;
- Board of Directors' Report - *Statement of non-financial information*;
- Board of Directors' Report - *Additional note*.

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.



# Board of Directors' report - General Report

## 1. Key events and outlook

### Revenue of €532.3 million in 2022/23, up 13%

At the end of the 2022/23 fiscal year, Wavestone's consolidated revenue was €532.3 million, up 13% year-on-year. On a constant forex basis, it was €528.6 million, in line with the consolidated revenue target of more than €525 million.

Wavestone completed three acquisitions during the fiscal year: Nomadéis, the French sustainable development consultancy firm, and the UK firms PEN Partnership and Coeus Consulting.

Annual growth was +7% on a constant scope and constant forex basis.

### Dynamic recruitment and a slowdown in turnover

The very steady pace of recruitment throughout the 2022/23 fiscal year resulted in the firm recruiting around 1,300 employees and significantly exceeding its annual target of 1,000 new hires.

The turnover rate slowed in the second half of the year and, over the full fiscal year, was 16%, down from 18% in 2021/22.

At 03/31/23, Wavestone had 4,406 employees, including 126 from the acquisitions of Nomadéis, PEN Partnership and Coeus Consulting, compared with 3,372 a year earlier.

### Utilization rate down to 73%, average sales price up 4%

As a result of the arrival of a significant number of new employees in the second half of the year, combined with a slowdown in business activity in the final quarter, the utilization rate was 73% over the 2022/23 fiscal year as a whole, compared with 77% in the previous year.

The average daily rate over the fiscal year was €890, representing growth of 4% over the average sale price of €854 recorded in 2021/22. On a constant forex basis, the average daily rate was up 3% to €883.

### EBIT margin of 14.5% and net margin of 9.4%

In 2022/23, EBIT was €77.0 million, compared with €74.8 million a year earlier, i.e. an increase of 3%.

The EBIT margin was therefore 14.5%, in line with the press release issued on 03/08/23, which included a degree of caution relating to the initial target of 15%, due to the fall in the utilization rate in the fourth quarter.

It should be noted that 2022/23 EBIT included a one-off personnel-related cost of €1.4 million as a result of the application of amendment no. 46 to the Syntec collective bargaining agreement on the calculation of retirement benefits.

The changes made to the salary policy during the fiscal year to maintain Wavestone's attractiveness did not prevent there being a slight rise in the sale price-to-salaries ratio in 2022/23, thanks to the increase in the average daily rate. In terms of operating expenses, Wavestone accelerated its expenditure in 2022/23, particularly in recruitment and human resources, after a 2021/22 fiscal year that remained sluggish in a post Covid-19 crisis environment.

After recognition of client-relationship depreciation expense and other non-recurring income and expenses (€(2.9 million) in 2022/23, compared with €(0.5 million) in 2021/22), mainly comprising expenses on acquisitions made during the fiscal year, operating income was €72.7 million, practically stable compared with a year earlier.

The cost of net financial debt rose in 2022/23 to €1.8 million from €0.9 million a year earlier, as a result of the acquisitions made during the fiscal year, and rising interest rates. Other financial income and expenses were €(2.3) million, made up of the cost of financial instruments of €(1.3) million, forex losses of €(0.8) million, and IFRS 16 interest expenses of €(0.2) million.

Income tax expense fell to €18.5 million from €20.9 million a year earlier, as a result of a lower tax rate in France.

The group share of net income was €50.1 million at the end of the 2022/23 fiscal year, slightly down from the 2021/22 fiscal year. The net margin was 9.4% in 2022/23, compared with 10.9% a year earlier.

### **Increase in cash flow from operations to €41.1 million**

At the end of the 2022/23 fiscal year, Wavestone generated cash flow from operations of €83.8 million, up 6% from the previous fiscal year.

The change in working capital requirements (WCRs) absorbed €21.6 million over the fiscal year, compared with €6.9 million a year earlier, as a result of the growth in activity and the increased time clients took to settle invoices.

After deducting income tax expense (€21.1 million), Wavestone's operating cash flow was €41.1 million in 2022/23, compared with €56.3 million a year earlier.

Investment transactions cost €52.7 million, essentially comprising the acquisitions of Nomadéis, PEN Partnership and Coeus Consulting.

Financing flows amounted to €(25.8) million, principally comprising €(4.4) million in net loan repayments, €(6.4) million in share buybacks to cover all entitlements under the employee free share allocation plans, €(5.1) million in lease liability repayments (IFRS 16) and €(7.6) million in dividend payments for the 2021/22 fiscal year.

### **Net cash and cash equivalents of €27.1 at 03/31/23**

At 03/31/23, Wavestone's shareholders' equity was €299.1 million.

The acquisitions completed during the fiscal year caused goodwill to increase to €235.4 million.

Net cash and cash equivalents<sup>(1)</sup> were €27.1 million at the end of March 2023, compared with a net debt of €16.2 million at the mid-point of the year, and net cash and cash equivalents of €60.3 million at the end of March 2022.

Available cash was €70.8 million, compared with €108.3 million a year earlier.

The Board of Directors will propose to the shareholders at the General Meeting the payment of a dividend of €0.38 per share in respect of the 2022/23 fiscal year, the same as the dividend paid in 2022, representing 15% of the group share of net income.

(1) Excluding lease liabilities.

(2) NPS® is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld. The NPS (Net Promoter Score) is an indicator that is commonly used to measure client satisfaction.

### **Continued progress on sustainable development in 2022/23**

During the 2022/23 fiscal year, Wavestone continued to make progress in the field of sustainable development.

In line with its CSR (corporate social responsibility) commitments, the firm achieved or exceeded the majority of its objectives in the fiscal year. In particular, Wavestone made progress on the rollout of its responsible consulting approach, as well as on diversity and inclusion issues, societal commitment and the reduction of its carbon footprint, with its trajectory aligned with the SBTi's Net Zero Standard (short- and long-term objectives validated in May 2023 by SBTi).

The firm fell short of its turnover and NPS<sup>®(2)</sup> targets.

The turnover rate fell sharply at the end of the fiscal year to 16%, but remains slightly above its normative target of 15%.

In relation to the NPS<sup>®</sup>, the actions implemented during the fiscal year have not yet had the desired effect. Wavestone's score is 45, below the target of 50, with the high turnover rate in the first half of the year undoubtedly one of the causes.

### **Outlook for the 2023/24 fiscal year**

The market environment at the start of the 2023/24 fiscal year has been less favorable, with long-term sector trends difficult to identify. Despite this context, Wavestone intends to gradually build up its level of activity during the fiscal year.

This recovery should materialize as early as the first quarter of the fiscal year, with a utilization rate for the period of around 73%, compared with 71% in Q4 of the 2022/23 fiscal year. Prices remain healthy.

Throughout the fiscal year, the firm intends to prioritize the intensity and agility of its sales activity, with a view to capitalizing on market segments and clients that offer the best development opportunities. The firm intends, however, to slow its level of recruitment, due to the market environment and the fall in turnover.

The firm will also continue to pursue acquisition opportunities, prioritizing the United Kingdom and the United States, but without ruling out tactical acquisitions in other countries. It also remains open to more transformative acquisition opportunities.

In the medium term, Wavestone continues to apply the revenue trajectory set out in its strategic Impact plan, helped by the significant embedded effect provided by its headcount at the start of the 2023/24 fiscal year.

**2023/24 financial objectives: revenue of more than €580 million and EBIT margin in the region of 15%**

For fiscal year 2023/24, Wavestone has set itself the objective of achieving organic growth at least equal to the level achieved in the previous period (+7%), despite an unfavorable working-day impact (-1.6%).

In view of the impact of the full-year consolidation of PEN Partnership and Coeus Consulting, Wavestone is targeting consolidated revenue of more than €580 million in the 2023/24 fiscal year, i.e. overall growth of 9%.

**2. Analysis of business 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.

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

In terms of profitability, the firm has set itself the target of achieving an EBIT margin for the fiscal year of around 15%. It should be noted that growth and profitability in the first half of the year will be adversely affected by an unfavorable working-day impact of -2.4% compared with the first half of the previous fiscal year.

The targets referred to above are understood to be on a constant forex basis excluding new acquisitions.

**2.2. Consolidated financial statements**

The financial statements as at 03/31/23 consolidated Wavestone SA, Wavestone Advisors UK and its subsidiaries (Xceed Group (Holdings), Xceed Group, Wavestone Consulting UK, PEN Partnership Ltd., PEN Partnership GmbH, Coeus Consulting Ltd., Coeus Consulting international Ltd., Coeus Verwaltungs GmbH and Coeus Consulting GmbH & Co. KG), Wavestone Switzerland, Wavestone Advisors Maroc, Wavestone Advisors until 12/31/22, Wavestone Luxembourg, Wavestone Belgium, Wavestone HK and its subsidiary (why innovation! Ltd.), Wavestone US and its subsidiaries (NewVantage Partners, UpGrow until 12/06/22 and Wavestone India until 12/01/23), why innovation! PTE, why academy! PTE and Nomadéis until 12/31/22.

The financial statements as at 03/31/22 consolidated Wavestone SA, Wavestone Advisors UK and its subsidiaries (Xceed Group (Holdings), Xceed Group and Wavestone Consulting UK), Wavestone Switzerland, Wavestone Advisors Maroc, Wavestone Advisors and its subsidiaries (Wavestone Luxembourg, Wavestone Belgium and Wavestone HK and its subsidiary why innovation! Ltd.), Wavestone US and its subsidiaries (WGroup and its subsidiary UpGrow, NewVantage Partners and Wavestone India), M3G and its subsidiaries (Metis Consulting until 12/31/21 and Metis Consulting HK until 10/31/21), why innovation! PTE, and why academy! PTE.

(In thousands of euros)	2022/23	2021/22	Variation
Revenue	532,264	470,057	+13%
EBIT	77,042	74,805	+3%
Operating income	72,685	72,811	0%
Group share of net income	50,068	51,032	-2%



Consolidated revenue was €532,264k, representing a 13% increase on the figure for the previous fiscal year of €470,057k.

EBIT stood at €77,042k (after employee profit sharing), up 3% on the previous year's figure of €74,805k.

Factoring in other non-recurring operating income and charges of €(2,864)k and client-relationship intangible asset depreciation of €1,493k, operating income was €72,685k, stable compared with the operating income for the previous fiscal year of €72,811k.

Other operating income and expenses mainly include:

- €(3,174)k in acquisition costs
- income comprising refunds of tax credits and social contributions of €658k

The cost of net financial debt was €1,756k over the period. This balance comprised financial income of €10k and financial expenses of €1,766k. The cost of net financial debt for the previous fiscal year amounted to €884k.

Other financial income and expenses were €(2,348)k, including the net cost of financial instruments of €1,184k, the impact of currency effects of €(834)k and interest on capital lease debt and leasing charges of €(177)k.

Pre-tax income over the period declined by 5% compared with the previous fiscal year, from €71,912k to €68,580k.

Income tax expense in the fiscal year was €18,513k, versus €20,880k the previous year. The fall can be mainly attributed to a fall in the corporate tax rate in France for the 2022/23 fiscal year.

Net income for the period fell 2% compared with the previous year, from €51,032k to €50,068k.

Given the absence of non-controlling interests, the net profit attributable to owners of the parent was also €50,068k, compared with €51,032k in the previous fiscal year.

(in thousands of euros)

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

	03/31/23	03/31/22	Change
	272,820	214,872	+27%
	235,355	178,512	+32%
	193,144	171,112	+13%
	70,824	108,251	-35%
	299,050	256,984	+16%
	63,485	67,528	-6%
	38,047	39,811	-4%
	174,254	169,723	+3%
	5,654	8,109	-30%
	<b>536,788</b>	<b>494,235</b>	<b>+9%</b>

The consolidated Group had net cash of €299,050k at end-March 2023, up 16% from €256,984k at end-March 2022.

Restated for bank borrowings (overdrafts and accrued interest), net cash was down from €108,249k at 3/31/22 to €70,681k at 03/31/23.

Financial liabilities totaled €43,702k at 03/31/23, versus €47,920k the previous year. Excluding bank overdrafts and accrued interest, financial liabilities came to €43,461k, of which €43,437k related to bank loans. For the record, financial liabilities before bank overdrafts were €47,913k at 03/31/22.

Wavestone posted net cash<sup>(1)</sup> of €27,123k at 03/31/23, versus net cash of €60,331k a year earlier.

(1) Gross cash less financial liabilities excluding lease liabilities.



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

<b>(in thousands of euros)</b>	<b>03/31/23</b>	<b>03/31/22</b>
Cash flow from operations before net cost of financial debt and tax	83,764	78,956
Tax paid	(21,052)	(15,768)
Change in working capital requirements	(21,567)	(6,853)
<b>Net cash flow from operating activities</b>	<b>41,146</b>	<b>56,335</b>
Net cash flow from investing activities	(52,731)	(12,485)
Net cash flow from financing operations	(25,847)	(23,965)
<b>Change in cash and cash equivalents</b>	<b>(37,432)</b>	<b>19,885</b>

These mainly include:

- a gross cash flow margin of €83,764k, plus a €21,567k rise in working capital requirements, leading to net cash flow from operations after paid tax of €41,146k over the period;
- investments of €52,731k, including:
  - current investments of €3,705k;
  - external growth transactions of €49,196k
- purchases of treasury shares of €6,403k;
- the payment of dividends in respect of the 2021/22 fiscal year of €7,612k (see paragraph 2.9);
- the repayment of €4,435k in borrowings;
- the repayment of €5,132k in lease liabilities.

Note that the firm does not use factoring or discounting.

### 2.3. Analysis of the financial statements

It should be noted that Wavestone SA's scope changed during the 2022/23 fiscal year as a result of the transfers of all the assets and liabilities of Wavestone Advisors and Nomadéis to Wavestone SA on 12/31/22 (see paragraphs 2.5.5 and 2.5.6 below). For the period between 04/01/22 and 12/31/22, the scope was that applicable as of 03/31/22; for the period between 01/01/22 and 03/31/22, the scope factors in the accounting effects of the transfers of assets and liabilities. As these transactions had retroactive effect, for tax purposes, to 03/31/22, the calculation of the corporate income tax charge reflects the effect of the transfers of assets and liabilities over the entire fiscal year.

At the parent company level, Wavestone SA reported revenue of €421,678k at 03/31/23, representing a 12% increase on the figure for the previous fiscal year of €377,647k.

Operating income before employee profit sharing rose 4% year-on-year from €53,093k to €55,144k. The operating margin was 13%, versus 14% at end-March 2022.

The firm recorded €(1,043k) in financial income in fiscal year 2022/23, compared with a financial profit of €916k at end-March 2022. The financial income for the fiscal year essentially included €2,192k in income from equity holdings comprising income from receivables, €(1,129k) in interest and non-use fees, €(738k) in the net cost of financial instruments, €(658k) in the "true loss" on the merger with Nomadéis, €(447k) in net forex losses, and €(265k) in net additions to and reversals of financial provisions.

Exceptional income for the period was €642k. It essentially comprises a refund of the 2015 French tax credit (CICE) for €603k. The firm booked exceptional losses of €1,636k in the previous fiscal year.

Tax on earnings in 2022/23 was €14,350k, versus €9,958k the previous year. This change can be largely explained by the retroactive nature, for tax purposes, of the transfers of assets and liabilities during the fiscal year.

Employee profit sharing amounted to €8,006k in 2022/23, compared with €5,799k in 2021/22. This change should be seen in the context of the transfers of assets and liabilities, which have an impact on WSA's shareholders' equity and net profit.

Taking all the above into consideration, net income was €320,387k at the fiscal year-end, compared with €39,888k at end-March 2022.

shareholders' equity totaled €270,725k at end-March 2023, representing an increase on the previous year's figure of €245,950k.

Factoring in the bank loan of €(44,565k) at 03/31/23, net cash at the end of the fiscal year was €18,501k, compared with net cash of €26,252k at 03/31/22.

## 2.4. Trade payables and receivables

In accordance with the provisions of the French Commercial Code (articles L. 441-14-1 and D. 441-6), 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.441-6 I.-1:						Article D.441-6 I.-2:					
	Not expired	invoices received unpaid on year-end date with an expired deadline					Not expired	invoices issued unpaid on year-end date with an expired deadline				
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more
<b>(A) Late payment installments</b>												
Number of invoices concerned	266					85	2,745					418
Total amount of invoices concerned, incl. tax	5,376,927	331,636	0	46,622	2,370,099	2,748,356	86,634,795	899,494	3,228,629	1,640,119	6,109,030	11,877,271
Percentage of total amount of purchases in the fiscal year, incl. tax	3.0%	0.2%	0.0%	0.0%	1.3%	1.5%						
Percentage of revenue in the fiscal year, incl. tax							17.5%	0.2%	0.7%	0.3%	1.2%	2.4%
<b>(B) Invoices excluded from (A) related to debt and contested or unrecognized receivables</b>												
Number of invoices			0								67	
Total amount of invoices concerned, incl. tax			0								805,451	
<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			

(1) The invoices received and issued that are more than 91 days overdue are almost exclusively invoices between Wavestone SA and its subsidiary Wavestone Advisors Maroc. These payment times can be explained by the administrative exchange control restrictions.

At end-March 2023, accrued trade payables comprised payments due to external suppliers in the amount of €10,785k and to internal suppliers in the amount of €3,158k.

Unbilled receivables at the end of the period comprised payments owed by external clients in the amount of €53,530k and by internal clients in the amount of €1,589k.

The fall from the previous fiscal year in payables and receivables with internal suppliers and clients is principally due to the transfer by Wavestone Advisors of all its assets and liabilities to Wavestone SA on 12/31/22 (see paragraph 2.5.5).

## 2.5. Legal developments in the fiscal year

### 2.5.1. Acquisition of Nomadéis

On 04/05/22, Wavestone acquired the entire share capital of Nomadéis.

Founded in 2002 and based in Paris, Nomadéis is a consultancy firm that specializes in the environment and social responsibility.

In its 2021/22 fiscal year, Nomadéis generated revenue of €1.8 million, representing growth of 27%. On the acquisition date, the firm had 22 employees.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

The company was consolidated in Wavestone's financial statements between 04/01/22 and 12/31/22, the date on which all Nomadéis's assets and liabilities were transferred to Wavestone SA (see paragraph 2.5.6 below).

### 2.5.2. Change in Wavestone governance

At the Extraordinary General Meeting held on 07/28/22, the decision to change the firm's governance structure from a Management Board and Supervisory Board to a Board of Directors was made.

The Members of the Supervisory Board became members of the Board of Directors for the remainder of their term of office. Pascal Imbert and Patrick Hirigoyen joined the board as Chairman-Chief Executive Officer and Chief Operating Officer, respectively.

In addition, in order to comply with best governance practices, Marie-Ange Verdickt was appointed Lead Director.

### 2.5.3. Acquisition of PEN Partnership

On 08/03/22, Wavestone acquired the entire share capital of PEN Partnership Ltd. and PEN Partnership GmbH.

Founded in 2012 and based in the United Kingdom, PEN Partnership has established itself as a trusted partner for its clients operating across the Financial Services and Life Sciences sectors.

In its 2021/22 fiscal year, PEN Partnership generated estimated revenue of £19.6 million (i.e. approximately €23.4 million, converted at the exchange rate applicable on the acquisition date) and an adjusted EBITDA margin of approximately 15%. On the acquisition date, the firm had 60 employees and 40 independent consultants.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

The companies have been consolidated in Wavestone's financial statements since 08/01/22.

### 2.5.4. Acquisition of Coeus Consulting

On 09/14/22, Wavestone acquired the entire share capital of Coeus Consulting Ltd., Coeus Consulting International Ltd., Coeus Verwaltungs GmbH and Coeus Consulting GmbH & Co.KG.

Founded in 2013 and based in London, Coeus Consulting is an IT strategy advisory firm.

In its 2021/22 fiscal year, the firm generated revenue in the region of €10.4 million with profitability markedly higher than that of Wavestone. The firm had 45 permanent employees on the date of acquisition.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

The companies have been consolidated in Wavestone's financial statements since 10/01/22.

### 2.5.5. Transfer of all Wavestone Advisors' assets and liabilities to Wavestone SA

With a view to simplifying the group's legal structure, the transfer of all Wavestone Advisors' assets and liabilities to Wavestone SA, of which Wavestone Advisors is a wholly owned subsidiary, was approved by a resolution of the sole shareholder on 11/18/22. It was completed at the end of the creditors' objection period on 12/31/22 with retroactive effect to 04/01/22 for tax purposes.

The shares in Wavestone Luxembourg, Wavestone Hong Kong and Wavestone Belgium, previously held by Wavestone Advisors, are now directly held by Wavestone SA.

This transaction has no impact on the consolidated financial statements.

### 2.5.6. Transfer of all Nomadéis's assets and liabilities to Wavestone SA

With a view to simplifying the group's legal structure, the transfer of all Nomadéis's assets and liabilities to Wavestone SA, of which Wavestone Advisors is a wholly owned subsidiary, was approved by a resolution of the sole shareholder on 11/18/22. It was completed at the end of the creditors' objection period on 12/31/22 with retroactive effect to 04/01/22 for tax purposes.

This transaction has no impact on the consolidated financial statements.

#### **2.5.7. Disposal of Wavestone India and the benchmarking business**

On 01/12/23, Wavestone US disposed of its entire shareholding in Wavestone India, a subsidiary that carries out benchmarking activities, to the US company, Brahma Advisors LLC. By way of reminder, this entity had been acquired in 2019 as a subsidiary of WGroup.

This disposal was carried out as Wavestone no longer wished to invest in this ancillary business activity, preferring to focus its efforts on its core business in the United States.

The company had three employees when it was transferred, and its sole client was Wavestone US, which entered into benchmarking contracts with external clients.

Wavestone India left the scope of consolidation on 01/01/23. The impact of this disposal on the consolidated scope as a whole is minor, as the revenue involved represented less than \$0.5 million on the date of disposal.

#### **2.5.8. Merger of NewVantage Partners into Wavestone US**

With a view to simplifying the group's legal structure, Wavestone merged NewVantage Partners into Wavestone US, its parent company, with effect from 03/31/23.

This transaction has no impact on the consolidated financial statements.

#### **2.5.9. 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) plan was set up in early March 2014, alongside the share-based savings plan (PEA) already in place.

In a press release published on 04/19/23, 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 PEAPME accounts, which benefit from the same tax benefits offered by traditional share-based savings plans (PEAs).

#### **2.5.10. Free share allocations**

For more details, please refer to paragraph 3.2 below.

#### **2.6. Post-closure events**

None.



## 2.7. Subsidiaries and equity holdings

### Information on subsidiaries and equity holdings

12-month fiscal year ended 03/31/23 unless otherwise indicated.

(in thousands of euros) Companies <sup>(1)</sup>	Country	Shareholder	Revenues	Real growth rate	Growth rate at constant exchange rates	Operating profit
Wavestone Advisors (SAS) <sup>(2)</sup>	France	Wavestone SA (100%) <sup>(2)</sup>	106,558	N/A	N/A	15,501
Nomadéis <sup>(2)</sup>	France	Wavestone SA (100%) <sup>(2)</sup>	890	N/A	N/A	-562
Wavestone Advisors UK Ltd. <sup>(3)</sup>	United Kingdom	Wavestone SA (100%)	20,086	23%	25%	1,970
Xceed Group Holding Limited <sup>(4)</sup>	United Kingdom	Wavestone Advisors UK Ltd. (100%)	0	N/A	N/A	-7
Xceed Group Limited <sup>(4)</sup>	United Kingdom	Xceed Group Holding Limited (100%)	0	N/A	N/A	-7
Wavestone Consulting UK Ltd. <sup>(4)</sup>	United Kingdom	Xceed Group Limited (100%)	0	N/A	N/A	-13
PEN Partnership Limited	United Kingdom	Wavestone Advisors UK Ltd. (100%)	18,934	N/A	N/A	2,581
Coeus Consulting Ltd.	United Kingdom	Wavestone Advisors UK Ltd. (100%)	5,783	N/A	N/A	1,391
Coeus Consulting Int. Ltd.	United Kingdom	Coeus Consulting Ltd. (100%)	0	N/A	N/A	-3
Coeus Verwaltungs GmbH	Germany	Coeus Consulting Ltd. (100%)	0	N/A	N/A	-2
Coeus Consulting GmbH	Germany	Coeus Consulting Int. Ltd. (99,9%) <sup>(5)</sup>	2,012	N/A	N/A	-574
Wavestone Belgium SA	Belgium	Wavestone SA (100%)	3,095	10%	10%	306
Wavestone Luxembourg SA	Luxembourg	Wavestone SA (100%)	7,566	-6%	-6%	834
Wavestone Switzerland SA	Switzerland	Wavestone SA (100%)	13,034	17%	10%	797
PEN Partnership GmbH	Switzerland	PEN Partnership Limited (100%)	81	N/A	N/A	-39
Wavestone Advisors Maroc (SARL)	Morocco	Wavestone SA (100%)	2,589	-1%	1%	321
Wavestone US Inc.	United States	Wavestone SA (100%)	33,890	60%	44%	566
NewVantage Partners <sup>(6)</sup>	United States	Wavestone US Inc. (100%) <sup>(6)</sup>	3,903	N/A	N/A	452
Wavestone India <sup>(7)</sup>	India	Wavestone US Inc. (100%) <sup>(7)</sup>	0	N/A	N/A	34
Wavestone HK Ltd.	Hong Kong	Wavestone SA (100%)	2,183	35%	22%	507
why innovation! Limited <sup>(8)</sup>	Hong Kong	Wavestone HK Ltd. (100%)	429	N/A	N/A	-108
why innovation! Pte. Limited <sup>(8)</sup>	Singapore	Wavestone SA (100%)	2,266	N/A	N/A	-32
why academy! Pte. Limited <sup>(8)</sup>	Singapore	Wavestone SA (100%)	45	N/A	N/A	-20

(1) Given that Nomadéis, PEN Partnership and Coeus Consulting, and subsidiaries joined the group scope of consolidation during the 2022/23 fiscal year, the figures shown are those for the period between the date on which the companies were acquired and 03/31/23. These companies' figures cannot be compared against those achieved in the previous fiscal year.

(2) Wavestone Advisors and Nomadéis were merged into Wavestone SA on 12/31/22 via a transfer of all their assets and liabilities. As such, their figures cannot be compared against those achieved in the previous fiscal year. These companies' figures in relation to revenue and operating income are those for the period between 04/01/22 and 12/31/22.

(3) As required under local accounting laws, Wavestone Advisors UK Ltd.'s operating income includes an operating expense relating to the depreciation of goodwill, in the amount of €1,230k. Adjusted for such depreciation, its operating income was €3,200k.

(4) Xceed Group Holding, Xceed Group and Wavestone Consulting UK Ltd. have no operational activities.

(5) Coeus Consulting GmbH is held as to 99.9% and 0.1% by Coeus Consulting Int. Ltd. and Coeus Verwaltungs GmbH, respectively.

(6) NewVantage Partners was merged into Wavestone US Inc on 03/31/23. Given that this company joined the group scope of consolidation during the 2021/22 fiscal year, the figures cannot be compared against those achieved in the previous fiscal year.

(7) Given that this company left the scope of consolidation during the 2022/23 fiscal year, the figures cannot be compared against those achieved in the previous fiscal year.

(8) Given that these companies joined the group scope of consolidation during the 2021/22 fiscal year, the figures cannot be compared against those achieved in the previous fiscal year.

#### 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 [2.5.1](#), [2.5.3](#) and [2.5.4](#) above.

#### Cross or reciprocal shareholdings

None.

#### Disposal of equity holdings

For more details, please refer to paragraph [2.5.7](#) above.

## 2.8. Research & Development activity

The company carries out R&D activities on a regular basis. However, the cost of these activities is only capitalized in exceptional circumstances.

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

As such, during the 2020/21 fiscal year, Wavestone benefited from such a research tax credit in respect of 2022 in the amount of €392k.

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>
03/31/22	20,032,695	€0.38	100%
03/31/21	20,053,458	€0.23	100%
03/31/20 <sup>(4)</sup>	N/A	N/A	N/A

(1) The company's treasury shares are not eligible for the dividend.

(2) Before deduction of taxes and social charges.

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

(4) As a result of the Covid-19 crisis, the Company had suspended its dividend distribution policy for the 2019/20 fiscal year

## 2.10. Debt policy

On 12/14/22, Wavestone renegotiated its financing contract with partner banks to (i) extend the availability of the various credit facilities and (ii) increase their maximum amounts. Under this contract, the original structure of which has generally remained unchanged, Wavestone has access to (i) a "Refinancing" credit facility, with €44.3 million outstanding at 03/31/23, (ii) two "Acquisition" credit facilities, comprising a confirmed facility of €105 million and an unconfirmed facility of €70 million, and (iii) a €40 million facility to fund the firm's working capital requirements.

## 2.9. Dividend policy

Wavestone is a growth company that reinvests the bulk of its earnings to fund further development. Wavestone's policy is, on principle, 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.

The Board of Directors proposes to the shareholders at the General Meeting of 07/27/23, that a dividend of €0.38 per share be paid in respect of the 2022/23 fiscal year. This dividend equates to a payout ratio of 15% of the Group's Share of Net Income.

On 03/31/23, Wavestone entered into an agreement with a new banking partner for a \$15 million "all uses" bilateral facility.

### 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 03/31/23: Its presentation has been simplified compared with the table published last year:

shareholders	Shares	% capital	Theoretical voting rights <sup>(3)</sup>	% theoretical voting rights	Exercisable voting rights <sup>(4)</sup>	% exercisable voting rights
Imbert family <sup>(1)</sup>	5,789,136	28.66%	11,578,272	35.61%	11,578,272	35.88%
Dancoisne - Chavelas family <sup>(2)</sup>	5,211,088	25.80%	10,422,176	32.06%	10,422,176	32.30%
<b>Sub-total Imbert/Dancoisne - Chavelas</b>	<b>11,000,224</b>	<b>54.47%</b>	<b>22,000,448</b>	<b>67.67%</b>	<b>22,000,448</b>	<b>68.18%</b>
Patrick Hirigoyen	71,089	0.35%	130,322	0.40%	130,322	0.40%
Other directors	34,610	0.17%	67,969	0.21%	67,969	0.21%
Employees <sup>(5)</sup>	1,573,603	7.79%	2,479,479	7.63%	2,479,479	7.68%
Treasury stock	244,883	1.21%	244,883	0.75%	0	0.00%
Free float	7,272,083	36.01%	7,589,032	23.34%	7,589,032	23.52%
<b>Total</b>	<b>20,196,492</b>	<b>100.00%</b>	<b>32,512,133</b>	<b>100.00%</b>	<b>32,267,250</b>	<b>100.00%</b>

(1) P. Imbert directly holds 941,978 shares. FIH, the family holding company over which he exercises exclusive control, holds 4,847,158 shares.

(2) M. Dancoisne directly holds 1,195,179 shares. FDCH, the family holding company over which he exercises exclusive control, holds 2,827,509 shares. D. Chavelas, his daughter, controls 1,188,400 shares.

(3) In accordance with article 11 of Wavestone'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.

(4) In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights exercisable at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights, but does not include those without voting rights.

(5) The method used to calculate employee share ownership has been modified from that used in previous years, to take into account only those ownership situations specifically mentioned in article L.225-102 of the French Commercial Code. Wavestone shares held by the Wavestone Actions FCPE are included in the calculation, as are shares issued under stock option plans (free share allocation plans, stock options) still held in registered form by their current or former beneficiaries. The other securities held by employees, resulting, for example, from acquisitions on the market, are no longer included in this calculation and are now included in the "Public" category. They are no longer able to be identified with certainty. Last year, these securities represented around 0.27% of the capital.

#### Theoretical and exercisable voting rights

	Shares	Theoretical voting rights	Exercisable voting rights	
Registered shares with single voting rights	176,106	176,106	176,106	A
Registered shares with double voting rights	12,315,641	24,631,282	24,631,282	B
Treasury registered shares	226,727	226,727	-	C
<b>Registered shares</b>	<b>12,718,474</b>	<b>25,034,115</b>	<b>24,807,388</b>	<b>D=A+B+C</b>
Bearer shares with single voting rights	7,459,862	7,459,862	7,459,862	E
Treasury bearer shares	18,156	18,156	-	F
<b>Bearer shares</b>	<b>7,478,018</b>	<b>7,478,018</b>	<b>7,459,862</b>	<b>G=E+F</b>
<b>Total</b>	<b>20,196,492</b>	<b>32,512,133</b>	<b>32,267,250</b>	<b>H=D+G</b>

28.66% of Wavestone's shares are held directly and indirectly by the Imbert family, with Pascal Imbert being the firm's Chairman-Chief Executive Officer, and 25.80% of the shares are held by the Dancoisne-Chavelas family, with Michel Dancoisne a member of the Board of Directors as the permanent representative of FDCH, the family holding company he controls. Acting in concert, these shareholders jointly own 54.47% of Wavestone's capital and 68.18% of the exercisable voting rights at 03/31/23.

No other shareholder owns 5% or more of Wavestone's share capital and/or voting rights.

Patrick Hirigoyen is a member of the Board of Directors and Chief Operating Officer of Wavestone.

"Other directors" covers the shares and voting rights of Pierre Allard, Christophe Aulnette, Véronique Beaumont, Benjamin Clément, Sarah Lamigeon, Marlène Ribeiro, Emilie Salas, Marie-Ange Verdickt and Rafaël Vivier.

According to a review of identifiable registered and bearer shares on 03/31/23, approximately 70% of the shares were held by institutional French and international funds and 30% by private shareholders on that date.

Wavestone is therefore controlled by its two founding shareholders and their families. The Company is committed to strict corporate governance principles. The presence of independent directors on the Board of Directors ensures that it carries out its supervisory function and represents all the shareholders.

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

shareholders	Ownership structure at 03/31/23				Ownership structure at 03/31/22 - proforma <sup>(1)</sup>				Ownership structure at 03/31/21 - proforma <sup>(1)</sup>			
	Shares	% capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% capital	% of theoretical voting rights	% of exercisable voting rights
Imbert family	5,789,136	28.66%	35.61%	35.88%	5,789,136	28.66%	35.59%	35.80%	5,789,136	28.66%	28.60%	28.90%
Dancoisne - Chavelas family	5,211,088	25.80%	32.06%	32.30%	5,211,088	25.80%	32.04%	32.22%	5,244,349	25.97%	28.29%	28.59%
<b>Sub-total Imbert / Dancoisne - Chavelas</b>	<b>11,000,224</b>	<b>54.47%</b>	<b>67.67%</b>	<b>68.18%</b>	<b>11,000,224</b>	<b>54.47%</b>	<b>67.63%</b>	<b>68.02%</b>	<b>11,033,485</b>	<b>54.63%</b>	<b>56.89%</b>	<b>57.49%</b>
Patrick Hirigoyen	71,089	0.35%	0.40%	0.40%	80,289	0.40%	0.46%	0.46%	75,953	0.38%	0.62%	0.62%
Other directors	34,610	0.17%	0.21%	0.21%	35,324	0.17%	0.21%	0.21%	34,746	0.17%	0.28%	0.29%
Employees <sup>(1)</sup>	1,573,603	7.79%	7.63%	7.68%	1,596,228	7.90%	7.68%	7.73%	1,560,545	7.73%	10.38%	10.49%
Treasury stock	244,883	1.21%	0.75%	0.00%	186,620	0.92%	0.57%	0.00%	257,699	1.28%	1.05%	0.00%
Free float	7,272,083	36.01%	23.34%	23.52%	7,297,807	36.13%	23.44%	23.58%	7,234,064	35.82%	30.78%	31.11%
<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) To ensure comparability, the figures at 03/31/22 and 03/31/21 have been recalculated on a proforma basis, taking into account the change in the method of calculating employee shareholding mentioned above (note 5 of the Wavestone shareholding table at 03/31/23). For this reason, the figures published in this table differ from those presented in previous years for fiscal years 2020/21 and 2021/22.

Executive shareholders did not significantly reduce their shareholdings during the 2022/23 financial year.

As a reminder, on 03/29/21 and 04/01/21, FIH, included in the "Imbert family" line, acquired double voting rights relating to the 4,847,158 Wavestone shares it holds. FDCH, included in the "Dancoisne - Chavelas family" line, acquired double voting rights on 10/12/21 in respect of the 2,827,509 shares it holds.

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

None.

### 3.1.3. Change in share capital

None.

### 3.1.4. Collective lock-up undertakings

During the past fiscal year ended 03/31/23, Wavestone was not informed of any collective lock-up undertakings relating to the Company'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 Operating Officer—signed three collective lock-up agreements, in accordance with the provisions of article 787B of the French General Tax Code, two of which remain in effect.

The signatories of both of these lock-up undertakings are committed to holding:

- 4,766,392 shares representing 23.60% of the share capital and 25.71% of voting rights<sup>(1)</sup>, 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<sup>(1)</sup>, 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 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, with tacit yearly renewal, 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<sup>(2)</sup>.

### 3.1.5. Movements in Wavestone's share price

Wavestone's share price was €45.00 on 04/01/22, the beginning of the fiscal year, and €44.45 on 03/31/23, the end of the year, a fall of 1%.

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 07/13/22 with the AMF under number D.22-0645 pursuant to article 241-2 of the General Regulation of the AMF.

As required under article L.225-211 of the French Commercial Code, all related elements and information at end-March 2023 are disclosed in the notes to Wavestone'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 hold, at 03/31/23:

- 602,442 shares in Wavestone via company mutual funds invested in Wavestone's shares, i.e. 2.98% of the share capital;
- 971,161 registered shares in Wavestone under articles L.225-180 and L.225-197 of the French Commercial Code, i.e. 4.81% of the share capital.

### Employee profit sharing

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

### Free share plan

At end-March 2023, the Wavestone Group had several free share plans in place.

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

(2) Based on Wavestone's capital and voting rights as of 03/29/19.



During the past fiscal year, Wavestone granted the following free shares:

**Final allotment under the 07/02/19 program  
("Key People Plan no. 14")**

On 07/02/19, using the authorization granted by the Combined Ordinary and Extraordinary Shareholders' Meeting held on 07/20/16, a free share plan known as the "Key People Plan no. 14" was implemented in favor of 15 of Wavestone's key employees named by the Management Board on the advice of the Appointments Committee.

The thirty-six (36) month vesting period under the "Key People Plan no. 14" expired on 07/02/22.

The initial allotment was up to 72,960 shares. In accordance with the conditions of the program, 72,960 shares were fully acquired by 15 employees at the end of the vesting period.

The shares granted under the "Key People Plan no. 14" were existing shares previously acquired by the Company during a share buyback program.

**Initial allotment under the 07/06/22 plan  
("Employee Plan no. 16")**

On 07/06/22, the Management Board partially used the authorization granted to it under the 25<sup>th</sup> resolution of the Combined Ordinary and Extraordinary Shareholders Meeting of 09/16/19, and implemented a Wavestone free share plan, named "Employee Plan no. 16", within the context of the Group's employee savings plan. This "Employee Plan no. 16" covers the employees of Wavestone according to the option they chose under the framework of the employee shareholding scheme, it being understood that the non-employee corporate officers of Wavestone SA and its subsidiaries are not covered by this plan.

Note that, at the initial grant date, Wavestone attributed 60,322 shares to 1,521 employee beneficiaries, subject to their definitive granting at the end of the 24-month vesting period, representing 0.30% of Wavestone's share capital as of 07/06/22.

**Initial allotment under the 07/06/22 plan  
("Key People Plan no. 16")**

On 07/06/22, the Management Board partially used the authorization granted to it under the 25<sup>th</sup> resolution of the Combined Ordinary and Extraordinary Shareholders Meeting of 09/16/19, and implemented a Wavestone free share plan named "Key People Plan no. 16". This "Key People Plan no. 16" covers the key employees of Wavestone designated by the Management Board on recommendation of the Compensation Committee, it being understood that the corporate officers of Wavestone SA and its subsidiaries are not covered by this plan.

Note that, at the initial grant date, Wavestone attributed 57,135 shares to 15 employee beneficiaries, subject to their definitive granting at the end of the 36-month vesting period, representing 0.28% of Wavestone's share capital as of 07/06/22.

**Initial allotment under the 07/06/22 plan  
("International Plan no. 2")**

On 07/06/22, the Management Board partially used the authorization granted to it under the 25<sup>th</sup> resolution of the Combined Ordinary and Extraordinary Shareholders Meeting of 09/16/19, and implemented a free share plan named "International Plan for Everyone no. 2". "International Plan for Everyone no. 2" is for the employees of Wavestone's foreign subsidiaries who have signed up to the Wavestone Shares FCPE (collective employee shareholding fund) or for registered Wavestone shares as part of the 2022 international employee shareholding program.

Note that, at the initial grant date, Wavestone attributed 9,036 shares to 98 employee beneficiaries, subject to their definitive granting at the end of the 24-month vesting period, representing 0.04% of Wavestone's share capital as of 07/06/22.

**Principle of non-interference by general management in  
employee shareholder voting**

Wavestone values employee shareholders and thus 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 management does not interfere with employee shareholder voting.

## 4. Board of Directors' proposals to the Combined General Meeting of 07/27/23

### 4.1. First part of the Ordinary General Meeting

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

##### Individual financial statements (1<sup>st</sup> and 3<sup>rd</sup> resolutions)

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 03/31/23, as presented to you, showing a net profit for the year of €32,387,440.

Based on the shareholder register on 03/31/23, 19,951,609 shares are eligible for a dividend.

Which equates to €7,581,611 and a payout ratio of 15% of the Group's share of net income.

Profit for the year ended 03/31/23 is allocated as follows:

Net profit for the fiscal year:	€32,387,440
Appropriation to the legal reserve <sup>(1)</sup> :	—
Retained earnings account:	€208,454,230
Distributable profit:	€240,841,670
Dividends:	€7,581,611

**Balance appropriated to retained earnings account: €233,260,059**

The dividend will be paid in cash as of 08/04/23.

Dividends paid to French tax residents who are natural persons are automatically subject to the single flat-rate withholding tax (PFU) at a global rate of 30% (12.8% for income tax and 17.2% for social security contributions) in accordance with article 200 A of the French General Tax Code. However, at the express and irrevocable choice of the taxpayer, the dividend may be subject to the progressive income tax scale and will thus be eligible for the 40% deduction provided for in article 158, 3.2 of the French General Tax Code. This option must be exercised each year when filing the income tax return and is global. It therefore covers all income falling within the scope of the PFU. This dividend will remain subject to social security contributions at the rate of 17.2% and, if the taxpayer opts for the application of the progressive scale, they can deduct from their overall income a proportion of the CSG applied to dividends (up to 6.8%). Finally, taxpayers whose taxable income exceeds certain thresholds will also be subject to the exceptional contribution

on high incomes at a rate of 3% or 4%, depending on the case, in accordance with article 223 sexies of the French General Tax Code. This regime does not apply to legal entities and non-resident shareholders, who remain taxed under the specific conditions applicable to them according to their own situation.

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 in the past three fiscal years are provided in paragraph [2.9](#) above.

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 €7,037, making for a tax charge of €1,818.

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

##### Consolidated financial statements (2<sup>nd</sup> resolution)

Your Management Board asks you to vote to approve Wavestone's consolidated financial statements for the fiscal year ended 03/31/23, as presented to you, showing consolidated net income for the year of €50,067,640.

#### 4.1.2. Approval of a related-party agreement (4<sup>th</sup> resolution)

At its Meeting held on 05/30/17, the Supervisory Board authorized the firm to take account of the length of Mr. Patrick Hirigoyen's term of office as a member of the Management Board - Chief Executive Officer in calculating his rights under his employment contract, and the shareholders, at the Combined General Meeting held on 07/26/18, approved this agreement.

Following the adoption of the new mode of governance by the shareholders at the Combined General Meeting held on 07/28/22, the Board of Directors, at its meeting held on 07/28/22, authorized the firm to take account of the length of Mr. Patrick Hirigoyen's new term of office as Chief Operating Officer in calculating his rights under his employment contract, it being reiterated that Mr. Patrick Hirigoyen's employment contract has been suspended since April 1, 2017.

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

We therefore ask you to approve the agreement entered into during the previous fiscal year, as authorized by the Board of Directors at its meeting held on 07/28/22.

The Auditors have been duly notified of the agreement and describe it in their special report.

#### **4.1.3. Approval of the information mentioned in I of article L.22-10-9 of the French Commercial Code for the fiscal year ending 03/31/23 (5<sup>th</sup> resolution)**

In the 5<sup>th</sup> resolution, the Board of Directors 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 03/31/23, as referred to in article L.22-10-9 of the French Commercial Code, as presented in paragraph 2.1 of the Board of Directors' report on corporate governance.

#### **4.1.4. Approval of implementation of compensation policy in respect of the 2022/23 fiscal year (6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> resolutions)**

Under the terms of the 36<sup>th</sup>, 37<sup>th</sup> and 38<sup>th</sup> resolutions, the Combined General Meeting of 07/28/22, approved the compensation policy for corporate officers (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 for the fiscal year ended 03/31/23 (in an ex-post vote) to:

- Mr. Pascal Imbert, in his capacity as Chairman of the Management Board until 07/28/22, and Chairman and Chief Executive Officer with effect from that date;
- Mr. Patrick Hirigoyen, in his capacity as a member of the Management Board - Chief Executive Officer until 07/28/22, and Chief Operating Officer with effect from that date;
- Mr. Michel Dancoisne in his capacity as Chairman of the Supervisory Board until 07/28/22.

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 requires such compensation to be approved by the Annual General Meeting.

The 6<sup>th</sup> and 7<sup>th</sup> resolutions ask you to approve the components of compensation and benefits-in-kind paid or allocated to Mr. Pascal Imbert and Mr. Patrick Hirigoyen in respect of the fiscal year ended 03/31/23.

The 8<sup>th</sup> resolution asks you to approve the components of compensation and benefits-in-kind due or allocated to Mr. Michel Dancoisne in respect of the fiscal year ended 03/31/23.

Details of the compensation and benefits in kind paid or granted in respect of the 2022/23 fiscal year to Mr. Pascal Imbert, Mr. Patrick Hirigoyen and Mr. Michel Dancoisne are set out in paragraph 2.1 of the Board of Directors' report on corporate governance.

#### **4.1.5. Appointment of Ms. Florence Didier-Noaro as a Company director (9<sup>th</sup> resolution)**

Under the 9<sup>th</sup> resolution, the Board of Directors proposes, after receiving the approval of the Compensation and Appointments Committee, appointing Ms. Florence Didier-Noaro as a new member of the Board of Directors for a term of four years, i.e. until the Annual Ordinary General Meeting called to approve the financial statements for the fiscal year ending on 03/31/27.

Information about Ms. Florence Didier-Noaro is set out in paragraph 2.3. of the Board of Directors' report on corporate governance.

We recommend appointing Ms. Florence Didier-Noaro as a member of the Board of Directors in view of her finance, auditing and CSR expertise. This appointment would also strengthen the Board's independence.

#### **4.1.6. Reappointment of Mr. Rafaël Vivier and Mr. Christophe Aulnette as directors of the Company (10<sup>th</sup> and 11<sup>th</sup> resolutions)**

The directorships of Mr. Rafaël Vivier, Mr. Christophe Aulnette and Ms. Sarah Lamigeon expire at the end of the General Meeting.

Ms. Sarah Lamigeon does not wish to be reappointed as a director.

Since Mr. Rafaël Vivier and Mr. Christophe Aulnette have notified the Board of Directors that they would agree to be reappointed as directors, the Board of Directors proposes, under the 10<sup>th</sup> and 11<sup>th</sup> resolutions, after receiving the approval of the Compensation and Appointments Committee, reappointing them as directors for a term of four years, i.e. until the Annual Ordinary General Meeting called to approve the financial statements for the fiscal year ending on 03/31/27.

**4.1.7. Annual compensation awarded to directors (12<sup>th</sup> resolution)**

The Group has requested to approve a total of €294,000 in overall annual compensation for the directors with effect from the fiscal year beginning on 04/01/22 and for subsequent fiscal years until decided otherwise by the Annual General Meeting.

The items considered to define this amount are detailed in section 3.2 of the Board of Directors' Report on Corporate Governance.

In accordance with market recommendations, the compensation is allocated among the different members of the Board of Directors based on members' actual attendance of meetings of the Board of Directors and the various specialized Committees (Audit Committee, Compensation and Appointments Committee and CSR Committee), and the time spent on carrying out their duties (particularly in chairing the various committees and carrying out the role of Lead Director).

Mr. Pascal Imbert and Mr. Patrick Hirigoyen are not paid for acting as directors.

**4.1.8. Approval of the compensation policy of corporate officers for the fiscal year beginning 04/01/23 (13<sup>th</sup>, 14<sup>th</sup> and 15<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 that may be allocated to corporate officers 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 Board of Directors, on the recommendation of the Compensation and Appointments Committee.

In this respect, three resolutions are proposed by the Board of Directors for the members of the Board of Directors (13<sup>th</sup> resolution), the Chairman-Chief Executive Officer (14<sup>th</sup> resolution) and the Chief Operating Officer (15<sup>th</sup> resolution), respectively.

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

The compensation policy for corporate officers submitted for approval to the General Meeting is in line with the policy for the members of the Board of Directors, the policy for Pascal Imbert - Chairman-Chief Executive Officer and the policy for Patrick Hirigoyen - Chief Operating Officer, approved by

99.97%, 98.98% and 98.90% of shareholders, respectively, at the General Meeting held on 07/28/22.

Note that the payment in 2024 to Mr. Pascal Imbert and Mr. Patrick Hirigoyen of the variable, and where relevant, exceptional components of compensation for the fiscal year ended 03/31/24 is subject to approval by the General Meeting to be held in 2024, in accordance with the conditions specified under article L.22-10-34 II. of the French Commercial Code.

Under the 13<sup>th</sup> resolution, you are asked to approve the compensation policy for the members of the Board of Directors.

The 14<sup>th</sup> and 15<sup>th</sup> resolutions ask you to approve the compensation policy for Mr. Pascal Imbert, Chairman-Chief Executive Officer, and Mr. Patrick Hirigoyen, Chief Operating Officer.

For further details of this compensation policy, please refer to paragraph 3.2 of the Board of Directors' report on corporate governance.

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

**Current share buyback program**

The combined Annual General Meeting on 07/28/22, authorized the Board of Directors, under the 9<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 07/27/17.

As required by law, we inform you that, at 03/31/23, the key features pertaining to the two programs launched one after the other during the 2022/23 fiscal year were as follows:

- 250,331 shares were purchased during the period at a total acquisition cost of €12,192,248, giving an average purchase price of €48.70 per share;
- 123,972 treasury shares were sold during the period at a total sale price of €5,789,279, giving an average selling price of €46.70 per share;
- trading fees incurred by the Company totaled €35,942 in fiscal year 2022/23;
- 68,096 free shares were granted to employees during the period, worth €1,801,976 measured at acquisition cost, giving an average selling price of €26.46 per share;
- 244,883 treasury shares were on the balance sheet at 03/31/23 for a total market value of €10,885,049, calculated at the closing price of €44.45 on 3/31/23; their nominal value was €0.025 per share.

Treasury shares represented 1.21% of the Company's total share capital.



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

	Market activity (liquidity)	External growth	Shares granted to employees (free share allocation plan)	Delivery upon exercise of rights attached to securities
<b>Position at 03/31/22</b>	<b>18,274</b>	-	<b>168,346</b>	-
Purchases	123,854	-	126,477	-
Sales	-123,972	-	-	-
Reallocations	-	-	-	-
Redemptions	-	-	-68,096	-
<b>Position at 03/31/23</b>	<b>18,156</b>	-	<b>226,727</b>	-
Gross book value <sup>(1)</sup> (in euros)	853,205	-	10,081,469	-
% of share capital at 03/31/23	0.09%	-	1.12%	-

(1) The gross book value of shares is calculated based on the purchase price of the shares.

### New share buyback program proposal

Your Board of Directors 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 shares 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 within the group, in accordance with the terms and conditions set by law, especially in respect of profit sharing, share ownership plans, Company and inter-company savings plans, and for the purposes of implementing and satisfying stock option and free share plans;
- to cancel all or some of the shares purchased to reduce the share capital, within the context of, and subject to, a valid authorization granted by the Extraordinary General Meeting;
- to implement all market practices and objectives permitted by law or current regulations or by the AMF concerning share buyback programs and, more generally, to carry out all operations that comply with the regulations in force with regard to these programs.

#### Limit

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

#### Financial terms of purchase

Maximum purchase price per share: €126 (excluding expenses) for transactions to promote the market for Wavestone shares and boost liquidity, and €94 (excluding expenses) in other cases.

#### Cancellation of shares

Under the terms of the 11<sup>th</sup> resolution of the Combined Extraordinary and Ordinary Shareholders Meeting of 07/28/22, the Board of Directors was authorized, for a period of 24 months, to reduce the share capital by cancelling shares.

#### Period of validity

Valid as of the Combined Ordinary and Extraordinary Shareholders Meeting convened on 07/27/23, until the next Annual General Meeting called to approve the financial statements for the fiscal year ending 03/31/24, and for a maximum of 18 months, it being understood that the Combined Ordinary and Extraordinary Shareholders Meeting on 07/27/23, 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 governance bodies during public offer periods, the Board of Directors can now make use of authorizations (notably of a financial nature) granted by the Annual General Meeting during periods of public offers.



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

Accordingly, the proposed authorization concerning share buybacks to be granted to the Board of Directors by the Combined Ordinary and Extraordinary Shareholders Meeting on 07/27/23 will be suspended during periods of public offerings. This new share buyback program cannot therefore be used by the governance body during public offer periods (unless such transactions are carried out to satisfy share delivery commitments, for example under employee share plans).

Details of this program are provided in the 2022/23 Universal Registration Document.

#### **4.2. Extraordinary resolutions**

##### **4.2.1. Delegation of powers to the Board of Directors to update the Articles of Association (17<sup>th</sup> resolution)**

You will be asked to delegate the power to amend the Company's Articles of Association to comply with laws and regulations to the Board of Directors, subject to ratification of such amendments by the next Extraordinary General Meeting. Under the previous mode of governance, the Supervisory Board had benefited from a delegation of powers identical to the terms of the 23<sup>rd</sup> resolution of the Combined Extraordinary and Ordinary Shareholders Meeting of July 27, 2017.

#### **Second part of the Ordinary General Meeting**

##### **4.2.2. Powers for formalities (18<sup>th</sup> resolution)**

This is the standard resolution granting powers to carry out formalities and publication obligations required by law.

We ask you to vote to approve these ordinary and extraordinary resolutions of the Combined Ordinary and Extraordinary Shareholders Meeting.

## **5. Social report and opinion of the Economic and Social Committee**

### **5.1. Social report**

As required by law, Wavestone drew up a social report, which was reviewed by the Economic and Social Committee on 05/30/23.

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.

#### **5.1.1. 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 Board of Directors**

05/31/23

# Board of Directors' report

## - Risk factors and internal control

### 1. Risk factors

#### 1.1. Identification and assessment of risks

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

A permanent and dynamic system, defined and implemented by the firm, is used to identify, evaluate and implement risk mitigation measures. This internal control and risk management system aims to be comprehensive, and draws on all the Company's stakeholders, businesses and processes.

Meetings of the various risk management bodies are held at regular intervals and bring together risk management stakeholders around a common vision, while raising their awareness of the risks inherent in their business activities (see paragraph 3.4 of this chapter). These bodies help to:

- create and preserve the Company's value, assets and reputation;
- secure decision-making and processes to help the Company to achieve its goals;
- ensure that the Company's actions are consistent with its commitments;
- disseminate a risk-based approach and a risk management culture among employees and management.

Alongside these bodies, Wavestone updates its risk mapping on an annual basis. The updating exercise, which is coordinated by the Head of Internal Control, involves:

- identifying all internal and external risks that could affect Wavestone's objectives;
- assessing the likelihood of the risks materializing, and estimating the extent of their impact on the firm;
- identifying and noting the mitigation measures put in place, and any work streams to be carried out to further minimize the level of risk.

In order to successfully complete this exercise, the process owners (see paragraph 3.4 of this chapter) are invited to meetings and workshops with the internal control team. At these discussions, they are able to share their thoughts and their assessment of the risks, based on historic and forward-looking information and monitoring activities concerning changes to their environments.

Each risk is rated based on the likelihood of it occurring, its impact, and the measures in place to control and mitigate it. The results of this work stream are validated by the Finance Department, General Management and the ExCom. They are then presented to the Audit Committee.

The specific mapping for corruption risks, influence peddling risks, and risks related to the duty of care is directly fed by the risk map, and is presented to the CSR Committee.

The table below lists the main risks faced by Wavestone, after factoring in mitigation measures, classified by category. This summary is not intended to include all risks faced by the firm, and may be amended at any time, in particular as a result of new facts.

Categories/risks	Page
<b>Strategic and environmental risks</b>	83
Risks related to the economic and political environment	83
Risks related to dependence on key persons	84
Risks related to the structuring of teams	84
Risks related to corporate social responsibility	84
<b>Technological risks</b>	85
Risks associated with the development of artificial intelligence	85
<b>Image and reputational risks</b>	85
Risks associated with external communications and social media	85
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Risks related to contractual commitments and delegations	87
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Risks related to employee loyalty	87
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Risks related to employees' health, safety and integrity	88
<b>Risks related to cash management</b>	89
Risks related to exchange rates and hedging transactions	89
<b>Risks related to internal or external fraud</b>	89

Paragraph 1.2 "Description of risk factors" describes these main risks and the way in which they may affect Wavestone. This section also describes the measures taken to mitigate risks.

## 1.2. Description of risk factors

### 1.2.1. Strategic and environmental risks

#### Risks related to the economic and political environment

##### Description of the risk

The consultancy sector is particularly exposed to changes in the economic and political environment. Risks related to the economic and political environment may result in an economic recession, high levels of inflation, changes to tax and commercial policies, political and social conflict or changes in laws, and may therefore have a material impact on Wavestone's activity levels. For example, in dealing with adverse economic circumstances, a major client or group of clients may significantly limit their expenditure on consultancy services, resulting in Wavestone losing revenue and needing to find new sources of work in an economic downturn to maintain its consultants' level of activity.

NB: In relation to the geopolitical situation between Ukraine and Russia, Wavestone does not have its own operations in either of these two countries. However, Wavestone is closely monitoring the situation and its consequences on the economic environment as a whole.

#### Risk management

Since the consultancy market is cyclical, Wavestone must, in order to keep to its sales targets, be able to adapt quickly to changes in economic conditions.

The sectoral diversification of its client portfolio and its growing proportion of international business limit its exposure to specific sectors or regions.

Wavestone has the ability to take action at firm level by triggering specific targeted measures based on the crisis it faces:

- by using cross-staffing, for example to mitigate the short-term weakness of an activity or sector;
- by focusing its sales teams on the environments in which their intervention is most needed;
- by increasing consultants' involvement in sales activities, where the situation so requires.

Moreover, the risk control system is based on permanent monitoring, in particular by the Research and Knowledge Center team, which analyzes Wavestone's and its main clients' economic environments. From this perspective, Wavestone can also leverage its membership of professional and governmental bodies, such as Consult'in France and Numeum, as well as its discussions with external consultants and financial analysts.

The firm has an Operational and Business Committee (OBCOM) that, on a bimonthly basis, analyzes clients' requests, monitors sales indicators and decides on any action that needs to be taken.

### **Risks related to dependence on key persons**

#### **Description of the risk**

Wavestone may experience significant difficulties in the event that one or more of its key employees with essential knowledge, expertise, information or relationships to the firm's business leaves the firm or is absent for an extended period. The absence of such persons could result in a loss of know-how, a fall in productivity, delays to projects, a loss of clients or a deterioration in the firm's reputation. The firm's Financial Department and Strategic Development Department are the departments most exposed to this risk, as their know-how is concentrated in a small number of persons.

#### **Management of the risk**

In responding to this risk, Wavestone has a number of options, such as the implementation of succession plans, the training of replacement employees, and the diversification of expertise and knowledge throughout the firm.

During the fiscal year, Wavestone launched a specific action plan to recruit new experienced employees into the teams that are the most exposed to the risk of dependence on key persons.

In addition, when carrying out acquisitions, Wavestone engages firms and commercial banks with in-depth knowledge of legal, tax, financial and transactional issues, in France and internationally. These advisors support Wavestone on the majority of its transactions, from identifying potential targets to drafting the acquisition agreement.

### **Risks related to the structuring of teams**

#### **Description of the risk**

Under its Impact plan, Wavestone has set key growth and international expansion targets for its business. However, if these objectives are to be met, some of Wavestone's teams will have to be strengthened and some structuring activity will

need to be carried out, in particular at the level of the functional teams. This risk may materialize if the structuring activity is not carried out quickly enough or is not aligned with the firm's needs. If it does materialize, this risk may result in a loss of efficiency, poor risk management, internal conflict, a fall in productivity, employee departures, resistance to change and low innovation capacity.

#### **Management of the risk**

To address these challenges, Wavestone began strengthening its functional teams in fiscal 2022/23, and intends to continue such work in future fiscal years.

The company has accordingly accelerated its recruitment of new experienced employees in the areas in which the greatest need has been identified. These areas include the teams responsible for strategic development, financial development, management control, routine financial transactions and information systems.

### **Risks related to corporate social responsibility**

#### **Description of the risk**

Breaches of ethical, social and environmental standards may have adverse financial, social and reputational consequences for Wavestone, which has undertaken, under its Impact plan, to be ranked among the top 5% of businesses in terms of CSR. In complying with its corporate social responsibility obligations, the firm must factor in the consequences of its activities on its stakeholders, including its employees, clients and suppliers. If the firm fails to take action in areas such as reducing its greenhouse gas emissions, promoting diversity and inclusion, and improving quality of life at work, its attractiveness to future employees looking to work for engaged and responsible businesses may suffer. Corporate social responsibility laws and regulations could also become more restrictive. If the firm does not make adequate advance preparations, it may be unable to adapt sufficiently quickly to respond to these new requirements.

**Management of the risk**

Based on the most material risks it has identified and in line with the firm's business model, Wavestone has decided to structure its CSR policy into five commitments:

- improving clients' satisfaction and helping them to achieve sustainable results;
- fostering employee engagement, well-being and quality of life at work;
- taking action in favor of diversity and creating an inclusive work environment where everyone is free to be themselves and has equal opportunities to fulfill their potential;
- acting as a good corporate citizen by adopting ethical and responsible practices;
- minimizing the impact of its business activity on the environment.

These commitments have resulted in a number of measures taken by the firm's employees and Management team. For example, Wavestone has implemented market initiatives such as the business ethics charter, the parenthood charter, the LGBT+ engagement charter and the disability charter. In order to reduce its environmental impact, Wavestone committed, during the fiscal year, to reducing its emissions in line with the SBTi's Net-Zero Standard.

In order to measure its non-financial performance and verify that it is Meeting its commitments, the firm has introduced key indicators, such as the number of projects carried out applying the responsible consulting approach, the employee commitment index, and the time spent by the firm on societal engagement. Changes to these indicators are coordinated by the ExCom and monitored by the CSR Committee.

**1.2.2. Technological risks**

**Risks related to the development of artificial intelligence**

**Description of the risk**

Artificial intelligence, in particular generative artificial intelligence, has the potential to be a disruptive technology, in that it could profoundly and rapidly transform entire industries. Given that Wavestone provides consultancy services focused on business transformations, it is exposed to a number of risks that could quickly reach a significant level of criticality if it finds itself unable to innovate or adapt to the changes brought about by this technology. AI could effectively reduce the relevance and competitiveness of some of the services provided by Wavestone, when compared to competitors that have fully integrated this technology into their service offerings. AI could also reduce demand for less complex consultancy services based on analysis of market

data, the automation of processes, or the generation of codes and demonstrators. In addition, the use of AI could fundamentally alter the way in which consultancy work is carried out by being used in teams' day-to-day work, thereby raising ethical and legal questions concerning data confidentiality and liability in the event of errors or losses caused by the AI solutions that the firm's employees might use.

**Management of the risk**

Wavestone's management team pays particular attention to progress made in artificial intelligence and its impact on Wavestone's business activity. With that in mind, the ExCom has given two of its members responsibility for coordinating the firm's actions related to this technological breakthrough: monitoring, impact analysis, training, trials, development of offers and tools, and charters.

**1.2.3. Image and reputational risks**

**Risks related to external communications and social media**

**Description of the risk**

A number of potential situations that could materially damage Wavestone's image have been identified:

A number of potential situations that could materially damage Wavestone's image have been identified:

- as a result of the 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;
- the firm may also be exposed to image risks related to its activities for clients. By way of example, due to its activity in the public sector, the firm was cited in the report of the Senate Commission of Inquiry on the influence of consulting firms in 2022 and in related articles;
- in addition, as employees are often required to promote Wavestone's reputation, the firm is exposed to the risk of inappropriate communications being released (either in the written press, on the internet or via social media), involving incorrect or inaccurate information, or information that Wavestone is not authorized to disclose.
- the firm could also be the target of attacks on the Wavestone brand via fake news sites, fake email addresses (cybersquatting) or fake press releases, etc.





### Management of the risk

To mitigate these risks, the firm has put in place a solution to monitor its e-reputation and protect its brand. It seeks advice on brand protection, e-reputation and crisis communications from experts in the area.

Wavestone has also implemented validation processes for all external communications, and a moderation process for social networks. The firm has engaged a service provider to securely release its various press releases and regulated documents to investors. The firm also provides its spokespeople with media training, and ensures that all employees adopt communication best practices on all media, networks and communication channels.

#### 1.2.4. Risks related to acquisitions

##### Description of the risk

Wavestone's external growth strategy involves regularly acquiring new companies or businesses, in France or internationally. As part of this strategy, Wavestone is exposed to a number of risks, including carrying out unsuitable acquisitions or acquisitions in which the acquired company is not well integrated. In such situations, the value of the acquired company may fall significantly if a material percentage of its key employees leave the Company soon after the acquisition, or if the Company is unable to be efficiently integrated into Wavestone's operating model. As a result, it is important for Wavestone to consolidate its expertise, both in terms of assessing target companies, and in the resulting integration process.

##### Management of the risk

Wavestone engages specialist firms to screen potential targets. In order to limit the risk of a target being poorly evaluated, Wavestone's Strategic Development Department and General Management hold discussions with the target company's management team prior to the transaction. These discussions are aimed at determining the strategic and cultural alignment of the two companies.

At the time when the indicative officer is being prepared, Wavestone and the target company's management team produce a common rationale for the proposed acquisition. The purpose of this approach is to establish, from the very outset of the process, a mutual understanding between the stakeholders, and to define shared objectives for the acquisition. The approval of the Board of Directors is needed for any acquisition that exceeds certain quantitative criteria.

After the acquisition has been completed, and to limit the risks associated with the target company's consolidation, Wavestone does the following:

- involvement of directors and key employees in steering Wavestone's operations;
- target of integration into Wavestone's business model within 12 to 18 months;
- search for revenue synergies by focusing on applying the acquired company's know-how to Wavestone's existing clients;
- rapid deployment of the firm's management tools to the new entity.

#### 1.2.5. Risks related to relationships with third parties

##### Risks related to client dissatisfaction and the handling of clients' complaints

##### Description of the risk

In the consulting sector, building client loyalty is key insofar as winning over new clients requires a significant investment, which can last 6 to 18 months, and unit volumes sold are low. Selling new assignments to existing clients is therefore essential to monetize the initial commercial investment. As a result, a deficiency in the quality of the service, missed deadlines or exceeded budgets on flat-rate services may result in a client being dissatisfied, and have serious consequences, which may extend to losing the client or damage to Wavestone's reputation on the market. In addition, the ineffective handling of client complaints may result in increased dissatisfaction, loss of trust, and a deterioration in the firm's reputation.

##### Management of the risk

Wavestone has put in place a client satisfaction risk management system in order to galvanize all employees to manage this risk. A network of quality champions in each practice area or office serves to identify risks and monitor them until they are closed, and also ensures that teams are aware of client satisfaction, in particular through training sessions. Reports to the various management bodies identify suspected or proven risks, and monitor their resolution through the execution of specific action plans. Finally, the firm has set up a steering committee that meets three times a year, bringing together the Associate Director responsible for the area concerned, General Management, the Sales Department and the Human Resources Department.

At the end of each fiscal year, the firm carries out a satisfaction survey with all its clients and publishes the main results in its universal registration document. The firm also carries out

quality assessments to evaluate the level of client satisfaction on a given mission.

Wavestone has put in place a rigorous project monitoring system to check potential overruns on flat-rate services, which represented 59% of revenue in 2022/23. The firm's management tools are used to support this monitoring activity. A project manager is assigned to each order, and is responsible for delivering the services and for managing the employees working on each assignment.

The project manager is responsible for regularly analyzing the expenses charged by each employee working on the assignment, and produces a new forecast of the work that remains to be carried out. On flat-rate assignments, this analysis serves to determine a rate of progress, the revenue recognized over the month and, where necessary, the number of days of overrun on top of the costs budgeted for the assignment. The results of this analysis are automatically reported to management in the first few days of the following month. This method makes it possible to identify overruns and implement any necessary corrective actions.

In recent years, average overruns have always been lower than 1% of the total number of days worked by productive teams, excluding vacations.

### **Risks related to contractual commitments**

#### **Description of the risk**

Risks associated with contractual commitments refer to the risks related to the content of legal agreements entered into by Wavestone and its clients, suppliers, subcontractors or employees. These risks may include disputes concerning the interpretation of contractual terms and conditions, breaches of confidentiality obligations, quality defects, intellectual property issues, breaches of laws and regulations, or breaches of contractual terms. Wavestone may be financially liable for such breaches. Given the significant number of agreements entered into in connection with its consultancy activity, contractual risk is a major risk for Wavestone.

#### **Management of the risk**

To mitigate the risks related to contractual commitments, Wavestone has put in place:

- a checklist process, managed by the legal team, to review the contractual terms of commercial contracts in accordance with a pre-defined contractual policy;
- a centralized delegation policy at Group level;
- campaigns to raise awareness among its employees on respecting confidentiality;

- recourse to a lawyer as soon as there is a suspicion of litigation;
- a public liability and professional indemnity insurance policy for its business activity (see section 2 "Insurance") to cover losses for which Wavestone may be held liable.

These initiatives are gradually rolled out to acquired subsidiaries during their period of integration into the Wavestone model (which lasts, on average, 18 months).

### **1.2.6. Risks related to human resources management**

#### **Risks related to employee loyalty**

##### **Description of the risk**

To ensure that it is able to grow successfully, Wavestone must seek to build loyalty among its employees. If too many employees leave, the continuity of Wavestone's business will be disrupted and its growth plans will suffer setbacks. This risk is all the more important as employees with experience of working at a consulting firm are highly sought after on the employment market. The main challenge faced by Wavestone lies therefore in managing staff turnover, with it targeting a rate of 15% over the long term.

##### **Management of the risk**

Firstly, Wavestone seeks to create a working environment that is conducive to the personal development of its employees. Wavestone was, for the second year running, first in the Great Place To Work® rankings for businesses in France with more than 2,500 employees. In 2023, all the firm's offices were awarded the GPTW label.

Wavestone also intends to introduce a human resources policy that offers all its employees career development opportunities to help unlock their full potential over time.

A turnover prevention system has also been introduced to identify risks of staff departures so that appropriate measures can be taken to keep them to a minimum.

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

Staff turnover is monitored by management and the HR team of each consultancy and functional team on a regular basis.

The turnover rate in fiscal 2022/23 was 16%.

## Risks related to recruitment

### Description of the risk

The firm's success relies on the recruitment of a sufficient number of high-potential employees, so that it can ensure that its clients are satisfied and that the firm's growth targets met. Recruitment is a significant challenge for Wavestone given the intense structural competition it faces in hiring the employees it needs, namely young graduates from the best schools and universities. An inappropriate recruitment strategy in terms of volume, applications and practices would expose Wavestone to significant operational risk.

### Management of the risk

To ensure success in this key area, Wavestone invests heavily in recruitment every year. In fiscal 2022/23, the pace of recruitment was good, with around 1,300 new hires, above the initial target of 1,000.

The firm manages its recruitment plan through specific meetings held at weekly, monthly or half-yearly intervals. These meetings serve to monitor key indicators such as the number of new hires, the number of terminations during trial periods and the conversion rate.

The recruitment team uses a tool called Smartrecruiter to monitor the recruitment process, and trains employees working in recruitment on ensuring that the process is carried out to the necessary level of quality. With a view to making continual improvements, candidates are systematically asked to rate their satisfaction with the recruitment experience via Happy Candidates. Lastly, the firm may, where necessary, engage external firms to help with its search for candidates, particularly for very experienced profiles.

As part of its employer brand strategy, Wavestone carries out communication campaigns, such as Wavestone Connect, to promote and strengthen the attractiveness of the promise it has made as an employer to its candidates. This promise, which extends beyond compensation, covers benefits such as career opportunities, a positive working environment, training programs and personalized monitoring by a manager.

## Risks related to employees' health, safety and integrity

### Description of the risk

Employees' health, safety and integrity may be compromised by certain working environments. As a consultancy firm, Wavestone is particularly exposed to psycho-social risks (PSRs). The French Ministry of Labor has defined a number of different types of PSR: stress arising from a sense of failing to meet expectations or requirements, internal violence committed by workers (major conflicts, harassment), external violence by persons outside the firm, and burnout.

PSRs may have an adverse impact on employees' health and well-being, and may have a significant knock-on effect on the firm in terms of productivity and legal costs associated with disputes. PSRs may also have an adverse impact on Wavestone's reputation and its ability to attract and retain talent. This risk is accentuated by the fact that Wavestone's employees regularly work in clients' environments which, by their very nature, are more difficult to control.

### Management of the risk

To prevent these risks and provide a healthy and safe work environment for all its employees, Wavestone has an occupational risk prevention system in place, containing the following measures:

- a workload alert system, which can be accessed by all employees when inputting their monthly working hours;
- an anonymous whistleblowing system (Whispli) to employees to report any risk situations, together with a list published on the firm's intranet of persons they can contact if they have any difficulties linked to their working environment;
- specific training programs available to Wavestone's Career Development Managers (CDMs) on the prevention and handling of PSRs.

PSRs are managed using a system that relies on local HR representatives. Each representative is responsible for identifying and monitoring employees within their scope who pose a risk. Although standardized reports are used to centrally monitor and manage PSR incidents, personalized action plans are put in place for each relevant employee based on their specific circumstances.

### 1.2.7. Risks related to cash management

#### Risks related to exchange rates and hedging transactions

##### Description of the risk

Fluctuations in exchange rates may have a significant impact on the firm's financial results. This risk arises when Wavestone carries out transactions in foreign currencies, such as purchasing or selling products or services, or holds assets or liabilities denominated in a foreign currency. Hedging transactions are used to manage this risk, as they reduce the Company's exposure to exchange rate fluctuations. As such, Wavestone is exposed to the risk of potentially subscribing to hedging instruments that are inadequate, ineffective or whose cost is not proportional to the risk being hedged.

##### Management of the risk

For the most part, Wavestone invoices its services to clients located in France or the euro zone. The revenue contributions from non-eurozone foreign subsidiaries accounted for 18% of revenue at 03/31/23.

Wavestone has a currency hedging policy in place 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 responsible for putting in place the appropriate financial instruments as soon as a significant foreign currency transaction shows signs of being a potential source of risk for the firm. In fiscal 2022/23, Wavestone therefore contracted forward currency sales and entered into cross-currency swaps. In view of the technical nature of the transactions to be designed, Wavestone relies on external risk, debt and treasury experts when entering into hedging and foreign exchange instruments. A risk arises where the information required by these experts to carry out their work is not properly provided or if their instructions are misunderstood.

### 1.2.8. Risks related to internal or external fraud

##### Description of the risk

Wavestone's business is decentralized. Each year, a large number of employees enter into commitments that are binding on the firm by drawing up sales proposals, signing contracts or overseeing projects. The firm is therefore exposed to the risk of fraud as part of its operations, whether involving breaches of its rules of engagement, of its revenue recognition rules, of commitments made to clients, or of the

laws applicable to the services provided by Wavestone. The firm may also have to deal with situations in which its employees or third parties (suppliers, service providers or clients) are implicated in active or passive cases of bribery, or subject to conflicts of interest.

Actions that may be carried out in exchange for a favor (a gift, invitation or a sum of money, etc.) and that may constitute an act of active or passive bribery include: breaches of confidentiality clauses, selection of a supplier or subcontractor, facilitating the award of a contract to a third party, bribery of public officers or influence peddling, and fraudulent manipulation of financial data.

##### Management of the risk

To mitigate this risk, Wavestone has defined rules of engagement and permanent controls, and carries out internal-audit missions on a regular basis.

It has also introduced a number of prevention and control initiatives to raise employees' awareness of this risk:

- publication of a Business Ethics Charter, and adoption of the Middlednext anti-corruption Code of Conduct;
- employee training and awareness through mandatory e-learning and FAQs;
- setting up an alert system accessible to all to anonymously report any behavior contrary to this Code of Conduct, and more generally any unethical situation;
- signing of an anti-corruption appendix for certain suppliers;
- sales checklist for clients and subcontractors in accordance with a defined contractual policy;
- supervision of the accounting process by an external service provider, and annual certification of the accounts by the auditors;
- reconciliation of accounting data and management data;
- control procedure during the closing of accounts, with formal data validation meetings;
- carrying out internal-audit campaigns in accordance with the three-year plan.

For further details, refer to paragraph 5.2 "Business Ethics" of the firm's Statement of Non-financial Performance.

## 2. Insurance

Wavestone's business exclusively involves providing intellectual, consultancy and technical expertise services to large businesses. The Group's companies are all insured with leading insurance companies, with cover tailored to this type of business activity. Accordingly, there are no material risks that are not insured or insured internally.

Coordinated by a market-leading international broker and supervised by the Finance Department, Wavestone's group insurance program seeks to:

- provide a sufficient level of cover to prevent risks;
- ensure compliance with prevailing local laws;
- standardize, optimize and rationalize pricing and contractual terms and conditions, as well as the cover available.

The insurance cover is reviewed every year and adapted based on changes to Wavestone's size, its business activities and the insurance market. This review is also based on the results of its risk mapping.

The insurance policy with the highest premium is the Operations and Professional third-party liability policy, which covers all the Group's companies against physical injury, property damage and financial losses caused to third parties in carrying out their professional activities. The annual cap on cover under the master policy is €80 million.

The Group has also taken out other insurance policies to cover cyber risks, property damage, employees' business trips, fraud, employer liability, and directors' and officers' liability.

## 3. Internal control and risk management

### 3.1. Frame of reference and objectives of the internal control and risk management system

#### 3.1.1. Frame of reference and regulatory 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 had to 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 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 for SMEs, as well as interviews with General Management and the Chief Financial Officer, a review of the Company's internal documents, and meetings with the Auditors. This report was also approved by the Board of Directors at its meeting on 05/31/23.

#### 3.1.2. Objectives of the internal control and risk management system

To address the risks identified and described in paragraph 1.2 of this chapter, Wavestone has introduced a tailored internal control and risk management system.

The main challenge for this system is being able to optimally anticipate the major risks to which the firm is exposed, which may, for example, be operational, financial or legal in nature, in order to predict how they might develop, and put in place appropriate prevention or action plans. Accordingly, this system contributes to the oversight of the firm's activities, the effectiveness of its operations and the efficient use of resources.

The risk management system relies on a set of measures, behaviors, procedures, actions and bodies tailored to the characteristics of each Group company enabling management



to keep risks at an acceptable level. All Wavestone's stakeholders are therefore involved in risk management.

As such, and in accordance with the AMF's reference framework, Wavestone has introduced a firm-wide internal control system aimed at ensuring, in a reasonable way:

- compliance with prevailing laws and regulations;
- the proper functioning of Wavestone's internal processes and operations, in particular those related to the protection of its assets and the reliability of financial information;
- the proper implementation by all the Group's companies of the instructions, guidelines and rules set by General Management or by standardization bodies, seen in the form of financial and non-financial reports.

The internal control and risk management system is regularly updated with a view to it being continually improved and playing a key role in the conduct and oversight of the firm's various activities. This system can only, however, provide reasonable assurance, rather than an absolute guarantee, that these objectives will be achieved.

### 3.2. Scope

The Company has put in place 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 area 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 the Management team at each company;
  - during the transition period, Wavestone's General Management ensures effective risk management at these subsidiaries.

### 3.3. Components of the internal control and risk management system

There are five components to the internal control and risk management system.

#### 3.3.1. Control environment

The control environment comprises Wavestone's structure, clearly established rules on the allocation and division of responsibilities, documented policies and internal procedures, and a reliable, high-performing information system. This environment is common to all the Group's companies.

**Structure:** Wavestone's control environment relies on an operational structure broken down by practice area, and a centralized functional structure. The implementation of the internal control and risk management system is strengthened by these two levels of checks on operations.

**Responsibility and delegations:** at Wavestone, responsibilities are allocated and divided in accordance with an international policy on delegations of signing authority, approved by General Management. The separation of tasks is the underlying principle applied to all the firm's key processes.

**Policies and internal procedures:** the policies and procedures are an integral part of the control environment. They are regularly updated and accessible by all Wavestone's employees on the firm's intranet, thereby improving the traceability and audibility of processes, and providing information and business continuity for the operational and functional teams.

**Information system:** Wavestone has a centralized IT team responsible for managing and coordinating all the systems, applications and infrastructure available to employees. This team is also responsible for the confidentiality and backup of data, the security of the information systems and the proper functioning of the IT continuity plan.

#### 3.3.2. Assessment of risks

Wavestone's system for identifying and assessing risks is described in paragraph 1.1 of this chapter.

#### 3.3.3. Control activities

The control activities involve the application of operational processes that aim to manage risks. They are carried out manually by employees or automatically by information systems, and are aimed at preventing or detecting risks. In addition, these actions are carried out based on risk control levels (see paragraph ).

Level 1 controls, carried out by consultants and functional teams, require systematic and ongoing processing, whereas level 2 controls are carried out by the internal control team based on samples and at regular intervals.

**3.3.4. Information and communication**

The Group has effective procedures and systems in place to ensure that information is able to flow smoothly to all its employees. Accordingly, the allocation and division of responsibilities and the Group's policies and internal procedures can be easily accessed by all employees. Regular meetings between employees, management and General Management allow information to be effectively shared.

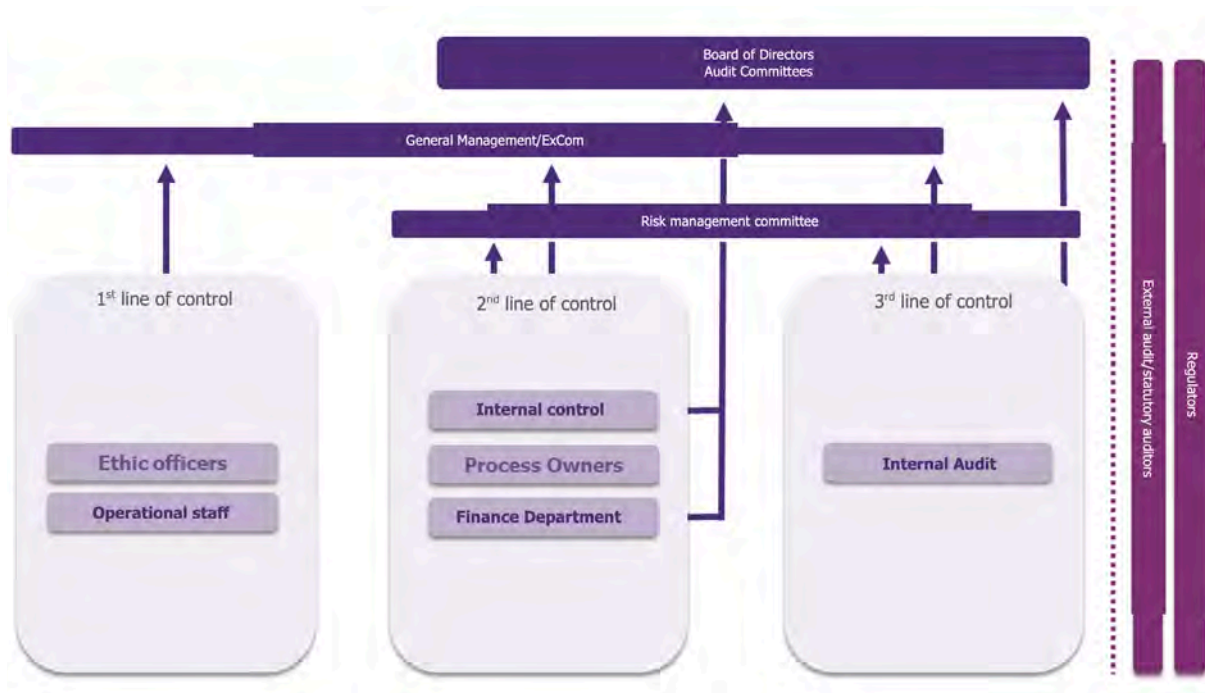
**3.3.5. Oversight**

Each year, Wavestone determines its internal control priorities, which are validated by General Management and the Audit Committee.

A number of indicators are used to ensure that the internal control system functions properly. These indicators are presented to General Management at regular intervals. This same approach is also used to monitor the handling of identified incidents.

**3.4. Persons involved in the internal control and risk management system**

Wavestone's governance model is based on three risk control levels:



### 3.4.1. Board of Directors and Audit Committee

#### Board of Directors

Every year, General Management reports to the Board of Directors on the key characteristics of the Company's internal control and risk management system. As a reminder, the shareholders at the Extraordinary General Meeting held on 07/28/22 resolved to change Wavestone's mode of administration and management by establishing a Board of Directors.

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

#### Audit Committee

As defined by law, the main purpose of the Audit Committee is to monitor issues relating to the preparation and verification of accounting and financial information. Thereafter, as defined by law, the Audit Committee is responsible for monitoring:

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

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

The Audit Committee meets at least twice a year to review Wavestone's annual and half-yearly consolidated financial statements, and whenever it deems it useful, particularly when there are important events for the Company.

In carrying out its duties, the Audit Committee may meet with the Statutory Auditors, the associate directors, the CFO, the Head of Treasury and the Head of Internal Control where necessary, without the Company's officers being present.

A report on the work carried out at each meeting of the Audit Committee is drawn up and appended to the minutes of the Board of Directors' meetings held to review the Audit Committee's report.

### 3.4.2. General Management and Executive Committee (ExCom)

#### General Management

General Management is responsible for defining, implementing and monitoring the internal control and risk management system. It can implement action plans tailored to circumstances, business activities and the level of risk accepted by Wavestone with a view to rectifying any identified failings. General Management is regularly informed of any inadequacies in the system and, if necessary, refers them to the Board of Directors.

#### ExCom

The ExCom is made up of the members of General Management, the Directors and the Partners in charge of the firm's various entities. The ExCom sets and monitors the objectives for the Company's operational activities and support functions. It delivers monthly reports on the status of ongoing projects.

### 3.4.3. Risk Management Committee

Monthly meetings of the Risk Management Committee are attended by General Management, the Chief Financial Officer, the Head of Internal Control, the Head of Internal Audit and the Chief Information Security Officer. The Risk Management Committee's role is to supervise the internal control and risk management system with a focus on three key areas: internal control, internal-audit, and information systems security.

- The Head of Internal Control: reports on updates to the risk mapping, the results of level 2 permanent controls, the monitoring of the implementation of audit recommendations, the monitoring of remediation plans for incidents and corrective actions, and the monitoring of updates to the Company repository.
- The Head of Internal Audit: presents the audit plan and arranges for it to be validated, presents the results of audit campaigns and arranges for the associated recommendations to be validated, responds to specific audit requests, and reports on investigations into incidents.
- The Chief Information Security Officer: presents their annual action plan and arranges for it to be validated, ensuring that the proposed measures comply with regulations and are consistent with the risk mapping and cyber security challenges, particularly in relation to data protection and storage; reports on the progress made on the various IT projects and their impact on the risks faced by the firm; presents the results of security audits carried out on the information system; and reports on the monitoring and remediation of cyber security incidents.

#### 3.4.4. 3<sup>rd</sup> line of control

##### Internal-audit

Wavestone has a dedicated internal-audit team run by the Head of internal-audit.

Internal-audit's scope extends to Wavestone's entire organization, including its subsidiaries in all countries. It covers all the firm's practice areas and processes.

The internal-audit team carries out internal-audit campaigns based on a three-year plan approved annually by the Risk Management Committee and the Audit Committee. The purpose of these internal-audits is to verify that the firm's internal control procedures are relevant, and are being properly implemented by all the entities.

An audit assignment follows a tried and tested risk-based methodology:

- identifying the key stages of the process and analyzing how they function;
- identifying the potential risks or malfunctions associated with each stage of the process;
- identifying the controls in place for each stage;
- auditing the effectiveness of the controls;
- proposing remediation plans that incorporate recommendations and the corrective actions needed to address the internal control failures identified.

The remediation plans are then monitored by the internal control and internal-audit teams. They ensure that the recommendations are properly implemented within the deadlines set for the departments concerned. Where necessary, they help the various departments to implement the corrective actions.

The progress made on the implementation of recommendations is shared monthly with the Risk Management Committee, and weekly with the Audit Committee.

#### 3.4.5. 2<sup>nd</sup> line of control

##### Internal control

The internal control function is carried out by a dedicated team run by the Head of Internal Control.

The role of internal control is to:

- carry out an annual review of the firm's risk mapping;
- ensure that specific risk mapping, such as the mapping of bribery, influence peddling and duty of care risks, is coherent;
- produce an annual action plan aimed at continually improving the internal control and risk management system;
- introduce and carry out level 2 permanent controls on processes that represent a high risk for Wavestone;
- oversee the implementation of audit recommendations and remediation plans following incidents;
- supervise the rollout of new policies and procedures, ensuring that the firm's repository is consistent;
- ensure that authorizations and delegations are properly monitored in accordance with the policy on the division of responsibilities;
- oversee the coherence and renewal of the insurance program.

##### Process owners

Every process has a process owner, who is responsible for ensuring that the process is properly and effectively carried out, ensuring the continuity of their process by keeping and updating the appropriate level of documentation, and implementing the recommendations made by internal-audit.

The process owner must ensure that rules and procedures are effectively applied within their scope. They are responsible for applying the internal control system within their remit by taking preventive action, in particular by carrying out level 1 controls. These controls are supplemented by level 2 controls carried out by internal control.

##### Finance Department

The Finance Department supervises the production of each entity and the firm's accounting and financial data, and ensures that it is reliable. It also oversees the production of the management data and indicators provided to line managers and to the various management committees. Accounting functions are largely carried out by an external accounting firm. This external accounting firm verifies the consistency of the financial statements where it has not produced them itself.

### 3.4.6. 1<sup>st</sup> line of control

#### Ethics officers

Wavestone's Ethics Officers are the designated contact persons on ethical matters for all the firm's employees. They receive special training on the application of the law within this field. They are appointed by the Chairman of Wavestone's Board of Directors and are known for their skills, integrity, loyalty, and knowledge of the Company.

Their role is to:

- ensure compliance with the rules defined in the Middelnext Code of Conduct;
- address questions from employees or third parties in terms of corruption, conflicts of interest and influence peddling to guide their decisions based on 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.

The Ethics Officers and the Internal Audit Department are committed to doing everything possible to guarantee confidentiality in the handling of queries and alerts. As such, they have all signed the Confidentiality Charter that is part of the Internal Alert System.

#### Operational employees

All employees are provided with the appropriate level of information to properly implement the internal control and risk management system at their level, based on the objectives set for them. They are responsible for familiarizing themselves with and applying the guidelines communicated to them.

Their managers are responsible for effectively disseminating, sharing and applying the rules and procedures within their scope. They are responsible for applying the internal control system within their remit.

### 3.4.7. Statutory Auditors

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

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 Board of Directors' Report – Risk factors and internal control, 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.

## 4. Procedures for the preparation and processing of accounting and financial information

### 4.1. 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. Once completed, the budget is approved by the ExCom.

### 4.2. 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 and expenses;
- management of own purchases.

This software program is accessible to all staff members, to varying degrees based on their levels of responsibility, via intranet and extranet. This software 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.



### 4.3. Monthly budget tracking and reporting

Data produced by Wavekeeper (sales, purchases for resale, and own purchases) and by Salesforce (sales data) via a decision-making tool, Jedox, is used by Management Control to monitor and update, where necessary, the provisional budget on a monthly basis to take into account the latest known budget-related information and business projections.

This data is summarized in monthly reports at the individual practice or office level, and for Wavestone as a whole, providing the following management indicators that incorporate budget actuals and forecasts for the following items:

- revenue;
- EBIT;
- consultant productivity;
- headcount;
- order intake;
- sales price;
- order book;
- cash and cash equivalents;
- accounts receivable (tracking of overdue invoices and unbilled receivables);
- accounts payable (follow-up of overdue invoices—for Wavestone SA only).

The dashboards are reviewed on a monthly basis by the head of each practice area, and on a consolidated basis by General Management and the Finance Department, so that a decision can be made on the corrective measures to be taken, if any, so that they can be implemented. In addition, a quarterly report on Wavestone's activity is prepared and submitted by General Management to the Board of Directors.

### 4.4. Financial reporting periods

For internal purposes, accounts are prepared in the first and third quarters. These accounts enable accounting and management data to be reconciled.

In addition, interim and annual financial statements are respectively examined and audited by the Statutory Auditors, reviewed by the Audit Committee, approved by the Board of Directors, and published in accordance with applicable legislation and regulations. The Statutory Auditors attend meetings of the Audit Committee and meetings of the Board

of Directors that verify the annual and interim parent company and consolidated financial statements, at which the following topics may be discussed:

- the accounting principles applied;
- confirmation that all the information they need to carry out their duties, particularly in relation to the consolidated subsidiaries, has been provided;
- the state of progress of their work, with the knowledge that by the time the financial statements are reviewed by the Board, the Statutory Auditors are in the process of completing their audit work.

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 Board of Directors' meetings held to approve the interim and annual financial statements, General Management presents and comments on the following matters:

- the income statement;
- a table showing the management analysis of the income statement;
- the operating indicators underlying the income statement;
- the balance sheet;
- the cash flow statement.

### 4.5. 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 they may 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 applied by all the Group's entities.

Risks involving quality, invoicing and recovery are reviewed at the close of every quarter by the Accounting Manager and the managers of the Management Control team. The findings of this review are submitted to the Chief Financial Officer and Wavestone's General Management in order to determine what provisions, if any, should be recorded.

#### **4.6. Consolidation of financial statements**

The structure and procedures in place (as described in the paragraphs 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 firm's objectives;
- a reconciliation between the accounting and management data of each of the firm's practice areas 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:

- the reciprocity of inter-company balances to be eliminated;
- the consistency of the accounting practices used for the financial statements;
- transmission of the financial statements by each of the companies in the format defined by the firm;
- a 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.

#### **4.7. Cash and cash equivalents**

A cash management tool is used to centralize cash outflows at Group level, and provides a centralized real-time view of the cash position of every company in the Group.

The Board of Directors receives quarterly reports from General Management on Wavestone's cash position.

#### **4.8. Monitoring of off-balance sheet commitments**

At the end of each half-yearly or annual accounting period, the Finance Department compiles the off-balance sheet commitments of all the firm's companies.

#### **4.9. Quality control of the financial and accounting information disclosed**

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

## Board of Directors' report - Statement of non-financial performance

This statement of non-financial performance describes Wavestone's Corporate Social Responsibility (CSR) approach, strategy and indicators.

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<sup>(1)</sup>.

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 2022/23 versus the 2021/22 fiscal year.

Changes in the scope of consolidation are detailed at the end of the methodology note (section 8). Since 2013/14, Wavestone's published CSR information has been audited by an external independent body.

(1) [www.wavestone.com](http://www.wavestone.com) —“About Us”—“Corporate Social Responsibility” section.

## 1. Introduction

### 1.1. Wavestone's framework of business

#### 1.1.1. Business model

Wavestone's mission is to inform and guide large organizations in their most critical transformations. Three challenges underpin these transformations: increasingly fierce competition, an acceleration in the digital transition and growing environmental awareness. In response, Wavestone unveiled its *Impact* strategic plan: to replicate the firm's success in France on a global scale. This plan has three objectives: achieve a target revenue of €750 million by 2025, add five large non-French companies to the Top 20 clients, and position Wavestone in the Top 5% of companies with the best CSR performance.

To achieve this ambition, Wavestone is leveraging all its resources<sup>(1)</sup>:

- its intangible capital: 18 practices supporting its Business, Technology and Sustainability value proposition, backed by the firm's assets, to serve its portfolio of clients;
- its financial capital (€299.1 million in shareholders' equity);
- its human capital, with 4,406 employees based in nine countries, and 1,637 new hires<sup>(2)</sup> over the last fiscal year.

Three key pillars shape the way Wavestone is executing its mission: the Positive Way, the set of values on which Wavestone is founded, an Ethics Charter and a Client Satisfaction Charter.

Wavestone seeks to make a positive impact for stakeholders across the board:

- for clients, by helping them meet their sustainable challenges and transformations, and by responding to emerging business opportunities

#### Our targets for 2025

- A Net Promoter Score® of 50 or more
- A continued drive for ambitious growth in the number of initiatives carried out as part of its responsible consulting approach<sup>(3)</sup>
- 95% of employees to receive business ethics training

- for candidates and employees, by fostering commitment and well-being at work, by championing diversity and inclusion and by fully involving employees in the Company's success

#### Our targets for 2025

- Staff turnover rate of 15%
- Employee engagement index of 74 or more
- 36.5% female managers
- 73 employees with disabilities<sup>(4)</sup> supported in France

- for the planet, by curbing our environmental impact

#### Our targets for 2025

- A 25% reduction in scopes 1 and 2 CO<sub>2</sub> emissions (in absolute terms) and a 35% reduction in scope 3 emissions (per employee) versus the reference year of 2019/20

- for shareholders and investors, by combining a commitment to transparency, dialogue, and proximity with the creation of sustainable shareholder value
- for civil society, by providing our know-how and resources to initiatives spearheaded by charities, associations and foundations

#### Our targets for 2025

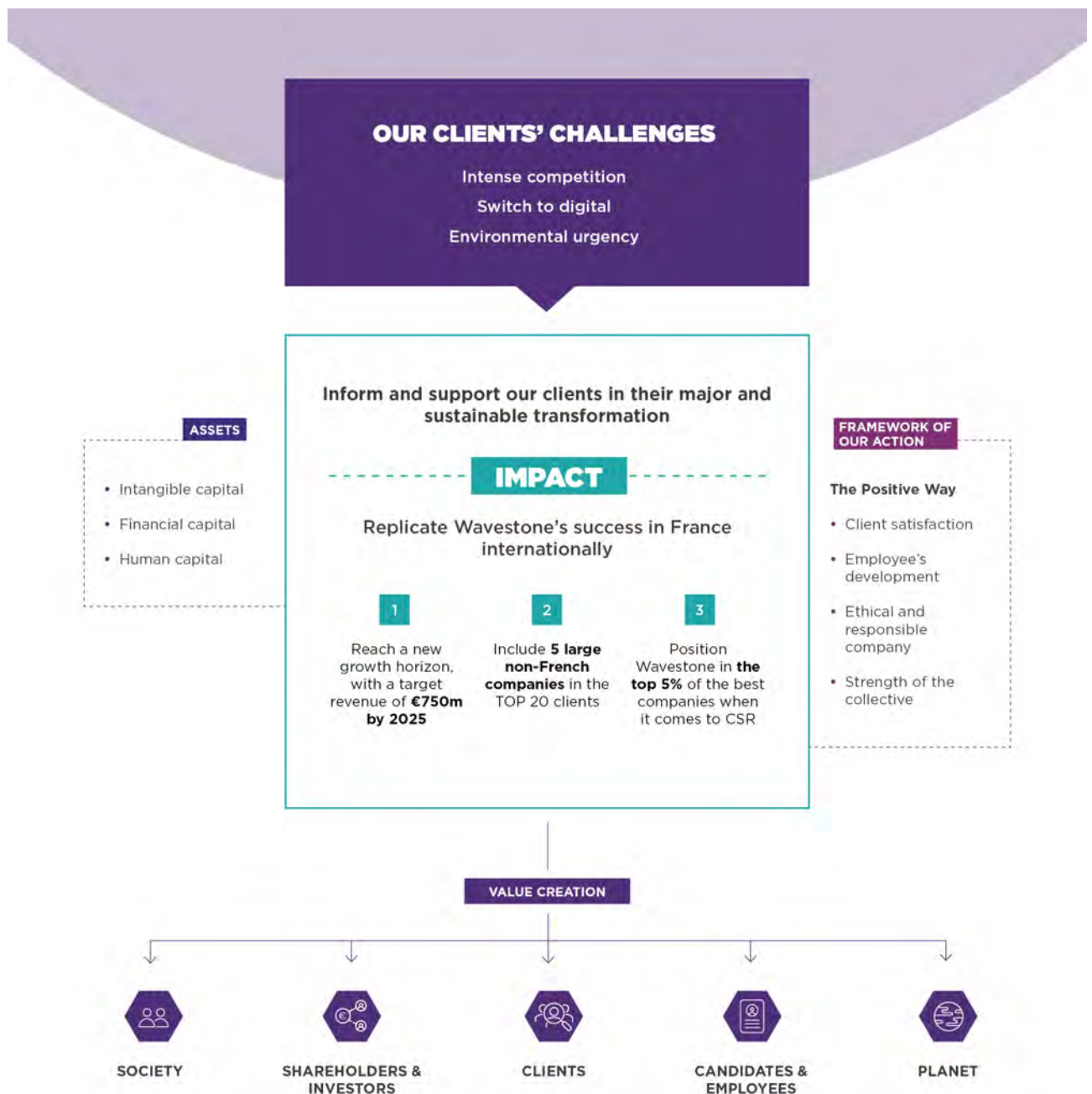
- 1% of the firm's time allocated to projects that create value for society

(1) Data as of 03/31/23.

(2) Permanent, fixed-term and work-study contracts.

(3) At the end of 2023/24 fiscal year, the firm intends to review the wording of its responsible consulting objectives.

(4) Employees with administrative recognition of disability.





### 1.1.2. Wavestone's governance and CSR policy

Wavestone's governance is described in the Corporate Governance report in the Company's Universal Registration Document.

In an effort to lay the foundations for the firm's future development, and to kick-start the transition to a new management team from 2025, a change in governance structure was put to the vote of shareholders at the General Meeting of 07/28/22. The change involved moving from a Management Board and Supervisory Board to a Board of Directors. Pascal Imbert became Chairman and Chief Executive Officer of the Company, while Patrick Hirigoyen was appointed Chief Operating Officer. Michel Dancoisne became a Director, and a permanent representative of his family holding company, FDCH. Upon completion of this transitional new governance phase, the firm intends to change its governance structure starting in 2025, by separating the roles of Chairman and Chief Executive Officer.

To align with best corporate governance practices, the Board of Directors has appointed Marie-Ange Verdickt as its Lead Director. The Lead Director is responsible for ensuring that the Board operates properly. In particular, she oversees that communications between the governance bodies and the shareholders remain fluid, and that Directors can carry out their work in the best possible conditions (see Corporate Governance report for an in-depth presentation).

Each of the Board's Committees (Audit Committee, Compensation and Appointments Committee and CSR Committee) is chaired by an independent director. Two Employee Directors, appointed by the Social and Economic Committee, and one Employee Shareholder Representative<sup>(1)</sup>, appointed at the July 2022 General Meeting, sit on the Board of Directors.

### Definition and supervision of Corporate Social Responsibility (CSR) policy

Wavestone fully complies with the Middlednext Code of Corporate Governance. As such, the Board of Directors has held quarterly CSR Committee meetings since April 2022. This Committee includes four Directors (three independent) and is chaired by one of the independent directors, Marlène Ribeiro. It provides external insights into the Company's social, societal, ethical, and environmental performance and also monitors objectives and action plans.

Priorities for 2022:

- regulatory updates (European Union Taxonomy, Corporate Sustainability Reporting Directive – CSRD) and Statement of non-financial performance;
- near-term and Net-Zero commitments (Science-Based Target initiative [SBTi] Net-Zero Standard);
- gender equality policy;
- responsible consulting approach.

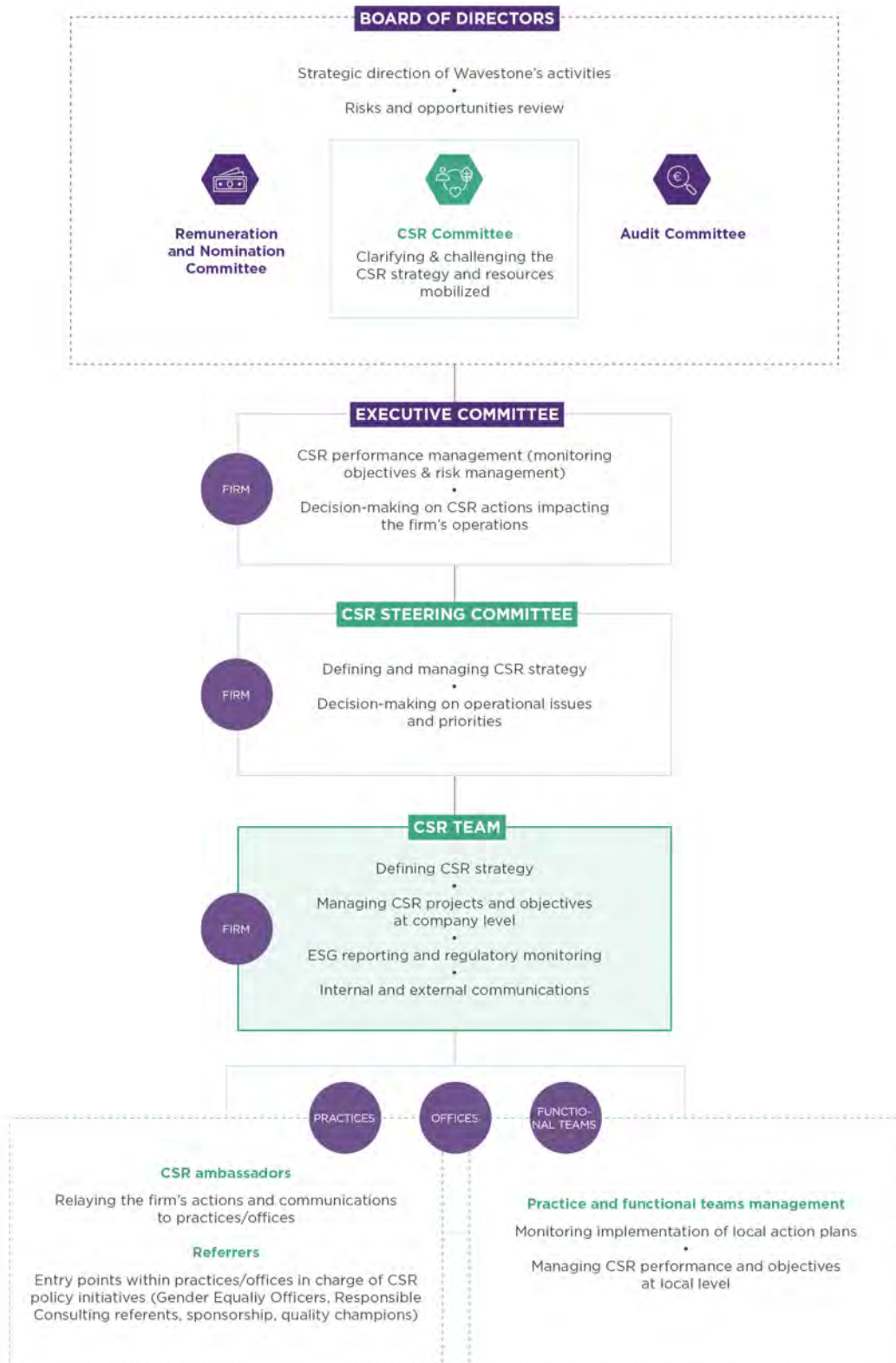
Wavestone's CSR policy is defined and managed by a quarterly cross-functional Steering Committee with the following members: Chairman and Chief Executive Officer, Chief Operating Officer, CSR Manager, Human Resources (HR) Development Director, Head of Recruitment, Chief Financial Officer, and sponsors of specific CSR topics.

Wavestone's Executive Committee (ExCom) makes the key decisions on CSR strategy, targets and resulting actions plans, and ensures that they are duly implemented. Wavestone's CSR Manager has been a member of the ExCom since September 2021.

Since fiscal year 2021/22 and based on proposals by the Board of Directors, compensation for the Chairman and Chief Executive Officer and the Chief Operating Officer has included CSR criteria, accounting for 20% of the Individual Performance Index (for further details, see the Corporate Governance report).

(1) Pursuant to French law, employee shareholders holding more than 3% of the firm's capital.





1.1.3. Oversight of the CSR policy

**CSR team**

Reporting to the HR Development Department, the CSR team oversees and implements the Group's CSR policy from an operational standpoint. Spearheaded by a CSR Manager, a 12-strong team oversees CSR targets and performance, project management, internal and external communications and non-financial reporting across a spectrum of relevant areas (social, societal, ethical and environmental).

The CSR team is assisted by CSR ambassadors appointed within each practice area and office. They implement Wavestone's CSR policy by acting as relays for the dissemination of communications. Employee volunteers can also contribute to the firm's projects and initiatives.

**Oversight of CSR performance**

Across all locations (offices and practice areas), the firm oversees its global CSR performance, as well as in each of its practices and offices. Two initiatives have helped to strengthen it in 2022/23:

- office and practice area targets are set, to align with each of the firm's five CSR commitments. These targets are monitored by Performance Managers;
- monitoring of CSR performance indicators is incorporated into the firm's performance processes and bodies.

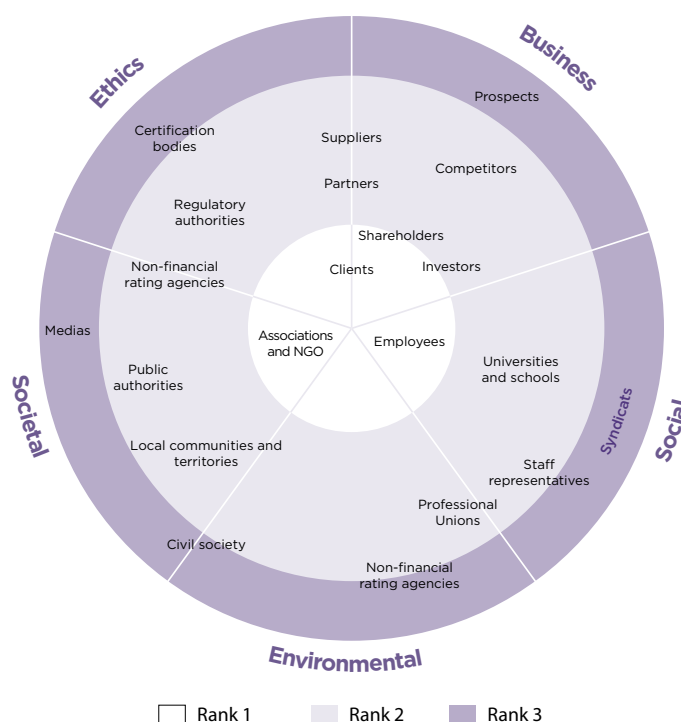
1.2. Wavestone's CSR approach

1.2.1. Non-financial performance issues

Wavestone places CSR at the heart of its business strategy, to manage non-financial risks and to ensure sustainable performance.

**Stakeholder map and mechanisms for dialogue**

Wavestone has identified its stakeholders in order to determine which players are directly and indirectly involved in its activities.



As a responsible business, Wavestone is committed to having a positive impact on all its stakeholders through a set of actions that are designed to promote close dialogue with each and every one of them. With this goal in mind, the table below outlines the firm's main initiatives:

 <p><b>CLIENTS</b></p>	<ul style="list-style-type: none"> <li>• Client satisfaction management system (client satisfaction charter, annual survey, client risk management, satisfaction feedbacks)</li> <li>• Thought leadership and expertise</li> <li>• Responsible consulting approach</li> <li>• Client CSR surveys and assessments</li> <li>• Organization and participation in market events</li> </ul>
 <p><b>EMPLOYEES &amp; CANDIDATES</b></p>	<ul style="list-style-type: none"> <li>• Great Place To Work® and Pulse@Wavestone annual surveys</li> <li>• Social dialogue</li> <li>• Proximity management and Wavestone Horizon career path</li> <li>• Employees and employee shareholders representatives on the Board of Directors</li> <li>• Dialogue on D&amp;I issues with Wavestone For All</li> <li>• Employee participation in defining and implementing the <i>Impact</i> strategic plan</li> <li>• Happy Trainees® and Glassdoor Meilleurs Employeurs certifications</li> <li>• Happy Trainees® certification</li> <li>• Wavestone Connect events integrated into the recruitment process</li> <li>• School presentations and events</li> <li>• Mentoring (Institut Villebon,...)</li> </ul>
 <p><b>SHAREHOLDERS &amp; INVESTORS</b></p>	<ul style="list-style-type: none"> <li>• Transparent shareholder and financial communication</li> <li>• Shareholders' Club and Individual Shareholders' Consultative Committee</li> <li>• Roadshows and investor meetings</li> <li>• Answers to extra-financial rating agencies</li> </ul>
 <p><b>PLANET</b></p>	<ul style="list-style-type: none"> <li>• Dialogue with CDP and SBTi teams as part of the Net Zero trajectory</li> <li>• Participation in market initiatives (Planète Tech'care, Boavitza, INR charter, etc.)</li> <li>• Development of Sustainability offers</li> </ul>
 <p><b>PARTNERS &amp; CIVIL SOCIETY</b></p>	<ul style="list-style-type: none"> <li>• Associations supported through Powerday, skills sponsorship and the Corporate Foundation</li> <li>• Supplier dialogue as part of our responsible purchasing policy</li> <li>• Active participation in the Middlednext CSR working group</li> <li>• Participation in professional associations (Syntec Conseil, Numeum, etc.)</li> <li>• Participation in industry initiatives (Femmes@Numérique, Women's Forum, Rencontres d'Aix, charter for ethical AI, etc.)</li> </ul>

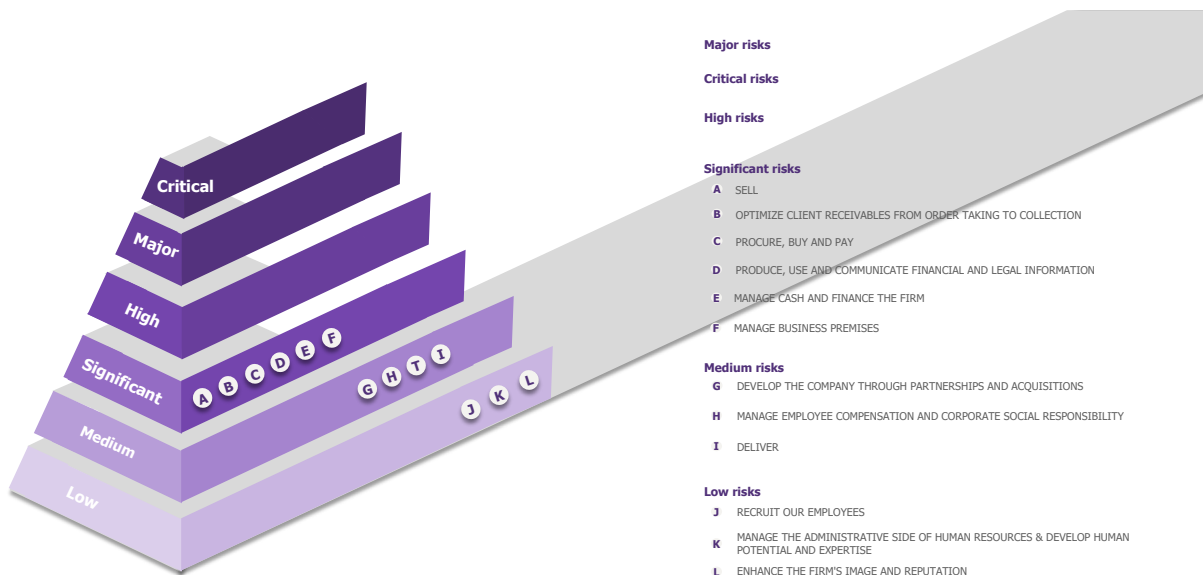
**Non-financial risk map**

Wavestone reviewed its risk mapping to account for non-financial risks. The firm's risk map is structured around its main processes ("selling", "delivering", "recruiting and developing employees potential", etc.). Non-financial risks can be defined as a lack or absence of social and environmental concerns in a company's strategy as well as how it conducts operations with its stakeholders. For each process, the firm identified and analyzed the criticality of these risks.

Fraud and corruption risks are separately analyzed and monitored as part of the firm's risk management policy.

The CSR section of the risk map is jointly assessed by the CSR and Internal Control teams. This risk map is approved by the CSR Steering Committee and by the CSR and Audit Committees (representing the Board of Directors).

The diagram below summarizes the non-financial component of the firm's risk mapping. It presents the processes most at risk from a CSR standpoint (net risks factoring in remediation plans underway):



### The materiality matrix

Analysis of materiality enables the most relevant non-financial performance issues for Wavestone and its internal and external stakeholders to be identified and classified, in light of their importance and the related risks.

Thirteen issues have thus been identified.



### 1.2.2. Wavestone's CSR commitments

Based on the most material issues identified, and in line with the firm's business model, Wavestone structures its CSR policy into five commitments.

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

Commitments	Challenges	Contribution to SDGs
<b>1</b> Improve <b>client satisfaction</b> and <b>support clients in sustainable performance</b>	<ul style="list-style-type: none"> <li>client satisfaction</li> <li>responsible consulting</li> </ul>	
<b>2</b> Promote <b>employee engagement</b> , 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>	
<b>3</b> <b>Act for diversity</b> , and create an <b>inclusive working environment</b> where everyone is free to be themselves, and has the <b>same opportunity</b> to fulfill their potential	<ul style="list-style-type: none"> <li>diversity, inclusion, and professional equality</li> <li>responsible recruitment</li> </ul>	
<b>4</b> Be a <b>corporate citizen</b> that behaves <b>ethically and responsibly</b>	<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>	
<b>5</b> <b>Minimize the impact</b> of our activity on the environment	<ul style="list-style-type: none"> <li>environmental footprint</li> </ul>	



### 1.2.3. Objectives and 2022/23 performance

The *Impact* strategic plan aims to position Wavestone in the Top 5% of companies with the best CSR performance, by 2025. Achievement of this target depends on the firm's CSR performance, which is assessed by two of the leading rating agencies, EcoVadis and Ethifinance ESG Ratings (formerly Gaia Research).

To make this ambition a reality, Wavestone's five CSR commitments are also linked each year to numerical targets<sup>(1)</sup> presented in the table below:

Commitments	Indicators	2021/22 performance	2022/23 objectives	2022/23 performance
Improve our clients' satisfaction and help them achieve sustainable results in that area	Net Promoter Score <sup>®(2)</sup>	48	50	45
	Number of projects completed using a responsible consulting approach*	37	100	119
Promote employee commitment, well-being, and quality of life at work	Employee commitment index (out of 100)	70	71	74
	Staff turnover rate	18%	15%	16%
Take action in favor of diversity and an inclusive work environment where everyone is free to be themselves and has equal opportunities to fulfill their potential	% of women in management <sup>*(3)</sup>	33%	33%	35%
	Number of employees with disabilities*	35	40	49
Act as a corporate citizen by adopting ethical and responsible practices	% of employees trained in the application of the Business Ethics Charter	97%	95%	96%
	% of firm time dedicated to societal commitments	1.0%	1.0%	1.3%
Minimize the impact of our activity on the environment	% reduction in the firm's carbon footprint compared to 2019/20*	64% <sup>(4)</sup>	13%	51%
	Scopes 1 & 2 (In absolute terms from 2022/23) Scope 3 (Per employee)		20%	27%

Fiscal year 2022/23 is the first year in which Wavestone has implemented its *Impact* strategic plan. Wavestone met most of its ambitious targets, and even exceeded them in some cases. In doing so, the firm has demonstrated continuous improvement in responsible consulting, its environmental footprint and in social and societal aspects.

Reflecting its commitment to place CSR at the forefront of its consulting business, the firm has stepped up the application of its responsible consulting approach to 119 projects (versus a target of 100), i.e. three times more than in 2021/22, with a focus on environmental topics.

As regards social aspects, initiatives to foster employee engagement have enabled the firm to deliver strong results as a Great Place To Work<sup>®</sup> (first place in France, with certification in all offices) and a high employee engagement index, scoring 74 out of 100 (versus a target of 71).

Wavestone continued its diversity and inclusion efforts, making progress on its key commitments:

- in terms of professional equality, across all entities, Wavestone developed its initiatives on employee retention, tackling sexism and career development for women, resulting in an increase of nearly 2 points in the percentage of women represented in management positions to 35% (versus a target of 33%);
- the firm surpassed its target of onboarding employees with recognized disabilities, with 49 employees with disabilities in France (versus a target of 40) at 03/31/23, an increase of 40% thanks to a specific recruitment initiative and the contribution from *Mission Handicap* (presented in section 4.2) which currently supports 90 employees with disabilities (with or without administrative recognition);

(1) Minimum performance targeted for each objective, except for staff turnover (maximum percentage)

(2) The NPS<sup>®</sup> or Net Promoter Score<sup>®</sup> is a tool for measuring client satisfaction, ranging from -100 to 100 (NPS<sup>®</sup> is a registered trademark of Bain & Company, Inc., Satmetrix Systems, Inc. and Fred Reichheld).

(3) Management positions include operating management and/or hierarchical management.

(4) Reduction in scope 1 and 2 emissions and business trips before changes in scope linked to the SBTI's near-term and Net-Zero commitments, starting in 2022/23.

\* Objectives defined for the purposes of the impact credit.



- Wavestone championed the inclusion of LGBT+ employees (it notably re-signed the LGBT+ Commitment Charter of *L'Autre Cercle* and shared results from the internal LGBT+ survey) and tackling racism at work (Black History Month, conferences, Diversity & Inclusion Day).

As for the societal component of CSR, the firm exceeded its ambitious target in allocating 1.3% of its time to the support of societal endeavors (versus a target of 1%), which is all the more remarkable considering that this period was largely focused on business development. A total of 9,221 man-days were dedicated to charities and associations through skills sponsorship initiatives or the firm's solidarity day, and mentoring. The Company also continued its drive to promote an ethics-based culture (96% of employees received training, versus a target of 95%) and to raise awareness of client data protection (100% of employees received training).

Lastly, on the environmental front, the Science-Based Targets initiative (SBTi) approved Wavestone's short- and long-term emissions reduction target, in line with scientific knowledge. The firm has committed to an emissions reduction trajectory, setting targets for 2026 and 2050. During the 2022/23,

Wavestone considerably reduced its carbon footprint by 51% for scopes 1 and 2, and by 27% for scope 3 (versus respective targets of 13% and 20% compared to the reference fiscal year of 2019/20). On the one hand, this progress is mainly owing to smaller premises, the promotion of renewable energy contracts and changes in the reporting methodology for emissions (GHG Protocol). On the other, it can be attributed to control over the resumption of emissions in specific activities (e.g. business trips) post-pandemic.

In a less favorable market environment, two targets were not achieved:

- first, the staff turnover rate, which was at 16% despite a marked slowdown in the second half of the year, bringing it close to our normative target of 15%;
- second, the Net Promoter Score (NPS) which stood at 45 (versus a target of 50). The high staff turnover rate in the first half of the year led to disruptions at clients (turnover of consultants) and was unquestionably one of the main factors behind this result. To date, the measures taken over the fiscal year to improve the NPS are yet to meet expectations.

### Multi-year targets

Wavestone has set multi-year targets for each of its commitments:

Commitments	Indicators	2022/23	2023/24	2024/25	2025/26
		performance	objectives	objectives	objectives
Improve our clients' satisfaction and help them achieve sustainable results in that area	Net Promoter Score*	45	50	50	50
	Number of projects completed with a responsible consulting approach <sup>(1)</sup>	119	300	-	-
Promote employee commitment, well-being, and quality of life at work	Employee commitment index (out of 100)	74	74	74	74
	Staff turnover rate	16%	15%	15%	15%
Take action in favor of diversity and an inclusive work environment where everyone is free to be themselves and has equal opportunities to fulfill their potential	% of women in management	35%	34.5%	35.5%	36.5%
	Number of employees with disabilities	49	58	73	90
Be an ethical and responsible corporate citizen	% of employees trained in applying the Business Ethics Charter	96%	95%	95%	95%
	% of firm time spent on societal commitments	1.3%	1.0%	1.0%	1.0%
	% reduction in the firm's carbon footprint compared with 2019/20				
Minimize the impact of our activity on the environment	Scopes 1 & 2 (In absolute terms from 2022/23)	51%	17%	21%	25%
	Scope 3 (Per employee)	27%	25%	30%	35%

(1) At the end of 2023/24 fiscal year, the firm intends to review the way its responsible consulting targets is formulated.

**Impact credit**

To support the concrete implementation of its CSR commitments, Wavestone has, since 2021, chosen to link its financing and its Environmental, Social and Governance (ESG) performance, by integrating environmental, social and societal criteria into its existing credit facilities (additional clause signed on 12/12/22).

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

- deploy Wavestone’s responsible consulting approach in an increasing number of projects;
- increase the representation of women in management positions;
- become an increasingly disability-friendly company with a growing number of employees with disabilities;
- significantly reduce the firm’s environmental footprint by adopting an avoid-reduce-offset approach.

The value of these non-financial performance indicators is certified annually by the non-financial performance rating agency EthiFinance. The extent to which these objectives are met determines Wavestone’s eligibility for a bonus on the margin applicable to all of its credit facilities. In the event that the bonus is awarded, Wavestone pays the full amount of the savings to the Wavestone Corporate Foundation.

During the first half of the 2024 calendar year, Wavestone and its banking partners will amend these CSR criteria, aligning them with the firm’s changing ambitions out to 2026.

**1.3. Assessing ESG performance**

During fiscal year 2022/23, Wavestone won a number of awards in recognition of its CSR initiatives and performance (based on data from the 2021/22 fiscal year).

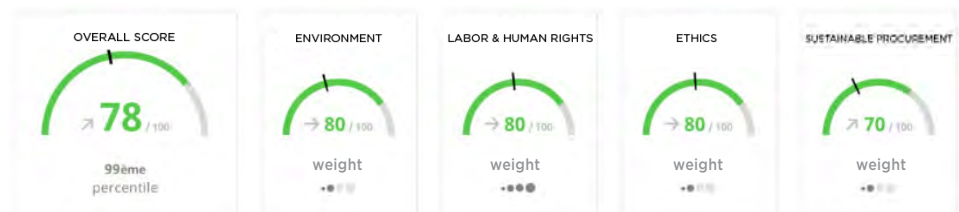
The firm especially relies on the assessments carried out by two leading rating agencies, EcoVadis and EthiFinance ESG Ratings (formerly Gaïa Research), to validate the achievement of its strategic ambition to be ranked in the Top 5% of companies with the best CSR performance.



EthiFinance ESG Ratings (formerly Gaïa Research), which is the benchmark SRI (socially responsible investment) index, assesses and ranks 400 French SMEs and mid-sized companies based on their non-financial reporting and sustainable development performance. For the thirteenth year running, Wavestone featured in the rankings, placing fifth in 2022 among companies with revenue between €150 million and €500 million and scoring **80/100** to achieve a ‘Gold’ recognition level and rank in **France’s Top 5%**. The firm was also **ranked first in its sub-sector** (software and services).



A world-leading rating agency, EcoVadis assesses over 100,000 companies worldwide, comparing their performance against international CSR standards. In 2022, Wavestone was awarded a Platinum rating. As a result, the firm placed in the panel’s **Top 1% of companies with the best CSR performance**. Here is the detailed score by topic:





The Carbon Disclosure Project (CDP) is a non-profit organization and a standard-bearer of corporate environmental performance with its annual assessment of 18,000-plus companies the world over. In 2022, Wavestone obtained a **B- score**, placing the firm in the «Management» level category versus its competitors and scoring above average in its sector (rated C).



Having maintained a position in the Top 5 of the French rankings for several years, the firm **claimed the first spot** for companies with more than 2,500 employees in France for the second consecutive year. For the first time, Wavestone also **received a ranking for all its offices around the world**, ranking as the fourth Great Place To Work® in Luxembourg and scooping the Great Place To Work for Wellbeing® award in the United Kingdom.

## 2. Supporting our clients to generate sustainable performance

	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
Net Promoter Score®	50	44	50	50	50
Number of projects completed using a responsible consulting approach <sup>(1)</sup>	100	119	300	-	-

### 2.1. Client satisfaction

For Wavestone, client satisfaction is key to a sustainable relationship with clients. In this connection, the firm aims to maintain its Net Promoter Score® above 50 and to be best ranked in the consulting market on these criteria.

The Client Satisfaction Charter outlines the key principles to guarantee the satisfaction of Wavestone's clients. The Charter is systematically distributed to new employees upon arrival, and each new arrival must confirm awareness and commit to compliance.

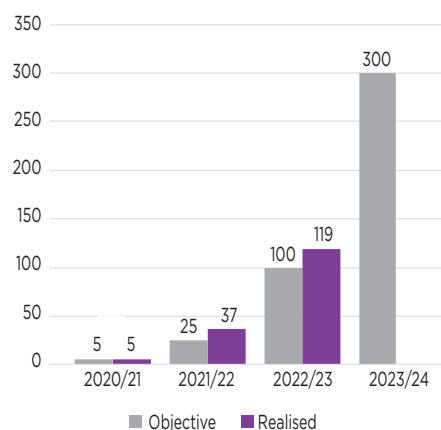
Wavestone's NPS® score for fiscal year 2022/23 was 45 (versus a target of 50), compared to 48 in the previous fiscal year. This performance fell short of our ambitions and is caused by two main factors. On the one hand, the negative impact of the staff turnover rate which accelerated in the first half of the year, increasing the turnover of consultants assigned to clients. On the other, the uneven effects of the action plan introduced in 2022/23 to improve the NPS® score. Looking ahead to fiscal year 2023/24, these weaknesses represent areas for improvement.

### 2.2. Responsible consulting approach

As part of its *Impact* strategic plan, Wavestone seeks to assist clients in delivering sustainable performance, by prioritizing CSR issues in its consulting. This is achieved through:

- the development of solutions implemented by teams with expertise in Sustainability (digital responsibility, low-carbon procurement, etc.);
- a proactive approach to integrating CSR issues into client projects.

Kick-started in 2020/21, the responsible consulting approach continues to gather pace, with 119 projects completed in fiscal year 2022/23 (versus a target of 100) either through its Sustainability practice (77) or CSR recommendations that are proactively integrated into other assignments (42).



(1) At the end of fiscal year 2023/24, the firm intends to review the wording of its responsible consulting targets.

### Developing a commercial Sustainability practice

The establishment of a Sustainability practice in early fiscal year 2022/23 signaled the firm's ambition to support its private and public sector clients in framing and implementing their sustainable transformations, and in driving the energy and ecological transition. The practice has 170 consultants and leverages the expertise of Nomadéis, a consulting firm specialized in sustainable development, which joined Wavestone in April 2022.

The Sustainability practice focuses on five sustainable transformation priorities: strategy, transformation of corporate functions (HR, IT, Marketing, Supply Chain, Procurement, etc.), cross-functional initiatives (e.g. decarbonization, the circular economy, biodiversity), management and governance of sustainable performance and change management.

Step-by-step, the challenges of sustainable transformation are influencing all areas of expertise within the firm's practices, which are cultivating solutions to address sustainability issues including the green supply chain, digital and energy sobriety. Successful sustainable transformation requires a cross-disciplinary strategy. To this end, Wavestone combines its expertise in business, technology and sustainable development.

As a result, 77 projects were completed in fiscal year 2022/23. By way of example, the following projects were carried out:

- organizing an international forum on sustainable mobility for an automotive group, which brought together diverse members of civil society (NGOs, public institutions, employee representatives, private sector, young people, etc.) to consider the challenges facing the sector and potential sustainable solutions;
- managing and supporting a project to eliminate single-use plastic for a leading hotel group;
- developing a five-year digital responsibility roadmap for a bank with a view to decarbonizing its information system.

### Proactively integrating CSR issues into client projects

Wavestone's responsible consulting approach aims to proactively pinpoint sustainability issues arising in run-of-the-mill projects completed by the firm for its clients, and to provide insight and achievable and measurable recommendations where relevant.

The approach is based on a method that can be applied by each consultant: an initial assessment and thematic diagnoses serve to guide reflection on the environmental and social aspects, as well as a set of enablers (documentary resources, leveraged methodologies and tools), supplemented by a community of sustainability experts.

To disseminate these recommendations throughout the firm, an ambassador network was established in 2022 within each practice and office, responsible for identifying opportunities to introduce these recommendations, applying them with clients and harnessing their full potential.

Fiscal year 2022/23 saw the widespread rollout of this approach, impacting 42 projects. For example, the following assignments were carried out:

- identification of initiatives to improve the digital accessibility of an internal computer network for a company in the luxury sector and people with disabilities, including recommendations on the interface, browser friendliness and image processing;
- launch of a data deletion campaign to shrink the digital footprint of an insurance company, as part of an initiative to adopt collaborative tools;
- assistance in the ergonomic design of new workstations as part of the construction of a new warehouse for a company in the luxury sector, aimed at reducing musculoskeletal disorders.

In the long term, the firm hopes that responsible consulting will become second nature to each and every one of its employees. In fiscal year 2023/24, Wavestone intends to capitalize on the momentum provided by the *Impact* strategic plan, with a view to tripling its impact in terms of project volume (300 projects) and expanding the range of topics offering potential insights.

In its efforts to drive forward this ambition, awareness initiatives (themed days, challenges, etc.) will be boosted by a compulsory e-learning course scheduled for the start of fiscal year 2023/24, with the goal of training all employees (consulting and sales) by 2024.

Moreover, the firm will refocus the way it steers its responsible consulting targets, which are currently geared towards project volumes.

### 2.3. Qualiopi certification



Wavestone has been a Qualiopi-certified training provider since April 2023. This certification is proof of the quality of upskilling services that the firm provides its clients.

## 3. Promote employee engagement and wellness at work

	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
Employee commitment index (out of 100)	71	74	74	74	74
Staff turnover rate	15%	16%	15%	15%	15%

### 3.1. Development and self-fulfillment of employees

**The Positive Way: a set of values, and the pillar of our development**

The *Impact* strategic plan reflects Wavestone's ambition to take its development to the next level. However, fulfilling this ambition is meaningful only if we respect the cornerstone values that form the basis of the firm's intended development. Its success will only be complete if its development benefits stakeholders across the board.

Wavestone's values constitute the foundations, roots and glue that bind teams together across businesses and regions. Foundations that seek to transform the firm into a responsible company and retain its core values while rising to the challenge of growth.

Developed during fiscal year 2022/23 by a working group comprising employees from various countries and Wavestone's businesses, the Positive Way Book formalizes and illustrates the four core values of the Positive Way in day-to-day activities:

- client satisfaction;
- employee development;
- responsibility & ethics;
- collective mindset.

#### 3.1.1. Human resources

##### How the HR Development Department is structured

The HR Development Department at Wavestone is in charge of defining and overseeing actions which contribute to the recruitment, integration, development and retention of talent. It is structured as follows:

- a global HR Development team, decentralized within the practices and/or offices. Wavestone has continued to expand this team, particularly in offices outside France during fiscal year 2022/23;
- 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 area/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.

##### Breakdown of the workforce

On 03/31/23, Wavestone's total workforce was 4,406 employees (including 3,816 consultants), versus 3,732 a year earlier, i.e. an increase of 18.1% from the prior fiscal year. The average age of Wavestone's workforce on 03/31/23, was stable at 31.



Our France teams are based in four locations: Paris La Défense, and three regional offices: Lyon, Marseille and Nantes. Wavestone has eight offices outside France: Casablanca (Morocco), London (United Kingdom), Brussels (Belgium), Geneva (Switzerland), Luxembourg (Luxembourg), the United States (New York and Dallas), Singapore and Hong Kong.



**New hires**

In 2022/23, nearly 8,320 applicants for permanent positions started the recruitment process with Wavestone. These applicants come from various sourcing channels (relationships with educational establishments, candidate-referral campaigns, headhunted via LinkedIn and spontaneous applications).

During fiscal year 2022/23, Wavestone recruited 1,637 employees<sup>(1)</sup> (excluding end of trial period and internal mobility transfers) and two part-time employees in France, equating to 0.75 full-time employees (FTE).

The firms' new hires mainly come from major engineering schools, business schools and universities. As part of its preemployment strategy, in fiscal year 2022/23, the firm took on nearly 585 trainees (in the form of sabbaticals and end-of-

studies internships) and work-study positions.

**Departures**

In fiscal year 2022/23, 916 permanent employees left the firm (including 679 resignations). The number of terminations during trial periods remained stable compared with a year earlier. However, there were more terminations during trial periods at the initiative of employees, owing to increased hirings over the fiscal year. This recruitment drive has led to a broader search for candidates, in some cases resulting in a less accurate match between the required skills and selected profiles.

In the first part of 2022/23 fiscal year 2022/23, departures accelerated sharply, heralding the development of an action plan during the summer which produced results and enabled a slowdown towards the end of the fiscal year.

The breakdown of departures is presented in paragraph 9.3 of the appendices.

**3.1.2. Developing employee potential**

**Recruitment policy**

As the majority of Wavestone recruitment is targeted at young graduates (accounting for close to 85% of permanent positions filled in fiscal year 2022/23), internships and work-study positions are filled based on the same stringent selection criteria as for any employee, and benefit from the same integration and training processes. Ensuring they gain skills and responsibilities rapidly is therefore a key challenge for the firm.

Wavestone applies an active partnership policy with schools to support students in their professional lives via the transmission of knowledge and know-how in consulting jobs (project management, client relationship management), but also in their personal development, 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. On an educational level, the Company also maintains lasting relations with the career's services and faculty bodies of its target schools.

(1) Permanent, fixed-term and work-study contracts.



Wavestone seeks to guarantee a positive experience to candidates, by training recruitment staff, but also by structuring its recruitment methods around four main principles, described in its Recruitment Charter:

- 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.

These four principles are applied by all the candidates' contacts during the recruitment process. This notably involves support provided by a dedicated recruitment representative, at each stage of the process. With a view to personalization and transparency, the recruitment representative presents to the candidate the expectations and terms and conditions of each interview, and then debriefs at each stage. The objective: to deliver a positive experience and give the candidate all the keys to a successful job application.

To guarantee the application of the Recruitment Charter and with the aim of making continuous improvements, Wavestone participates in the Happy Candidates satisfaction survey managed by the independent body ChooseMyCompany. This year, Wavestone ranked seventh in its category in France (companies with more than 1,500 employees).

For fiscal year 2023/24, the firm plans to develop its Wavestone Alumni initiative, to stay connected with former employees, particularly with a view to enabling some of them to rejoin the Company.

#### **Integration program**

At the global level, the integration process is structured into four priorities: discovery, mentoring, managerial monitoring and HR and the training program.

##### **The discovery program**

The discovery program takes place during the first weeks following the arrival of new employees and includes discussions as well as company presentations, including ways of working.

In France, this program is spread out over four weeks. The first day is allocated to discussions with executive management and general management at Wavestone, as well as assigning equipment, discovering the office premises and learning about the firm's HR policy. The discovery program continues with thematic workshops: development program, CSR policy and focus on diversity & inclusion, sales model, best practices for remote working and time management, presentation of the Economic and Social Committee (ESC), provisional scheduling (weekly allocation of consultants to their assignments).

##### **The sponsor system**

Each new arrival, in each of the firm's offices, is allocated a sponsor who is active in the same area and has at least six months' experience with the Company. The objectives of the sponsor are to support the new employee in learning about the firm, to answer any questions and to facilitate integration.

##### **Managerial monitoring and HR**

Each new employee benefits from specific monitoring during the first few months, materialized by regular reviews with their Career Development Manager (CDM)/tutor, as well as the HR team. This enables the new arrival to obtain feedback, to take stock of their first few months with the Company and to discuss development prospects within Wavestone.

##### **The initial training program**

The training program begins with the "Delivering in Wavestone" module, designed to help staff master the office-based tools required to produce deliverables in line with Wavestone standards. It is followed by other training programs: Consulting behavior, Introduction to Project Management, etc.

Lastly, the training program concludes with an integration seminar, Wavestone Inside, which brings together all new arrivals regardless of their entity, job or level of experience. Two separate seminars are organized for employees from European and Moroccan offices on the one hand, and US employees on the other. Regardless of the region where it is held, the objective of the seminar is two-fold: to enable new recruits to connect with the Wavestone identity (values, know-how, positioning, etc.) and to develop their internal network. The day is organized around workshops, team challenges and even testimonials from the firm's partners and inspirational speakers before closing with a Q&A session with members of the Wavestone management team.

**Close employee monitoring**



**Assessment mechanisms**

**Assignments and on-the-job training**

For all employees, the professional consulting assignments they carry out also provide an opportunity for them to develop and enhance their individual skills. 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).

In addition, individual development objectives to develop new skills are taken into account in the consultants' workload planning. 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 assignments of between 6 and 12 months within the firm's back-office departments (recruitment, communication, finance, CSR, IT, 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 scope concerned. The topics addressed include: the employee's current position in respect of their Wavestone Horizon career path presented below; 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 (CDM) for an annual performance review in order to discuss their annual evaluation, career prospects, training/upskilling, pay and work-life balance. Each CDM within the firm has, among their objectives, that of promoting the development of the firm's employees. The annual performance review is a key moment for discussion in which the Group's Career Development Managers receive special training.

**Training programs**

**A common training program for all young recruits**

Young graduates follow a four-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 (practice areas, jobs, offices, etc.).

Training modules vary based on the business. They are spread out over the year to provide them with a better understanding of the firm. 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. The digital training offering combines several programs (integration training and two e-learning platforms, Edflex and Sequoia) open to all employees:

- Edflex (formerly My MOOC), a digital content platform covering topics related to Wavestone's challenges and businesses. Articles, podcasts, certification courses and videos are available in English and French;
- Sequoia, which makes educational training materials available online in a fun format created by employees of Wavestone's practice areas with a view to improving skills and know-how and sharing 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.

Both platforms are international in scope and have a cross-functional approach (multi-practice area and multi-function). In addition, to enrich the training options available, each office is encouraged to contribute to the program. The New York and London offices are thus driving the development of the internal platform, Sequoia.



#### Attendance-based training and blended learning courses<sup>(1)</sup>

Wavestone's training institute (The Wavestone Academy) proposes around forty programs delivered in-person or remotely, which are designed to develop key job-related skills (business development, delivery, communication, assignment management, etc.). Several of these programs award certificates upon completion, including ITIL, Foundation V4, as well as Lean Six Sigma - Green Belt, etc.

These training sessions also provide employees with the opportunity to enlarge their internal network by mixing with colleagues from other practice areas, offices and divisions.

A number of initiatives complement this cross-functional approach:

- our catalogs for practice areas and offices which are designed to meet scope-specific training needs: training focused on sectors, technologies and specific certifications. These courses can be arranged and delivered either in-house or externally;
- an external coaching course, geared towards individual needs.

#### Learning Factory

In line with its *Impact* strategic plan, the firm intends to ramp up investment in employee training via a new asset: the Learning Factory.

To achieve this, Wavestone has formed a special team to boost and accelerate training within the firm, partnering up with the Wavestone Academy as well as all practice areas and offices. In the short term, the team aims to develop technical training, targeting hard skills and certification, with priority given to advanced and expert levels.

A number of projects were launched in fiscal year 2022/23, including:

- the rollout of My Sustainability Learning Journey, a training program addressing the challenges of climate change which is compulsory for all employees and supplemented by Climate Fresk training for all teams;
- the introduction of new training courses on data, agility and project management;
- the development and management of a community of learning relays to support the rollout of new training courses and provide feedback on the needs of practice areas and offices;

- the launch of a comprehensive training catalog to publicize and capitalize on existing training courses provided firmwide.

The Learning Factory also communicates about training initiatives within Wavestone at regular intervals, via a newsletter and a dedicated space on its Intranet.

#### Summary of training courses completed during the fiscal year

On average, Wavestone employees received 19 hours of training in 2022/23, compared to 20 in the previous fiscal year. The total number of training days delivered was 8,543 (versus 7,356 in 2021/22).

#### Internal mobility scheme

Wavestone aims to offer its employees diversified development prospects. Internal mobility is one of the professional opportunities that enable them to enrich their career path.

All positions available under the annual recruitment plan are eligible for the scheme. 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 available. 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 three months. 120 employees took advantage of internal mobility opportunities in fiscal year 2022/23, with 46.7% moving to another office.

#### The Wavestone Horizon professional development tool

The Wavestone Horizon career path tool provides a guide to employees' professional careers, 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 their career within Wavestone.

These development paths are defined for the consulting, business and functional teams and are common to all Wavestone employees, regardless of geographical region.

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

### Compensation policy

Our pay policy is based on three principles:

- a unique pay benchmark for each business line and country: including starting salary and pay package for each grade;
- a competitive salary benchmark: against a competitive backdrop where competition in relation to salaries is a key factor in attracting and retaining the best talents, Wavestone's benchmark is based on market practices in each country and area of business. To ensure competitiveness in each country, Wavestone regularly updates its salary benchmarks. Fiscal year 2022/23 saw mounting pressures on salaries, which led to tighter monitoring of Wavestone's salary policies in all its geographies, and to an adjustment of salary scales;
- commitments to ethics and transparency: Wavestone is committed to treating all career development plans in a consistent manner, with the same compensation rules for the same level of experience. In France, the United Kingdom, Luxembourg and, most recently, the United States, salary packages by grade are published on the firm's Intranet and this practice is an objective in all the countries where Wavestone is developing its presence.

### Employee profit-sharing

Employee profit-sharing for Wavestone SA, calculated on the basis of the statutory formula, was €9,269,418 in fiscal year 2022/23.

For more than 10 years, Wavestone's French employees have been able to acquire a stake in the Company in the form of free shares awarded by the firm when profit sharing entitlements are paid out. Accordingly, for each unit held in the Wavestone Actions fund, employees are awarded one free share two years later if they are still an employee of the Company and have not sold their units in the Wavestone Actions Fund.

The employee shareholding scheme offers free shares and boosts employees' sense of pride in being part of the Company.

Since 2021, Wavestone has offered all its employees in its international offices the opportunity to buy shares in the Company under the ESOP (Employee Stock Ownership Plan), which offers the same employer contribution benefits as awards of free shares in France.

In addition, three individual employee shareholders sit on the Individual shareholders' Consultative Committee, out of a total of six members. This ensures regular and constructive dialogue between Wavestone and its individual shareholders. It also enables to gather their perspective on the various aspects of shareholder communication, and to improve the quality of documents sent to them.

### Talent Management, an initiative to upskill the firm's HR practices

In 2022/23, Wavestone embarked on a structural transformation for its future development, aimed at transforming and leveling up Talent Management practices, tapping into the best market practices provided by the Workday solution. The initiative is expected to bring multiple benefits (HR data, learning management, career development) to meet the challenges that lie ahead in terms of recruitment, engagement, and retention.

#### 3.1.3. 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.

The attention paid to employees' work-life balance is part of a more comprehensive approach to quality of life at work at Wavestone, which aspires to be sustainable and to make continual improvements. This approach encompasses both measures to improve the quality of career paths as mentioned above, but also the workspaces within Wavestone's offices, the flexibility of how work is organized through initiatives such as remote working or co-working, measures to support parents and all types of initiative that enable employees to be involved in the Company's vision.

#### Working environment and work-life balance

##### Working time

Wavestone, of course, complies with the legal framework applicable to each of the countries in which it operates.

Since July 1, 2017, all Wavestone's employees in France have fallen into one of the following three working hour categories: category 1 (37 hours/week with 10 paid days off ("ATT"), category 2 (a fixed number of 166 hours and 42 minutes per month and 218 days per year, including the "Solidarity Day"), and category 3 (a fixed number of 218 working days per year, including the "Solidarity Day").

##### Taking paid holidays

Taking time off regularly is also part of the work-life balance equation. All Wavestone's 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 (CDM) throughout the year, and which are, notably, covered during the annual performance review.

#### 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 its employees, in keeping with its corporate culture:

As an example, in France, it breaks down as follows:

- a benchmark switch-off time slot applies to all employees, from Monday through Friday, from 8:30 p.m. to 8:00 a.m.;
- a sanctuary time slot has been set at 1:00 p.m. to 2:00 p.m.;
- a standard timeframe for holding internal meetings is between 9:00 a.m. and 7:30 p.m.

These provisions vary for each country, to align with its local practices.

To ensure that everyone exercises their freedom to organize their working time while also respecting the freedom of others, a set of rules and best practices have been introduced, 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.

A discussion of work-life balance is a compulsory part of every annual performance review.

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

##### Rethinking our ways of working

Smartworking@Wavestone allows everyone to choose, at any given moment, the most appropriate ways of working for them, taking into account their current activities and assignments, their clients, their work group, as well as the stage they have reached in their career. It is based on a framework of mutual trust between employees and their management team.

The initiative has three objectives:

- to work more efficiently, especially for Wavestone's clients and by leveraging synergies between the firm's teams in different geographical regions.
- to strengthen the commitment of employees and the attractiveness of the firm to candidates through a better work-life balance;
- to reduce the firm's carbon footprint.

In France, this new framework was defined by an internal working group (members of the Economic and Social Committee (ESC), practice leaders, sales and functional team managers) with a new remote working agreement, effective from September 1, 2022. It applies to all Wavestone offices.

This framework is based on five key principles:

- client satisfaction;
- flexibility;
- responsibility;
- collective mindset;
- health and well-being at work.

##### Remodeling our premises

At the same time as the firm rethinks its ways of working, Wavestone is modernizing its premises to fully cater to the new expectations that emerged from the Covid pandemic. The repurposed features include new spaces for socializing.

In the fall of 2022, new offices were opened in Nantes, enabling the firm to try out new meeting room facilities which facilitate hybrid formats and new "grand café" (large cafeteria)-style social spaces. Wavestone also inaugurated new spaces in Paris at the end of March 2023, with the addition of better-equipped meeting rooms, more and larger social spaces, as well as furniture designed to boost interaction. Going forward, these developments will influence plans for the firm's other offices.



### Support for expectant parents

Taking parenthood into account is part of an approach that respects professional gender equality and work/life balance. Wavestone is committed to taking practical steps to support parents and commits to:

- changing perceptions of parenting in the Company by raising awareness with HR teams and managers;
- developing a favorable workplace for employees who are parents, by adapting working conditions and by fostering a better work/life balance;
- respecting the principle of non-discrimination as part of the professional development of employee-parents by identifying and eliminating discriminatory practices.

In an endeavor to implement this commitment across the board, the Company has implemented several measures at the local level. Employees in France can sign up to the schemes below, as outlined in Wavestone's universally accessible Parenting Guide.

#### Corporate Parenthood Charter

Wavestone will pursue its commitment to changing the perception of parenthood in the workplace and advocates the principle of non-discrimination of employees with children. In this respect, since 2013, Wavestone has been a signatory of the Corporate Parenting Charter from the Quality of Life at Work Observatory.

#### Nursery service

In France, Wavestone provides nursery service to help employees with children/who are expecting a child to find nursery places in the Babilou and *Maison Bleue* networks, and more recently in LPCR (*Les Petits Chaperons Rouges*), which represent over 7,000 nurseries in France. In fiscal year 2022/23, Wavestone financed an average of 75.6 cribs per month for its employees' children in France, i.e. a total of 147 cribs over the fiscal year.

In the United Kingdom, Wavestone also grants preferential access to a network of more than 800 nurseries, through its "Enjoy Benefits" scheme.

#### Childcare leave

Employees in France with one or more children (aged 0 to 12 years inclusive) 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

Wavestone offers its French-speaking employees conferences run by an external parenting coach and covering various topics including "How to support your child with their schooling" and "How to help your child find their confidence". In addition, individual coaching is offered to employees in France on a remote basis.

#### Maternity leave support

In France, the Smartworking@Wavestone framework allows pregnant employees to enjoy maximum flextime, equipping them with a second computer at home to reduce the need to carry loads.

Prior to maternity leave, pregnant employees who so wish may benefit from an individual meeting with their HR representative, with a focus on Wavestone's Corporate Parenting Charter.

Special attention is paid to parental leave of up to six months, so as to eradicate any negative impact on the promotion decisions of employees eligible for promotion.

#### Paid maternity, paternity and adoption leave

In France, 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. What's more, Wavestone has implemented a subrogation scheme for its employees to ensure that they do not suffer a shortfall in cash flow while awaiting the payment of their social security benefits.

#### Phased return to work after maternity, adoption or parental leave

In France, 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 systematically benefit from two meetings with their HR representative and their Career Development Manager (CDM). These meetings are organized by the HR representative and the CDM.

#### Social relations

Wavestone aims to ensure constructive social dialogue with its personnel representatives. This dialogue addresses issues related to corporate strategy, economic and financial policy as well as the firm's social policy.

Wavestone's aim is to establish social dialogue bodies in each of its geographical regions. These include:

- an Economic and Social Committee (ESC) in France, a regulated body whose missions are outlined below;
- sounding Boards in the United States and United Kingdom, comprising management and employee representatives from the firm's various functions, to discuss any strategic topic with the Board;
- the *Délégation du Personnel* in Luxembourg (Luxembourg Employee Delegation), appointed every five years by employees, acts as a mediator between the employer and employees to defend employees' interests as well as their working conditions. The Delegation also has a limited consulting role, advising the Company on its decisions.

Each body has different targets and approaches that reflect their countries' respective regulatory frameworks.

#### Organization of social dialogue in France

In April 2022, elections were held to appoint a new ESC on a four-year term. It has 25 full and 25 alternate members. The CFE-CGC trade union is the representative union and has appointed two specific representatives.

Following the transfer of assets (*Transmission Universelle de Patrimoine* - TUP) between Wavestone SA and Wavestone Advisors, a single Economic and Social Committee (ESC) was established for Wavestone SA, effective from 01/01/23.

Social actions are managed by the Group's Economic and Social Committee (ESC), and mainly consist of sports and cultural activities. For instance, every year, the ESC organizes skiing and summer weekends 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 that provides employees with access to more than 200 activities in more than 2,000 sports centers around France.

#### Meetings between management and employee representative bodies held in 2022/23

23 meetings, including six exceptional meetings, were held with the ESC in fiscal year 2022/23.

Examples of agenda topics (for information or consultation):

- strategic plan - proposal to review the French business model, aligning it with the implementation of *Impact*;
- report of gender balance - review and action plan;
- presentation of the CSR action plan;
- annual review of working hours.

#### Collective agreements signed during the fiscal year

Mandatory Annual Negotiations led to an agreement signed on 04/07/22. A review of the remote working agreement was signed off on 08/31/22. Other agreements and additional clauses signed during fiscal year 2022/23:

- additional clause - overriding profit-sharing agreement signed on 09/15/22;
- provisional employment and skills development agreement (PESD) signed on 04/01/22;
- disability agreement signed on 01/17/23.

#### Health and Safety

##### Health, Safety and Working Conditions Committee (HSWCC)

In France, the ESC has a Health, Safety and Working Conditions Committee comprising eight members. In fiscal year 2022/23, this Committee organized four meetings, which were attended by the occupational doctor.

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 contributes to drafting and updating:

- the Single Professional Risk Assessment Document (DUERP);
- an annual report on health, safety and the workplace;
- reflections and remedial action plans in terms of psychosocial risks (PSRs) presented on a half-year reporting basis.

Training sessions on the prevention of risks are organized by Wavestone:

- managerial training to pinpoint and prevent PSRs;
- awareness sessions on casual sexism;
- stress management to improve well-being and performance;
- overload situation training module on best practices to adopt to avoid work overload situations;
- first aid in the workplace training;

- fire drill training (superintendent, fire officer). All Wavestone's sub-contractors are systematically invited to take part in fire evacuation training and a copy of the prevention plan including information relative to safety, first aid and fire evacuation procedures is provided to them;
- workshop on close screen work and prevention of musculoskeletal disorders.

A full-time occupational nurse is present (Monday through Friday) at the Company's head office, who works alongside the occupational doctor. She arranges appointments for information and prevention meetings with new arrivals.

Wavestone offers a group and obligatory healthcare coverage regime to all its employees. This regime covers employees and their children and provides optional coverage for spouses.

#### Absenteeism

Wavestone's absenteeism rate in France was 1.8% for fiscal year 2022/23, down year-on-year, and attributable 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, occupational and commuting accidents, Wavestone's absenteeism rate was 2.4% for fiscal year 2022/23.

#### Prevention and treatment of psychosocial risks (PSRs)

Wavestone has adopted a local management policy whereby groups of 10 to 15 employees are monitored by a CDM, backed by a decentralized HR team. This approach ensures that staff stress-related issues 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 doctor, the occupational nurse or the support unit. The support unit is on hand to assist employees who may be experiencing a difficult period whether professionally or personally. All conversations are strictly confidential, and the unit can be reached by phone or e-mail, in French and English.

An external anonymous reporting tool, Whispli, was also 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.

When validating their assignments at the end of each month, employees can use a checkbox to alert their management and HR team of an overload situation.

All managers (CDMs, Assignment Managers, as well as managers of the Business development and Functional teams) are systematically trained in the prevention and treatment of psychosocial risks as part of the new managerial program deployed for all Wavestone's managers. This training course includes an e-learning module and a day of face-to-face training dedicated to real-life examples and case studies. Wavestone has also developed a training module focused on the prevention of sexism in the workplace, which is mandatory for all managers. Workshops on "Combating sexism in the workplace" and e-learning modules on casual sexism are offered to all employees. Lastly, the ESC has appointed a specific point of contact in relation to sexual harassment and sexist behavior.

#### In-house actions

To promote strong cohesion within its teams, Wavestone has adopted an operational mode whereby management regularly consults all teams to receive their feedback on initiatives to improve the day-to-day running of the Company, but also to contribute to development and strategy. By way of example, on September 30, Wavestone held the 2022 edition of its Bridges event, with a focus on the training and thought leadership aspects of *Impact*. That day, a total of 3,000 participants were involved in close to 400 actions. This process allows new initiatives to emerge regularly, creating value for the firm and its employees.

The firm actively takes part in multiple meetings and discussions: Wavestone Inside, annual galas, team meetings and seminars for practices. These informal events foster cohesion within teams and open up further opportunities to develop internal networks. They are accompanied by an annual gala event, arranged by each office.

Convivial social events took place throughout the year: free breakfasts every Monday and Friday or for special occasions, after-work meetings, team dinners, receptions for new arrivals, etc. Team meetings are also organized in different formats depending on the event to be celebrated (management seminar, regular team discussion meetings, etc.) always with the goal of enabling teams to meet up and share common objectives.

Wavestone also hosts a wide range of cultural and sporting activities run by France's ESC.

### 3.2. Assessment of quality of life in the workplace

#### Assessment methods

Wavestone has developed a way of measuring employee engagement in the firm. This initiative is based on the annual Great Place To Work® survey. The latter is often supported by one or two annual Pulse@Wavestone surveys, conducted as and when appropriate. During fiscal year 2022/23, the Company did not schedule a Pulse@Wavestone survey.

The engagement index is calculated based on positive answers to four engagement questions included in the Great Place To Work® survey:

- I am proud to work at Wavestone;
- I would gladly recommend Wavestone as a company that is great to work for;
- I rarely think of leaving Wavestone;
- I still see myself working at Wavestone two years from now.

During fiscal year 2022/23, the Wavestone engagement index stood at 74 (versus a target of 71 out of 100), representing a four-point increase, year-on-year.

#### Great Place To Work®

By way of an anonymous Great Place To Work® survey questionnaire, employees at all the Company's sites can

express themselves on the quality of life at Wavestone. The questions cover five topics: credibility, respect, fairness, employee pride and conviviality.

In November 2022, 74% of the Group's employees completed the GPTW® questionnaire, and 88% of them considered Wavestone a great place to work (up 2 points from 2021). For the first time in Wavestone's history, all offices involved in this edition of the survey (France, Luxembourg, United Kingdom, the United States, Switzerland, Belgium, Morocco and Hong Kong) were awarded the GPTW® label on the basis of their results.

April 2023 saw Great Place To Work® unveil its Best Workplaces France ranking: for the second year running, Wavestone took the top spot among companies with over 2,500 employees. Similarly, the Wavestone office in Luxembourg ranked fourth in the category of mid-sized companies that are great places to work. Lastly, in the UK, Wavestone was recognized as a Great Place To Work for Wellbeing\*.

Analysis of these results revealed progress in nearly all the areas covered by the survey. The identified areas for improvement—which center on meaningful work, training and premises—will influence Wavestone's HR roadmap in the years ahead.

#### Other labels and certifications

As detailed below in this section [1.3](#), during fiscal year 2022/23, Wavestone obtained the following labels and certifications:



This independent label works with a stringent set of criteria to measure the satisfaction of interns/trainees and work-study students. In 2023, Wavestone was awarded the Happy Trainees label for the ninth consecutive year in France, scoring a total of 4.13/5 with a recommendation rate of 89.7%, up 5.7 points versus 2022. The firm now ranks among the Top 5 companies welcoming between 200 and 499 interns/trainees and work-study participants.



After receiving nearly 3,000 responses to this year's satisfaction survey, Wavestone was awarded the Happy Candidates 2023 label (managed by the independent organization ChooseMyCompany), which singles out companies that take the greatest care of their candidates. The firm placed seventh in its category for France (companies with more than 1,500 employees). More specifically, Wavestone's efforts were commended in numerous geographic regions: worldwide, Europe, France, Switzerland, and the UK.

At the global level, Wavestone scored 3.95/5, with a recommendation rate (70% this year) up 11.7 points since 2017. In Switzerland, Wavestone achieved a score of 4.25/5 with a recommendation rate of almost 89%, while in the UK, the firm scored 4.02/5 with a recommendation rate of nearly 74%.



Since 2009, Glassdoor's Best Employers awards have distinguished the companies that are most liked by their employees. Participating for the first time, Wavestone placed 14th in a ranking of the 25 Best Employers in France for 2023. This ranking is exclusively determined by anonymous comments posted on the platform by current and former employees.



Wavestone has been a Qualiopi-certified training provider since April 2023. This certification is proof of the quality of the upskilling services that the firm provides to its clients.



A change in methodology delayed Humpact's assessment of Wavestone, which will be available during 2023/24. As such, no corresponding assessment is published for fiscal year 2022/23. For the record, in 2021/22, Wavestone topped the Technology sector rankings, finishing sixth out of a total of 200 assessed companies.

#### 4. Acting in favor of diversity and inclusion

	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
% of women in management <sup>(1)</sup>	33.0%	35.0%	34.5%	35.5%	36.5%
Number of employees with disabilities*	40	49	58	73	90

In line with its commitment to being a responsible employer, Wavestone strives to strictly comply with the principles of ethics and equal opportunities. Wavestone's social and societal policy is reflected in its program to promote diversity and non-discrimination.

##### 4.1. Gender equality in the workplace

As part of its action plan to promote equality in the workplace 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 and compensation;
- combat stereotypes, sexism and sexual harassment;
- promote a healthy work/life balance for all employees;
- support employees with children in achieving a healthy work-life balance.

Wavestone's ambition is to increase the representation of women in management (manager grade and above, and CDM role). 2022/23 saw the firm exceed its target by almost two points, with 35% of women represented in these positions (versus a target of 33%).

The Company is also committed to ensuring a gender balance in its management, in compliance with the relevant legal requirements. In 2022/23:

- the percentage of women on the Executive Committee (ExCom) was 37% (up 6 points vs. 2021/22), in line with the quota required from 2026 onwards under France's Rixain Law;

- women make up 42% of the Board's Directors, thereby aligning the firm with France's Copé-Zimmermann Law.

On 03/01/23, under the French law on the freedom to choose an occupation (09/05/18), Wavestone disclosed a gender equality score of 82/100 for the Wavestone Economic and Social Unit (ESU), representing a decline from 2022. This decrease is automatically due to the impact of promotions of employees who joined the firm in 2020/21. At the peak of the health crisis, Wavestone was forced to scale back its hirings to graduates of engineering schools, most of whom are men.

(1) Top management positions include operating management and/or hierarchical management.

\*Objectives defined under the impact credit



## Recruitment

As regards recruitment, Wavestone is particularly focused on gender diversity, with a commitment to applying an inclusive recruitment policy. Recruitment teams include “Diversity & Inclusion” ambassadors who are tasked with monitoring Key Performance Indicators (KPIs) and introducing awareness initiatives for campus managers, recruitment officers, recruitment firms and schools.

### Anti-sexism

The drive to champion an anti-sexist company culture—denouncing sexism, harassment and sexual assault—is embodied in the firm’s training actions:

- e-learning courses on casual sexism, developed in 2022 by the #StOpE (Stop Casual Sexism in the Workplace) initiative and mandatory for all staff;
- in-person training on sexism, mandatory for all managers;
- workshops organized on the topics of “How to show your support for diversity” and “How to respond to sexist comments”;
- launch of a dedicated Intranet page and communication across escalation reporting channels.

### Careers

Wavestone seeks to guarantee the most equitable career pathways possible for women in each of its practice areas and offices, by focusing on:

- proactive initiatives to increase women’s representation in management (gender-based KPIs, talented women hub, HR engagement catch-up interviews, coaching and training, parenting support, awareness sessions for management, etc.);
- applying a policy regarding career development and parental leave;
- the representation and visibility of women, with a view to raising the profile of female role models. To fulfill this ambition, Wavestone schedules a round of monthly meetings, known as Women@Wavestone.

In 2022/23, the Company continued to drive local initiatives throughout its practice areas, with targets set to increase women’s representation in management and action plans to achieve these targets, coupled with firm-wide actions.

## Partnerships

Wavestone is also committed to partnering with several entities that strive to achieve professional equality.

Since 2016, Wavestone has been a partner of the Elles Bougent association, which aspires to encourage more women to pursue scientific and technical careers. Each year, the firm’s female employees with a background in engineering share their experiences as mentors. The Company has also partnered up with the Women’s Forum since 2017, regularly publishing white papers that summarize the event program. Wavestone also covered the 2022 event on social networks.

Since 2018, Wavestone has paired up with Fondation Femmes@Numérique (France’s Foundation for women working in digital and tech) as a founding member and through skills-sponsorship consulting assignments. This initiative aims to bring together a strong group of economic, social and public players to increase women’s representation in digital professions.

Since 2018, Wavestone has also worked with the French Association of Managers of Diversity, which brings together French companies around the promotion of diversity and inclusion. The firm has supported the association in skills-sponsorship since 2021 through its promotion of the #StOpE (Stop Casual Sexism in the Workplace) initiative, which Wavestone joined in January 2022. It aims to tackle sexism in the workplace and share best practices on this topic.

### 4.2. Inclusion of people with disabilities

In line with its commitment to diversity and inclusion, and to honor its ambition to enable all employees to achieve their full potential, Wavestone has set ambitious targets for the inclusion of people with disabilities. To this end, the firm’s action plan is structured into four priorities: recruitment, support, awareness and societal impact.

Wavestone runs a Disability Program (*Mission Handicap*) to spearhead these targets and priorities. The Program is overseen by three employees, who are all CSR team members, as well as an external expert on disabilities. On a daily basis, the Disability Program is tasked with ensuring the smooth integration of employees whose health has an impact on their life at work.



## Recruitment

To help improve access to employment, Wavestone intends to recruit an increasing number of people with disabilities while upholding a clear commitment to hiring in all professions with no compromise on requirements, irrespective of the disability. To achieve this, Wavestone's Disability Program is supported by:

- a recruitment task force, assisted by ambassadors who ensure that the disability policy is enforced at every stage of the hiring process. The Disability Program works closely with this task force to review and adapt the hiring process for candidates with disabilities;
- training for all recruiters: disability awareness sessions are conducted, workstations are adapted and discussions with the Disability Program are widely recommended for all candidates;
- expert recruitment platforms: the "Hello Handicap" forum, partnerships with higher education institutions.

In 2022, this approach helped to increase the number of hires of employees with disabilities, without the adoption of a disability reporting incentive policy. As a result, during that year, Wavestone recruited 18 new employees with disabilities (including six with administrative recognition) in addition to eight interns (including two with administrative recognition).

## Support

Numerous initiatives underpin Wavestone's job retention strategy which is implemented by the Disability Program (*Mission Handicap*):

- the adaptation of workstation equipment and/or the schedule of working hours for relevant employees. In France, Wavestone authorizes four additional days of absence for employees with administrative recognition of a disability;
- local, one-to-one performance monitoring sessions for all employees interested in such sessions. These strictly confidential sessions involve the employee's local HR representative and/or CDM and aim to increase awareness among all stakeholders involved in the employee's career;
- strictly confidential, one-on-one interviews for employees with disabilities, as and when required, to answer their questions and assist them with the administrative formalities of declaring a disability;
- support for HR, recruitment and management teams to answer any questions they may have, and to help them monitor employees with disabilities in the most benevolent, non-discriminatory way possible, including a half-day training course on how to manage people with disabilities.

## Raising awareness

In an effort to mainstream the topic of disability internally and encourage people to speak up, during fiscal year 2022/23, Wavestone led several awareness-raising and communication campaigns both in-house and externally. These included:

- a two-week Accessibility Challenge, in collaboration with the Streetco app, in which employees from all offices helped to improve street accessibility;
- the organization of "Cafés signes" (sign language cafés), in the Paris and Lyon offices, to raise employees' awareness of the daily obstacles experienced by people who are deaf or hard of hearing;
- training for volunteer employees on the challenges of disabilities in the workplace at a special conference hosted by Wavestone's Disability Program (*Mission Handicap*) during the Bridges 2022 event;
- a panel discussion on endometriosis in the workplace, featuring the President of the EndoFrance association and a Wavestone employee affected by the disease.

As a result of this series of communications campaigns, some twenty new employees contacted the Disability Program (*Mission Handicap*) between January 1 and December 31, 2022, including seven with administrative recognition of their disabilities.

## Societal impact

Wavestone also stepped up its societal commitments to disability by broadening the scope of its initiatives:

- a commitment to the Inclusion Manifesto since 2021, which aims to ensure better inclusion of people with disabilities in the workplace, and involvement of the Manifesto's signatories in the association;
- the use of sheltered workshops for different types of services, such as the printing of training materials or the delivery of meal baskets;
- the continuation of school partnerships, e.g. *Grenoble Ecole de Management* to promote the "Management and Disabilities" certificate and *EmLyon Business School* to support students with disabilities as part of its Disability Awareness Week;
- consulting assignments for four disability-focused associations (*Make.org* as part of *Grande Cause Handicap* [Worthy Cause for Disabilities], *APF France Handicap*, *Handicap International* and the *Simon de Cyrène* association) as part of the skills-sponsorship program: five projects representing 854 days of support.

### 2022/23 results and signing of an approved multi-year agreement

As of 12/31/22, Wavestone's Disability Program (*Mission Handicap*) supported approximately 100 employees with disabilities, including 47 with administrative recognition, versus a target of 40 (49 beneficiaries as of 03/31/23). Following its three-year partnership with Agefiph (France's National Agency for employees with disabilities), Wavestone signed its first three-year company-wide agreement. Approval was made official on 05/30/23 (with retroactive effect to 01/01/23). Through this agreement, Wavestone is pursuing its ambition to lead the way in disability inclusion for other consulting firms.

The agreement sets out an extensive and comprehensive roadmap, defining initiatives for recruitment, improved onboarding, support for job retention, communications and awareness campaigns, as well as access to premises and training. Furthermore, it increases the use of the sheltered sector. The ambition of this agreement is reflected in quantitative and qualitative targets. For instance, Wavestone aims to publicly declare 90 employees with disabilities on permanent contracts within its French workforce by 12/31/23, and to achieve a satisfaction rate (with the firm's support for disabilities) of around 80% among relevant employees.

#### Wavestone For All

In 2017, a group of employees took the initiative to create an independent network, Wavestone For All, with the goal of promoting diversity and inclusion within the firm. Network members include diverse people within society (LGBT+ and racialized communities, people with disabilities, etc.) and committed supporters, all of whom volunteer as individuals acting freely and independently of Wavestone.

This network strives to act as a "catalyst" for accelerating diversity initiatives and breaking the silence on issues that have gone unnoticed. The network focuses on three priority actions:

- actively listening to employees, whether collectively through workshops, surveys and events, or individually through informal discussions;
- showing commitment to the cause and driving change with management;
- continuously collaborating with management and the CSR team, to implement proposals that align with all diversity initiatives.

During fiscal year 2022/23, more than 40 employees volunteered for the network, which has extended its reach to all geographic regions since 2021 thanks to the establishment of Wavestone For All ambassadors.

In 2022/23, the network led the following initiatives:

- panel discussions on the topic of diversity in consulting;
- co-development of a diversity and inclusion workshop for all new hires;
- launch of anti-racism and LGBT+ action plans;
- a set of initiatives to foster the inclusion of LGBT+ communities.

### 4.3. LGBT+

In 2022/23, based on a recommendation made by Wavestone For All and following the initial signing in 2019, the firm re-signed the LGBT+ Commitment Charter of *L'Autre Cercle* in 2023. The Charter seeks to ensure the inclusion of LGBT+ communities in their workplace. 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 fighting prejudice.

Wavestone also participated in the "2022 LGBT+ in the workplace barometer" survey in collaboration with *L'Autre Cercle* and market research firm, IFOP, on the perception of inclusion of LGBT+ people at Wavestone. 98% of employees (out of 900+ responses) described Wavestone as an open and welcoming company for members of LGBT+ communities.

Results of the barometer were used to develop a three-year action plan for the inclusion of LGBT+ communities, including two priorities:

- LGBT+ inclusion training for managers (as part of their training program) and all employees—particularly new hires—via a dedicated e-learning module;
- the strategic decision to raise the profile of LGBT+ employees, with the appointment of a LGBT+ sponsor on the Executive Committee (ExCom) and the introduction of Proud@Wavestone virtual cafés to spotlight role models.

In addition, fiscal year 2022/23 saw the firm celebrate Pride Month and International Transgender Day of Visibility for the first time. These celebrations helped to raise employees' awareness using multiple formats such as quizzes, panel discussions and conferences, with one talk on the visibility of lesbian women in the workplace.

#### 4.4. Anti-racism

After conducting a survey with all employees, both in France and abroad, Wavestone introduced an anti-racism action plan in fiscal year 2022/23 which was achieved through the launch of employee awareness-raising initiatives:

- discussions within entities on the results of the survey;
- testimonials of experiences at Wavestone;
- sharing of best practices and resource materials.

These initiatives, which will continue throughout 2023/24 fiscal year, include a conference presented by SOS Racisme to mark International Day for the Elimination of Racial Discrimination and further awareness-raising campaigns with support from initiatives across the firm's various geographic regions.

#### 4.5. Senior employees

Wavestone undertakes to support its senior employees. At end-March 2023, employees aged over 50 accounted for almost 6.2% of the firm's total workforce. In France, specific actions were implemented to meet their expectations 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 scheduled for all employees as of their 50th birthday to provide them with an overview on retirement in France and supply them with key information;
- full coverage of a preventive health assessment;
- full coverage of an 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;
- upon request, employees aged 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.

#### 4.6. Diversity and social inclusion

For fiscal year 2023/24, Wavestone intends to kick-start initiatives aimed at championing social diversity in its recruitment, aligning its actions with other industry players.

Moreover, when it comes to social diversity, stakeholders have considerably heightened their expectations, and a growing number of mainly public sector clients have developed workplace integration requirements for suppliers, notably through social inclusion clauses (involvement or recruitment of employees with disabilities, acceptance of interns/trainees who left school early, etc.). In fiscal year 2022/23, Wavestone started the process of identifying and reviewing these clauses and ensuring that they are properly implemented and monitored.

On top of this, the firm established an onboarding program for younger generations (Villebon Institute, early school leavers) for short internships to discover Wavestone's businesses.

## 5. Being a responsible and ethical corporate citizen

	2022/23 objectives	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives
% of employees trained in applying the Business Ethics Charter	95%	96%	95%	95%	95%
% of firm time spent on societal commitments	1.0%	1.3%	1.0%	1.0%	1.0%

### 5.1. Societal action

#### 5.1.1. Skills sponsorship



Wavestone is committed to allocating 1% of its employees' time to the support of projects which create societal value and to making their skills available to this cause. For fiscal year 2022/23, the firm exceeded its target, scoring 1.3%, the equivalent of 10,747 days. This commitment reflects the firm's ambition to contribute to and become involved in major charitable causes such as sustainable development, workplace integration, diversity and the fight against poverty and to involve its employees in such initiatives. To meet this ambitious goal, Wavestone is stepping up its skills sponsorship efforts.

#### Consulting assignments completed in the form of skills sponsorship

The firm offers the skills and expertise of its employees to structures with a societal vocation, with pro bono consulting assignments. These free initiatives require the same level of skill and methodology, the same added value, and above all, the same targets to achieve client satisfaction as Wavestone's regular consulting assignments. Their management is fully integrated into the firm's processes and tools and is backed by a network of contacts both for support functions (finance,

communication, IT, etc.) and in practice areas, whose role is to liaise with employees and associations.

Fiscal year 2022/23 was characterized by a very high level of skills sponsorship. The initiative benefited 54 charities and associations, with 114 consulting assignments completed (excluding Powerday) and contributions from 311 employees, lasting a total of 9,221 days. Skills sponsorship initiatives were stepped up the world over, starting in the London office, and are set to continue in other offices in 2023/24.

The firm's skills sponsorship program meets the twofold challenge of making a firm, long-term commitment to specific stakeholders (French Red Cross, Make.org Foundation, Share. IT, Femmes@Numérique, and Solidarités International), while making its services available to support a diverse range of partners (*Ecole de la deuxième chance*, *Vivre aux éclats*, GoodPlanet Foundation, Ares Charitable Foundation, etc.). Wavestone will continue its efforts to structure its charitable portfolio over fiscal year 2023/24, in an effort to manage and prioritize the multiple requests it receives.

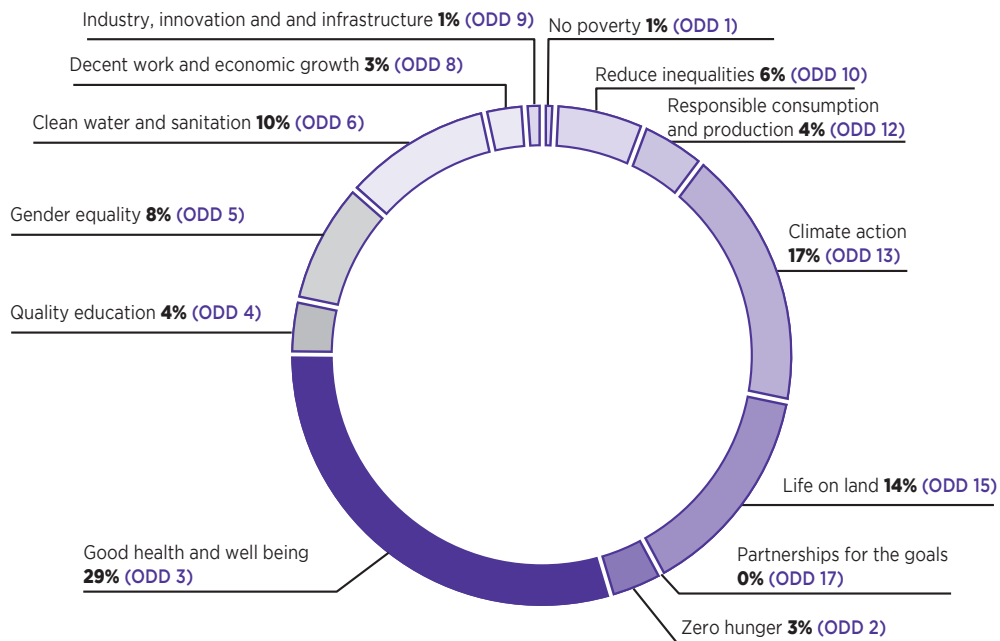
Wavestone supports its partner associations in their innovation and transformation endeavors. The firm's partner associations include:

- French Red Cross: the firm supports the association in its sustainable performance challenges, e.g. in framing its future carbon footprint platform and developing its responsible purchasing practices;
- *Stop Exclusion Energétique*: Wavestone assists the association in structuring its activities and managing large-scale projects (e.g. digitization of its activities, rollout of Zero Energy Exclusion Territories);
- Share.IT: the Company lends its support to this Tech for Good accelerator, in the framing and management of

digital and innovative projects for the benefit of the social and solidarity economy. In 2022/23, Wavestone leveraged its digital transformation expertise for around ten associations to endorse the following causes: the inclusion of young people from diverse backgrounds; support for people with disabilities; the promotion of sport among disenfranchised populations; and women's entrepreneurship with notable support for the Femmes des Territoires association in one of Share.IT's largest-scale endeavors (more than 1,000 man-days of support);

- APF France Handicap: Wavestone aids the charity on a series of cybersecurity issues, ranging from penetration tests and crisis management to stakeholder awareness.

**Breakdown of days worked (10,747), based on the UN's sustainable development goals**



**Powerday, our annual global solidarity day**

Wavestone organizes an annual solidarity day, the Powerday on which employees from offices the world over are invited to lend their support to an association or charity. Based on the principle of volunteering, employees endorse an association of their choice for a day, either as part of a grassroots endeavor or via skills sponsorship. The assisted associations are committed to a variety of causes. These include the environment, health and disabilities, child welfare, workplace integration, education and citizenship, as well as sports and culture.

The sixth Powerday, which was held on 09/02/22, across all offices (except the United States where it was held on 09/14/22), saw 1,584 employees participate. All 112 of the assisted associations were either "highly satisfied" or "satisfied" with the support provided, which mainly enabled them to "gain a fresh perspective" or "save time" conducting their activities.



Wavestone's employees were involved in an array of initiatives, including:

- eco-friendly engineering works and small-scale woodcutting to protect the environment at a site located in Greater Paris;
- development of an escape game to produce an educational toolkit for pupils aged 9 to 14, in support of a Paris-based association fighting pediatric diseases;
- creation of content for a digital application intended to educate children and introduce them to digital professions, in Paris;
- supervision of children with disabilities as part of a surfing initiation day in Nantes;
- contribution to the renovation and development of a solidarity apartment-sharing project in Marseille;
- support for an association to clear outdoor footpaths, trim hedges, shrubs and trees, and dispose of waste near London;
- assistance for two abandoned animal shelters in Hong Kong, to clean the premises, prepare meals, care for the animals and take them for walks.

The 2023 Powerday is scheduled for September 1 (September 9 in the United States).

#### The mentoring initiative: the Villebon Institute - Georges Charpak

Since 2012, Wavestone has been a sponsor of the Villebon Training Institute - Georges Charpak, as part of a partnership with major engineering schools, universities and companies. The Institute prepares students for a science degree from the Paris Saclay University, enabling high-potential graduates to achieve excellence even though they are not part of the "traditional" French higher education system.

The Institute applies an experimental and interdisciplinary approach that fosters teamwork in project mode. This serves to disseminate best practices and innovative teaching methods in the university environment.

Over a three-year period, this equal opportunity project supports year groups of around 30 to 36 students in obtaining their science degrees and preparing for competitive exams at engineering schools, all the while guaranteeing social, cultural and intellectual diversity. In 2022/23, 93 students joined the scheme, including 49% on social scholarships and 33% with disabilities.

This educational approach was awarded the Excellence in Innovative Education (IDEFI) label and has been validated by the success of all year groups since the first year. The vast

majority of students continued their studies at university level (Paris Cité, Paris-Saclay and Evry), *Ecole Normale Supérieure Paris-Saclay* or engineering schools (*AgroParisTech, Institut d'Optique Paris Tech, Télécom Paris, ENSTA Paris, l'Ecole des Ponts ParisTech, ESPCI Paris, Mines Paris, Paris Sciences et Lettres* and *Arts et Métiers ParisTech*).

Wavestone's contribution to the development of the Institute and assistance to students takes various forms:

- financial aid for the course (€100,000 over five years);
- active contribution to the definition of school strategy as a result of our presence on the Strategy Committee;
- assistance with workplace integration through student sponsorships across all year groups, organizing annual professional workshops and hosting student internships so that students can discover the world of consulting.

In fiscal year 2022/23, around 89 employees sponsored students from Villebon Institute, allocating a total of 30 days to workshops during their working hours. Wavestone renewed its partnership as a financial sponsor and mentor through June 2024.

#### 5.1.2. 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 particularly focused on developing long-term development projects and upholds the principle of empowering its beneficiaries.

To date, the Foundation has endorsed 204 socio-educational projects, mainly in Africa and Asia, as well as 10 emergency projects (war in Ukraine, earthquakes in Turkey and Syria).

During fiscal year 2022/23, 55 or so employees were involved in the Wavestone Corporate Foundation, maintaining the link with associations, and participating in selection committees that make decisions about the new projects to be financed. Furthermore, the Foundation continued to support ongoing projects with partner associations.

On 03/25/23, the Board of Directors of the Wavestone Corporate Foundation decided to reallocate funds to the Foundation in order to implement its initiatives for fiscal year 2022/23:

- €200,000 to cover the 2022 call for projects;
- an exceptional endowment of €150,000 to meet current and future needs due to the impact of the war in Ukraine.



The Charter of the Foundation and all activity reports for previous years are available on the Foundation's website: [www.fondation-wavestone.com](http://www.fondation-wavestone.com).

Wavestone supports the Ukrainian people and has rapidly taken action to help the associative actors in the field through the implementation of a dedicated crisis unit, enabling several NGOs and associations to benefit from various forms of aid.

The Wavestone Corporate Foundation was able to allocate an exceptional solidarity fund of €250,000 to helping Ukrainian children and their families. Below are some of the emergency projects funded:

- **Solidarités Internationales:** emergency food assistance for women and their children, displaced persons or refugees in transit;
- **Action Santé Femmes & Pompiers Solidaires:** implementation of a mobile gynecological/obstetrical consultation unit at the Polish border managed by a medical team on mission;
- **SOS Villages d'Enfants:** provision of emergency aid to help children and families affected by the war, to provide them with security and a caring family environment, and prevent the separation of families in transit countries;
- **Vision du Monde:** creation of two children's spaces (construction, furniture, games, school kits, hygiene kits, etc.) in refugee camps in Romania hosting Ukrainian families. Medical and psychological assistance is also offered.

Since the war in Ukraine, the Foundation has set up a global communication channel - Solidarity Initiatives. The purpose of this channel is to relay solidarity initiatives so that everyone can communicate and publicize the associations with which to work.

The Wavestone Corporate Foundation was also able to help affected populations, particularly children, during the violent earthquakes that occurred in Turkey and Syria in February 2023. In this spirit, the Wavestone Corporate Foundation successfully allocated an exceptional solidarity fund of €150,000 to helping children and their families. Below are two of the emergency projects funded:

- **Solidarités Internationales:** emergency hygiene assistance for families affected by the February 6 earthquakes in northwest Syria;
- **Vision du Monde:** emergency aid the day after the earthquake (search for survivors and injured persons and needs assessment) - Turkey and Syria.

Having joined Wavestone in 2022, PEN Partnership finances and manages its own charitable endeavors through PEN Trust. Founded in 2016 and with an annual budget of £150,000, PEN Trust seeks to promote education among young people in need with a focus on improving their writing skills. Working in tandem with charitable organizations, the Trust develops programs such as PEN Partnerships (linking schools from disadvantaged areas with professional writers), the Young Writers' Hub (an online platform for young writers) and the PEN Prize (an annual writing competition for young people).

## 5.2. Business ethics

Wavestone is committed to complying with a high standard of business ethics, and fighting corruption, conflicts of interest, and any other form of fraud or unlawful practice. The dedicated action plan put in place to fulfill this ambition is described below.

### Framework of Wavestone's activities



As a signatory of the United Nations Global Compact (UNGC) since 2012, Wavestone is committed to aligning its activities with the Sustainable Development Goals (SDGs) and annually communicates its progress on topics such as human rights,

labor rights, the environment and the fight against corruption in its scope as well as that of its stakeholders.

Although the consulting and localization activities of its office do not expose it directly to these issues, Wavestone refuses to accept the use of child labor or forced labor, as stipulated in the fundamental conventions of the International Labour Organization (ILO), including in relations with its suppliers. Wavestone is also committed to the fight against slavery within the firm and its supply chain via the UK Modern Slavery Act, one of the most advanced laws on the subject of slavery, applicable to companies operating in the United Kingdom.

Wavestone also respects the conventions of the ILO on the freedom of association, the right to collective bargaining and the elimination of discrimination related to employment and occupation, as described in section 4 of this report.

Within the scope of its activity, Wavestone is not involved in any lobbying and the internal-audit team carries out an annual review of any potential conflicts of interest of the members of the Board of Directors.

### Business Ethics Charter

Wavestone published its Business Ethics Charter in July 2021 for its employees and then in January 2022 for its external stakeholders (available on the website). It sets out the key principles which guarantee that Wavestone is a trusted partner while also defining a clear framework regarding acceptable behavior and situations in terms of business ethics. It applies to Wavestone's stakeholders across the board. All employees must be aware of these principles and undertake to comply with them.

### Whistleblowing system and the role of the Ethics Officers

Wavestone has rolled out a whistleblowing system to allow employees to report on any behavior that is not compliant with the firm's ethical commitments. An external platform called Whispli is always available (web or mobile app) for all the firm's stakeholders. This platform 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, anti-competitive practices, fraud, money laundering, sensitive transactions, influence peddling, non-compliance with information system rules as well as situations of harassment or all forms of discrimination (based on gender, race, sexual orientation, etc.).

The Ethics Officers are the standard-bearers of ethics for all Wavestone's stakeholders and are employees appointed by the Chairman-Chief Executive Officer for their skills, integrity, loyalty and company knowledge. Together with the Internal Audit Department, they are committed to doing everything possible to guarantee confidentiality in the handling of queries/alerts and have all signed the Confidentiality Charter that is part of the whistleblowing system. In February 2023, Wavestone appointed two new Ethics Officers to ensure representation in its main geographic regions.

Ethics Officers are responsible for assessing the admissibility of alerts, ensuring that they are followed up and processed and answering questions. Whenever possible, they may contact the employee who raised the alert to obtain details of the facts and, if necessary, conduct further investigations, with the support of Internal Audit and the Functional Department concerned.

The Executive Committee (ExCom) ensures that the Ethics Charter is effectively applied and, in this respect, may be mobilized by the Ethics Officers to rule on matters.

In fiscal year 2022/23, Ethics Officers reported 32 situations, including:

- 21 questions;
- 11 alerts considered valid, of which 10 were processed and closed and 1 was still under investigation as of 03/31/23.

Most of these situations relate to situations involving the risk of conflicts of interest, but also situations of non-competitive behavior, non-protection of confidential data or even gifts and invitations. This number was stable compared with the previous fiscal year.

Moreover, Wavestone has made certain amendments to its whistleblowing reporting and handling process to comply with France's Whistleblower Protection Act introduced in March 2022.

### Anti-corruption

Wavestone's General Management adopted the Anti-Corruption Code of Conduct published by Middenext in December 2017. The Code establishes the principles to be followed by all employees in the performance of their duties, irrespective of their position or location. It also applies to anybody acting on behalf of the firm.

Wavestone has published the Business Ethics Charter, Middenext Code of Corporate Governance and Frequently Asked Questions (FAQ) on its Intranet. The Charter is restricted to employees and uses real-life cases and questions received by the Ethics Officers. It is regularly updated in line with new alerts and questions raised.

A mapping of corruption-related risks is updated annually and helps to identify the populations most exposed to risks and to plan prevention and awareness initiatives. This year, for the first time, the firm included its mapping of corruption-related risks in its overall risk mapping.

These risks and ways of preventing them are outlined in the Chapter entitled "Risk factors and their management", in Wavestone's Universal Registration Document.

### Business ethics training and awareness

A mandatory e-learning training module on business ethics has been rolled out firm-wide covering all topics of the Ethics Charter: anti-corruption, anti-competitive practices, protection of client data and conflicts of interest. In fiscal year 2022/23, 95.7% of employees who had worked at the firm for less than a year completed the course (versus a target of 95%). This training module will be updated during the next fiscal year to include feedback from the alerts and questions addressed.

The two new Ethics Officers were trained by an external provider in applying the relevant legal framework. During 2023/24 fiscal year, pursuant to France's Sapin II Law of 2016, Wavestone will continue to train the populations most exposed to the risks of corruption or conflicts of interest, as a result of their duties.

In February 2023, the firm organized its first-ever "Ethics Day". The Day, which was coordinated by the Ethics Officers and internal-audit teams, helped to raise participants' awareness of business ethics. From now on, the "Ethics Day" will become an annual fixture in Wavestone's calendar.

Lastly, "ethics coffee breaks" are scheduled for the entire firm. Hosted by Ethics Officers or internal-audit employees, these breaks aim to obtain feedback from participants on an actual case inspired by real-life events and to share best practices. In the next fiscal year, Wavestone intends to schedule two new ethics coffee breaks.

#### Tax fraud and evasion

Wavestone oversees compliance with the regulations in force in the countries in which the firm operates and ensures that it files all tax returns and pays all taxes due within the deadlines.

### 5.3. Data protection across the value chain

True to its commitment to conduct itself as a responsible economic player in its environment, the firm is committed to protecting data across its value chain. The firm set a target to train 100% of new hires in data protection. This target was achieved in fiscal year 2022/23.

#### 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. With this in mind, each day, the firm processes a substantial amount of data entrusted to it by its clients. As a trusted partner, Wavestone has made data protection its priority. That is why, in recent years, the Company has reviewed and strengthened its information system protection measures to ensure maximum protection against the growing number of cyber threats (Endpoint Detection and Response - EDR, protection of e-mail systems, Active Directory protection, etc.). To protect against any incident that could impact the brand image, business and financial health of its clients but also of Wavestone, a range of functional and technical measures have been implemented throughout the firm. This means that each information system user plays a pivotal role in preventing cyber-risks.

In order to raise awareness among its employees, Wavestone reviewed its awareness materials in 2019 to create a global program called TRUST. In addition to existing media (Confidentiality Agreement (NDA), User Charter, dedicated Intranet page), the firm has established new communication channels:

- mandatory cybersecurity awareness course for all new employees, which blocks access to work tools until it is completed (with the aim of training 100% of the firm's new hires);
- organization of an annual e-learning campaign for all employees. After covering topics on protection of personal life (2019), phishing (2020) and protecting client data (2021), the 2022 campaign focused on compliance with security regulations and carrying out phishing campaigns;
- creation of a humorous awareness video including Information System Security Managers (ISSMs) from some major corporate clients as well as members of Wavestone's General Management;
- creation of animated videos for simplified use of data protection tools;
- organization of events to meet employees, Cyber-coffee quizzes;
- creation of monthly videos to share best practices and cyber news.

#### Cyber-resilience

Wavestone has harnessed the capabilities of its Information System, which is mostly Cloud-based, to develop an effective cyber-resilience strategy:

- a "red button" system has been introduced to isolate compromised components of the Information System (IS) and to limit the scale of any cyber-attack;
- if the IS experiences downtime as a result of a cyber-attack, Wavestone is able to automatically reboot the system. Annual tests are performed to ensure that backup and recovery systems are working properly;
- the firm has designed communication channels that are isolated from the rest of the IS to guarantee a response in the event of a crisis that shuts down normal discussion channels.

Fiscal year 2021/22 provided an opportunity for Wavestone to conduct an internal-audit of its cyber-resilience capabilities, supplemented by a crisis exercise in February 2022 involving the Information Systems Department and General Management. In this regard, fiscal year 2022/23 was a year of consolidation, with final conclusions collectively drawn from the audit and the exercise.

### Data protection across the value chain

Protecting clients' data represents a cornerstone challenge for Wavestone, with the firm implementing best-in-class market practices:

- provision of classification and file protection tools (encryption, etc.) for all employees;
- a secure document hosting platform and client data flows (access management, encryption, etc.);
- detection of data leaks (transfers of unusual data, publication of sensitive files, etc.);
- certifications and external audits of information system components that host critical client data (PASSI - Information Systems Security audit providers, PRIS - Security incident response providers, ISO 27001, Restricted Access, etc.).

To reflect the importance of the issue within Wavestone, the ExCom and the Audit and Risk Steering Committees, in fiscal year 2022/23, drafted and validated a new Data Protection Policy. With its rollout ongoing, the Policy addresses two concerns:

- to increase the confidentiality of client data by further restricting access to documents created by Wavestone's consultants during assignment and automating the deletion of client documentation upon completion of any given assignment;
- to reduce our carbon footprint by deleting non-final versions of documents.

### ISO 27001



Wavestone received ISO 27001 certification for its Information Security Management System for the first time in September 2014. In February 2021, the certification was renewed for a three-year period as part of a security audit and digital

investigation into Information Systems at the Paris and Nantes offices.

### Cyber Essentials



As is the case every year, Wavestone's UK office received the Cyber Essential Plus certification, confirming the high level of security of its systems in protecting against standard cyber-attacks. This

certification is issued after an annual external review conducted by a qualified expert.

### 5.4. Responsible relations with our suppliers

#### The firm's commitment to responsible purchasing

Since 2019, Wavestone has included responsible purchasing practices in its purchasing processes:

- sourcing of services from the sheltered employment sector, social employment companies or companies that hire older people;
- use of local and responsible suppliers, by favoring providers that supply organic products or follows zero waste production methods;
- true to its ethical commitments, most new suppliers agree to sign Wavestone's Anti-Corruption Appendix aimed at complying with the Middlednext Corporate Governance Code, which the firm applies;
- for tender procedures in France, new suppliers are required to fill out the questionnaire assessing their CSR practices as part of the firm's supplier selection criteria.

Lastly, it should be noted that the bulk of Wavestone's partners and suppliers are based in France and subject to French human rights and labor laws and obligations. As a signatory of the United Nations Global Compact (UNGC), 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.

In fiscal year 2022/23, the firm conducted an audit of its responsible purchasing practices and continued to structure its policy into three commitments:

- implement purchasing practices with a view to reducing their environmental, social and societal impact;
- become a trusted partner by managing performance in the sourcing-to-pay process;
- manage supplier risks.

To meet these commitments, the firm has developed a multi-year roadmap with the following priorities for 2023/24 fiscal year:

- redesign the CSR policy assessment questionnaire for suppliers to include more relevant topics and make it easier to use;
- step up efforts to reduce supplier payment times (see below "Reducing supplier payment times");
- structure and align the supplier risk assessment with France's Duty of Vigilance and Sapin II Laws;
- bolster these initiatives by improving the cross-functional sourcing-to-pay process so as to include responsible purchasing best practices and accelerate their adoption by all stakeholders.

**Reducing supplier payment times**

In fiscal year 2022/23, Wavestone implemented a series of checks and reminder mechanisms at every step of the purchasing process, to ensure that the firm meets its suppliers' payment deadlines. This particularly applies to small-sized

suppliers. In parallel with this approach, improving supplier risk management will be a priority for 2023/24 fiscal year.

To this end, the firm will enforce documentation requirements to better match the various supplier categories while automating invoice validation to a greater extent with a view to streamlining the process. Wavestone will also launch a paperless invoicing initiative to meet the requirements of France's Finance Law of 2021. Moreover, a large-scale training and awareness campaign will ensure that all involved stakeholders within the firm have a firm grasp of the topic.

**Outsourcing arrangements**

As part of its consulting services to large corporations, Wavestone may occasionally outsource some of the services it provides to other specialist firms, particularly where a specific skill that does not fall within Wavestone's own area of expertise is needed to complete the project. In such cases, outsourcers and subcontractors undertake to comply with Wavestone's Business Ethics Charter.

**6. Minimizing the impact of our activity on the environment**

Science-Based Targets initiative (SBTi)	2022/23 performance	2023/24 objectives	2024/25 objectives	2025/26 objectives	
% reduction of the firm's carbon footprint compared with 2019/20 <sup>(1)</sup>	Scopes 1 & 2 (in absolute terms from 2022/23)	51%	17%	21%	25%
	Scope 3 (per employee)	27%	25%	30%	35%

**6.1. The environment in Wavestone's strategy**

The firm factors environmental issues into its strategy by making concrete commitments throughout its value chain: assisting clients and focusing on its own activity.

Since fiscal year 2021/22, Wavestone has analyzed its environmental risks and opportunities on the basis of recommendations issued by the TCFD (Task Force on Climate-Related Financial Disclosures) which was founded in 2015 by the FSB (Financial Stability Board) and the TNFD<sup>(2)</sup> (Taskforce on Nature-Related Financial Disclosures). Together, they focus on the firm's direct operations, purchases and use of goods and services (see section 5.4 for in-depth analysis). Supplemented by the materiality matrix (see section 1.2), this analysis helps to define the following material environmental issues for Wavestone:

- providing assistance to clients in managing environmental issues (transition risks);

- mitigating against climate change (transition risks and physical risks for purchasing);
- managing waste (transition risks);
- protecting and restoring the biodiversity of ecosystems (transition risks and physical risks related to purchasing).

The definition and management of environmental strategy, and the analysis and recognition of risks and opportunities are all fully integrated into the firm's CSR governance (see section 1.1). By way of example, in spring 2022, ExCom validated decisions on near-term and Net-Zero SBTi commitments.

In October 2022, Wavestone established a Carbon Steering Committee made up of representatives from all relevant functions (Information System Division, Purchasing, Real Estate, etc.) with the aim of steering the environmental roadmap as well as a trajectory for reducing greenhouse gas (GHG) emissions.

(1) Carbon footprint recalculated using the GHG Protocol method as part of SBTi (see section 6.3.1).

(2) The market-led Task Force on Nature-Related Financial Disclosures (TNFD) is a science-based organization backed by governments. It is made up of institutions and groups which form the TNFD Alliance.



## 6.2. Providing assistance to clients in managing environmental issues

Wavestone participates in the ecological transition by assisting its clients in their transformation via a responsible consulting approach (see section [2.2](#) on responsible consulting):

- development of eco-friendly solutions, as promoted by the Sustainability practice and other firm practices;
- the Responsible Consulting approach seeks to proactively integrate CSR issues into the support provided to clients.

### Deploying eco-friendly solutions to drive the ecological transition

In response to the environmental and climate emergency and as part of its *Impact* strategic plan, Wavestone has accelerated the deployment of its eco-friendly solutions to meet the challenges faced by its clients. Established in 2022, the Sustainability practice focuses on all aspects of sustainable transformation with a focus on decarbonization, the circular economy and biodiversity.

In the years ahead, Wavestone intends to step up the development of this practice, by capitalizing on the strategic transformations which it already supports. These include the following projects:

- for a major hotel group: design and management of a Group-wide transformation plan (5,000 hotels in 110 countries), management of environmental and social projects including the elimination of single-use plastic, decarbonization of hotels, reduction of food waste, development of non-financial reporting and coordination of sustainable performance and change management for all employees, including hotel staff;
- for a multinational bank: decarbonization of purchasing and development of a responsible purchasing roadmap, carbon footprint assessment for Group-wide IT systems and identification of ways to reduce the Group's footprint;
- for a global insurance firm: definition and development of a Green IT roadmap to shrink the carbon footprint of digital activities carried out by several Group entities in France and abroad;
- for a luxury player: development of a Sustainability strategy and support for its operational rollout;
- for an oceanography institute: assistance in the organization of an awareness-raising event on protected marine areas in a city.

What's more, Wavestone's functional and sectoral practice areas have devised eco-friendly solutions to tackle the challenges specific to each function and sector:

- decarbonization of industry, renewables, energy efficiency and electric mobility;
- Green IT;
- sustainable finance and purchasing;
- decarbonization of the supply chain.

### Proactively integrating environmental challenges to support clients

As part of its responsible consulting approach, Wavestone also seeks to take account of the CSR issues arising on standard projects for clients, regardless of the purpose of the firm's assignment. On the environmental front, the firm is proactive in two areas (likely to be developed by further aspects):

- reducing greenhouse gases (GHGs);
- transitioning to a circular economy.

Wavestone is fully aware that these challenges are systemic in nature. For this reason, the firm leverages its functional and sectoral expertise acquired through its clients' transformations, with topics ranging from digital technologies, the supply chain, goods and services and their production, real estate and employee travel.

As an example, on the digital front, the firm issues recommendations to curb the environmental impact of Information Systems. In this context, as part of a project to review the compliance of a banking group's data centers, Wavestone proposed integrating CSR criteria in order to assess their environmental footprint. These criteria will now be included in the client's data center compliance analysis.

As part of its assistance to clients in their business process transformations, the Company's analysis focuses on the identification and rollout of sustainable performance drivers. For instance, in a project to redevelop the premises of a public sector player, Wavestone included building energy efficiency in its review. This contribution provided insights into ways of optimizing building energy efficiency, which were supported by a set of actionable recommendations to expedite the rollout.

By promoting a responsible consulting approach, the firm has successfully identified client scenarios that are conducive to the systematic development of recommendations on environmental issues. The latter focuses on how such issues



are included in tenders and how to measure greenhouse gases in logistics reviews.

#### How Wavestone contributes to sector initiatives

Wavestone takes part in a number of sector initiatives in an endeavor to champion digital responsibility, including:

- **Contribution to Numeum's energy efficiency initiative**

As a member of the "Numérique et Environnement (Digital and Environment)" Committee under Numeum's union for digital professionals, Wavestone has helped to draft a list of ten sector-wide measures<sup>(1)</sup> that focus on energy efficiency in response to the French government's target to reduce energy consumption by 10%, out to 2024.

- **Planet Tech'Care & Green Tech forum**

Wavestone participates in the Planet Tech'Care 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. At the Green Tech Forum in December 2022, Wavestone was involved in a conference on the environmental impact of IT equipment (Digital Workplace).

- **Institut du Numérique Responsable (INR)**

After becoming a signatory of the Responsible Digital Charter of the *Institut Numérique Responsable* (INR - France's Responsible Digital Institute) in 2021, Wavestone officially joined the INR in fiscal year 2022/23 and contributes to workshops alongside France's Association of IT Services Companies.

- **Boavizta**

Wavestone is involved in an inter-organizational working group to co-develop solutions that measure the impact of digital technologies in organizations. As part of this initiative, Wavestone attends bi-monthly workshops on how to measure the digital sector's carbon footprint and oversees the development of a formalized methodology for measuring the carbon footprint of Information Systems (IS).

- **Change Now**

Wavestone organized two discussion panels at the Change Now forum in May 2022, to share and discuss the first edition of its CSR barometer:

- CSR barometer<sup>(2)</sup>, to illustrate how CSR factors in companies' strategies and significantly transforms their business;
- purchasing decarbonization barometer<sup>(3)</sup>, an in-depth review of the scale of decarbonization within companies' Purchasing Departments.

(1) Press release: [https://numeum.fr/sites/default/files/2022-09/20220923\\_CP\\_ConvergencesNumeriques\\_MesuresSobrieteEnergetique\\_vDEF.pdf](https://numeum.fr/sites/default/files/2022-09/20220923_CP_ConvergencesNumeriques_MesuresSobrieteEnergetique_vDEF.pdf)

(2) The CSR barometer can be viewed at: <https://www.wavestone.com/fr/insight/barometre-rse-strategie-entreprise-upload-2022>.

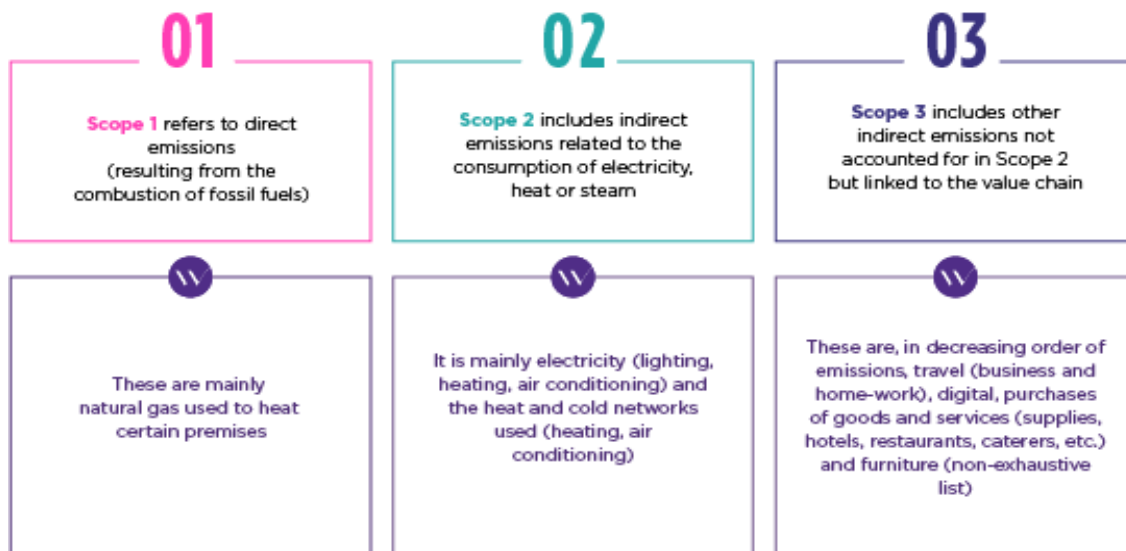
(3) The decarbonization barometer can be viewed at: <https://www.wavestone.com/fr/insight/barometre-decarbonisation-achats-upload-2022-copy>

### 6.3. Mitigating climate change

#### 6.3.1. Targets and key policies

##### Presentation of the various scopes

To better understand Wavestone's climate policy, it is important to understand the different scopes in which greenhouse gas emissions may be measured. Three different scopes are analyzed to carry out a *Bilan Carbone®* (Carbon Audit). In the context of the firm's activities, scope 1 is the most restrictive while scope 3 is the broadest in nature.



##### Climate commitments and targets

At the start of 2021/22, the firm committed to reducing each employee's carbon footprint by at least 40% in fiscal year 2022/23 compared with fiscal year 2019/20, a target that is integrated into the impact credit. The scope of the commitment included scopes 1 and 2 emissions as well as business trips for all Wavestone offices on March 31, 2021.

At the start of fiscal year 2022/23, Wavestone decided to step up its contribution to the climate challenge by committing to reducing its greenhouse gas (GHG) emissions

in line with the Net-Zero Standard of the Science-Based Targets initiative (SBTi). The targets were submitted to SBTi in June 2022 with a focus on reducing near-term emissions by 2026/27 and achieving Net-Zero by 2050. They were approved in May 2023.

SBTi is a demanding, global benchmark, enabling companies to develop a climate strategy based on targets defined by independent experts and validated by climate science. These targets are aligned with the Paris Agreements to limit climate change to 1.5°C.

Greenhouse gas emissions	Carbon footprint FY 2019/20	FY 2026/27 objectives	2050 objectives <sup>1</sup>
<b>Scopes 1 &amp; 2 emissions</b> Gas heating, gas leaks Electricity consumption Heating/cooling network	<b>637 tCO<sub>2</sub>e</b> 0,17 tCO <sub>2</sub> per employee	<b>-29%</b> in absolute	<b>-90%</b> in absolute
<b>Scope 3 emissions</b> Business travel Home-work travel Digital Purchase of goods and services Fixed assets	<b>5 096 tCO<sub>2</sub>e</b> 1,82 tCO <sub>2</sub> per employee	<b>-40%</b> per employee	<b>-97%</b> per employee

N.B.: The scope of CO<sub>2</sub> emissions recognized under the SBTi standard covers all three market-based scopes, excluding acquisitions made in fiscal year 2022/23 and optional scopes as defined in the GHG Protocol methodology (hotel expenses, remote working for employees and external use of sites).

<sup>1</sup> Once it has met the 2050 target, Wavestone is committed to offsetting its residual emissions.

Wavestone chose fiscal year 2019/20 as the reference year, a year in which the firm already had a carbon footprint per employee among the lowest in the market, around 52% below the average carbon footprint observed in the consulting sector in 2019/20<sup>(1)</sup>.

Priority actions to meet targets by 2026/27 are geared towards the main carbon footprint categories, namely:

- management of business trips (particularly by plane) as the firm continues its international expansion;
- optimization of equipment for digital uses;
- Reduction of energy use at premises;
- introduction of a responsible purchasing policy.

By 2050, Wavestone intends to scale up its stakeholder collaboration in an effort to promote decarbonization across its value chain. Once this target has been achieved and thereafter, Wavestone is also committed to offsetting its residual emissions.

This commitment is part of the Avoid-Reduce-Offset approach adopted by the firm which involves always prioritizing the avoidance and the reduction of GHG emissions over offsetting measures.

Wavestone included the companies acquired during fiscal year 2022/23 in the calculation of its carbon footprint (Nomadéis, PEN Partnership and Coeus Consulting) from the moment they were consolidated for accounting purposes, to involve them in this approach at the earliest possible stage<sup>(2)</sup>. However, these companies are not currently included in the firm's near-term and Net-Zero commitments.

The more extensive coverage of material indirect emissions, the frequency of updates and performance monitoring (see section 6.1) and the recognition of acquisitions for the current fiscal year all serve to demonstrate the firm's commitment to transparency and its ambition to drive forward sustainable practices in its area of expertise. Furthermore, every year, Wavestone works on improving measurements by fine-tuning the data collected and the measurement methods used (see section 8).

**Changes in carbon accounting methodology: GHG Protocol**

To track the achievement of its targets, Wavestone calculates and communicates its carbon footprint on an annual basis, and has published a *Bilan Carbone*<sup>®</sup> (Carbon Audit) every two years since 2012/13<sup>(3)</sup>.

(1) Average carbon footprint per employee based on a review of around six consulting firms.

(2) PEN Partnership and Coeus Consulting are not included in the non-environmental sections of this non-financial performance statement.

(3) Practice extending beyond regulatory obligations, which require a GHG Audit (scopes 1 and 2) to be published every four years.



To honor the firm's new commitments and align with the SBTi benchmark, data shared from fiscal year 2022/23 onwards will be calculated using GHG Protocol methodology. The global-reaching GHG Protocol provides a measurement and accounting framework on managing GHG emissions from private and public sectors alike. The Protocol is developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The GHG Protocol calculation and reporting standards are generally recognized the world over, which is less the case for France's *Bilan Carbone*<sup>®</sup> (Carbon Audit) methodology used by Wavestone in previous years.

The results for fiscal year 2022/23 set out in the paragraphs below are aligned with this methodology. The following line-by-line comparisons with previous fiscal years may be marginally impacted by this change in methodology:

- fixed assets (category 3-2): compared with *Bilan Carbone*<sup>®</sup> (Carbon Audit), only the year's fixed asset purchases are recognized (e.g. works and equipment) versus the total inventory, without depreciation. This results in greater variation for this category each year, based on the firm's activity, which includes changes in the number of new hires and changes in premises;
- direct emissions from mobile combustion sources (category 1-2): combustion-powered emissions from short-term rental vehicles are included in scope 1 versus scope 3 using the *Bilan Carbone*<sup>®</sup> (Carbon Audit) methodology;
- Indirect emissions from electricity consumption (category 2-1): renewable electricity contracts are valued in the GHG protocol's<sup>(1)</sup> market-based approach (using the

electricity supplier's emissions factor - lower than the average mix in different countries), unlike the *Bilan Carbone*<sup>®</sup> (Carbon Audit) methodology (location-based - average emissions factor for the country).

For a better comparison between fiscal years and an overall understanding of the approach taken, data from the *Bilan Carbone*<sup>®</sup> (Carbon Audit) methodology for 2022/23 and a comparison of the GHG Protocol and *Bilan Carbone*<sup>®</sup> are included in the appendices (sections 8.4 and 8.5).

### 6.3.2. Wavestone's carbon footprint, assessed by emissions category

By calculating the full scope of the firm's direct and indirect emissions (scopes 1, 2, 3) Wavestone's total carbon footprint was 5,680 tCO<sub>2</sub>e<sup>(2)</sup> in 2022/23, i.e. 1.29 tCO<sub>2</sub>e per employee, versus 1.82 tCO<sub>2</sub>e<sup>(3)</sup> per employee in 2019/20, a 42% fall from 2019/20 on a like-for-like basis, with digital impact and business trips measured more exhaustively than before.

Within the scope of the impact credit (scope 1, scope 2 and business trips), Wavestone's total carbon footprint was 1,643 tCO<sub>2</sub>e<sup>(4)</sup>, i.e. 0.38 tCO<sub>2</sub> per employee compared to 0.96 tCO<sub>2</sub> per employee in 2019/20. As a result of this 60% reduction from year 2019/20, the firm achieved its target 40% reduction for fiscal year 2022/23, without any offsetting activities.

Lastly, in terms of near-term and Net-Zero commitments (SBTi)<sup>(5)</sup>, Wavestone's carbon footprint ended at 4,908 tCO<sub>2</sub>e in fiscal year 2022/23.

### Changes in carbon footprint in terms of Wavestone's near-term and Net-Zero commitments (SBTi)

Below is an overview of Wavestone's carbon footprint in terms of its SBTi near-term et Net-Zero commitments, versus the 2019/20 reference year:

	Reduction target in 2022/23	Reduction performance in 2022/23	Carbon footprint 2022/23
Scopes 1 & 2 emissions	-13%	-51%	313 tCO <sub>2</sub> e
	in absolute terms	in absolute terms	0.07 tCO <sub>2</sub> per employee
Scope 3 emissions	-20%	-27%	4,595 tCO <sub>2</sub> e
	per employee	per employee	1.06 tCO <sub>2</sub> , per employee

N.B.: the scope of CO<sub>2</sub> emissions recognized by the SBTi standard includes all three GHG Protocol scopes (market-based), excluding optional emissions under the GHG Protocol (hotel expenses, remote working for employees and external use of sites), and excluding consolidations in fiscal year 2022/23.

Wavestone's carbon footprint for scopes 1 and 2 totaled 313 tCO<sub>2</sub>e (market-based), representing a 51% fall from 2019/20 (637 tCO<sub>2</sub>) which was mostly in line with the 13% reduction target, as approved by SBTi for fiscal year 2022/23. The factors behind this reduction are described below.

(1) The location-based approach illustrates the average intensity of GHG emissions from an entire power grid (national or local), the market-based approach refers to emissions generated by the supplier(s) selected by a specific company.

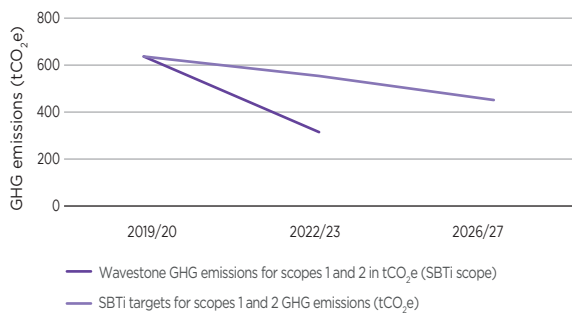
(2) Wavestone's total carbon footprint, GHG Protocol (market-based), including all scopes and all acquisitions in fiscal year 2022/23.

(3) Value recalculated using the GHG Protocol (market-based) to compare results over time.

(4) Under the impact credit, the scope of CO<sub>2</sub> emissions includes scopes 1 and 2 emissions as well as business trips, under the GHG Protocol (market-based), and excluding acquisitions since 03/31/21 (start date).

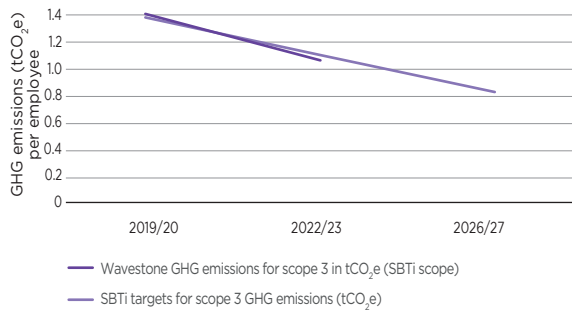
(5) The SBTi CO<sub>2</sub> emissions scope covers all three GHG Protocol scopes (market-based), excluding optional GHG Protocol emissions (hotel expenses, remote working for employees and external use of sites) and excluding acquisitions in fiscal year 2022/23.

**Change in Wavestone carbon footprint in scopes 1 and 2 (SBTi scope)**



Wavestone's carbon footprint for scope 3 (SBTi scope<sup>(1)</sup>) totaled 4,595 tCO<sub>2</sub>e (1.06 tCO<sub>2</sub>e per employee), representing a 27% fall from 2019/20 (1.46 tCO<sub>2</sub>e per employee), in line with the 20% reduction target, as approved by SBTi for fiscal year 2022/23.

**Change in Wavestone carbon footprint in scope 3 (SBTi scope)**

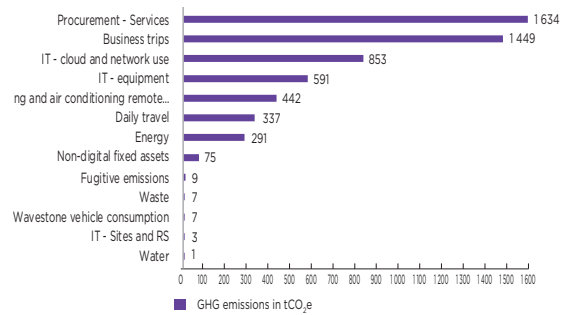


**Change in Wavestone's carbon footprint**

In fiscal year 2022/23, the main GHG emissions categories were as follows: purchasing, business trips, digital use and equipment, commuting and remote working, and energy consumption.

The graph below shows the firm's main sources of emissions.

**Breakdown of Wavestone greenhouse gas emissions in FY 2022/23**



(1) In calculating scope 3 of Wavestone's near-term and Net-Zero SBTi commitments, optional emissions under the GHG Protocol (hotel expenses, remote working for employees and external use of sites) are not recognized.



The below table outlines the various carbon emissions categories, using the GHG Protocol methodology<sup>(1)</sup>:

		2019/20 (tCO <sub>2</sub> e) market- based	2020/21 (tCO <sub>2</sub> e) market- based	2021/22 (tCO <sub>2</sub> e) location- based	2022/23 (tCO <sub>2</sub> e) market- based
1-1	Direct emissions from stationary combustion sources	23	28	21	16
1-2	Direction emissions from mobile combustion sources	33	6	32	54
1-3	Direct emissions from processes	-	-	-	-
1-4	Direct fugitive emissions	37	25	37	9
<b>Scope 1 total</b>		<b>93</b>	<b>59</b>	<b>90</b>	<b>80</b>
2-1	Indirect emissions from electricity consumption	271	89	264	116
2-2	Indirect emissions linked to steam, heat and cooling	271	351	233	122
<b>Scope 2 total</b>		<b>543</b>	<b>440</b>	<b>497</b>	<b>238</b>
<b>Upstream scope 3 emissions</b>					
3-1	Purchased products and services	1,431	2,047	1,169	2,253
3-2	Fixed assets	466	287	466	665
3-3	Emissions from fuel and energy (not included in scopes 1 and 2)	85	87	50	38
3-4	Inbound and outbound freight	-	-	-	-
3-5	Generated waste	18	10	5	7
3-6	Business trips	2,704	263	421	1,381
3-7	Commuting to work	391	5	425	337
3-8	Upstream leasing assets	-	-	-	-
<b>Downstream scope 3 emissions</b>					
3-15	Capital expenditure	-	-	3	-
<b>Scope 3 total</b>		<b>5,096</b>	<b>2,699</b>	<b>2,541</b>	<b>4,682</b>
3-6 (optional)	Optional - business trips (hotels)	645		130	235
3-7 (optional)	Optionnel - remote working			357	442
Others (optional)	Optional - websites			2	3
<b>Total optional emissions</b>		<b>645</b>	<b>0</b>	<b>489</b>	<b>680</b>
<b>Total</b>		<b>6,377</b>	<b>3,198</b>	<b>3,617</b>	<b>5,680</b>

N.B.: this year's results include one uncertain measurement amounting to 770 tCO<sub>2</sub>e (14% of the market-based total).

The reduction in scope 2 emissions in 2022/23 versus previous years is partly due to a gradual reduction in the surface area of the Paris office and to the valuation of contracts for renewable energy in Wavestone's offices that have signed a market-based agreement.

Since the health crisis in 2020, ways of working have changed (increased frequency of remote working and the deployment of digital tools). As a result, compared with 2019/20, scope 3 emissions from business trips have fallen while those from Cloud-based use, telephone systems (category 3-1) and remote working (category 3-7) have increased.

(1) The breakdown of location-based GHG emissions for 2022/23 is set out in the appendix.



2022/23 was marked by a recovery in activities as the health crisis abated, as well as an increase in headcount (+15%) versus 2021/22. These trends were reflected in:

- the increased frequency in travel compared to 2021/22, causing emissions from mobile combustion-powered sources (category 1-2) to rise, e.g. vehicle rentals, business trips (category 3-6) particularly by plane and with more indirect purchasing (accommodation and catering costs, category 3-1);
- the relocation to new offices (Nantes, Casablanca, Dallas, etc.) coupled with a larger workforce, required purchases to be made that increased emissions.

Starting in fiscal year 2022/23, the firm decided to no longer include employee food consumption in its carbon footprint emissions (excluding expenditure on business trips or events, etc.) since there are relatively limited ways of reducing such consumption (awareness-raising campaigns will be continued). Therefore, the calculation of the carbon footprint for food consumption in 2021/22 was revised downwards (category 3-1).

#### **Purchasing (see section 5.4)**

Wavestone pays particular attention to selecting its providers of products and services and includes clauses in contracts wherever possible in an endeavor to reduce the carbon footprint of these services. The CSR questionnaire, which is sent out to new suppliers involved in tenders for France, includes a section on the environment.

In fiscal year 2022/23, Wavestone put in place additional initiatives to reduce the carbon footprint of its supplies:

- purchase of second-hand furniture to equip the new Nantes office;
- review of practices and formalized guidelines (for publication in 2023/24) to optimize purchases of goodies for in-house and external events (use of stock before placing any new orders, CSR selection criteria and selection of goodies designed for multiple events);
- efforts made in relation to supplies of food to Wavestone's premises. A case in point is Wavestone's European offices, which work with local catering services to serve breakfast and lunch: caterers in the Marseille and Geneva offices supply exclusively organic food produce while those in Brussels, Nantes and London deliver food by cargo bike;
- continuous improvement of the purchasing process (initial progress to be stepped up in fiscal year 2023/24).

In fiscal year 2022/23, Wavestone's purchasing was focused on services (accommodation, catering, cleaning, food, etc.) as well as purchases of supplies. This year, the carbon impact of these purchases ranked them as the firm's highest emissions category, representing 29% (1,634 tCO<sub>2</sub> excluding digital) of total emissions. This footprint is double that of 2021/22 because of the increased headcount (+15%) as well as a combination of several factors:

- the business recovery observed in 2022/23 has triggered an increase in spending on events and business trips, in turn generating indirect purchases (accommodation, catering, etc.) as well as purchases of services;
- the fit-out of the new Nantes office. These fit-out works required numerous items of equipment (notably second-hand furniture) to be purchased;
- the recognition of new purchasing categories that were not included in recent years (expense report categories) and improved categorization of purchases.

Acutely aware of the impact of this category, in 2023/24, Wavestone will aim to continue the work it has begun on decarbonizing purchases.

#### **Travel and transportation**

Business trips and commuting, including energy consumption from remote working, represent the second (26%) and fourth (14%) GHG emissions categories, respectively. As such, they are key areas in which Wavestone could make reductions.

To this end, the firm has adopted various measures to limit the use of transport methods that emit the most CO<sub>2</sub>, and to encourage active mobility.

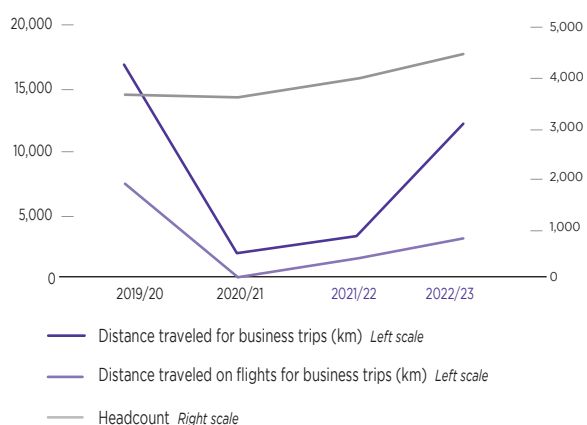
##### **Business trips:**

- experimentation with guidelines in the US offices (employee awareness-raising sessions, review of emissions-intensive projects, etc.);
- car travel is authorized for business trips only when public transportation is not available, or the schedule is too inconvenient. The same is true for the use of taxis and cars with drivers (refunded only after 10:00 p.m.);
- raising employees' awareness of the impact of their travel: when making a booking on the travel platform, an active notification system provides alternatives for transport and accommodation options with lower emissions.

Business trips account for 26% (1,430 tCO<sub>2</sub>e including vehicle rentals) of the firm's carbon impact, with over 11 million kilometers (7 million miles) traveled in 2022/23 (versus 16.9 million kilometers/10.5 million miles in 2019/20). This trend is mainly attributable to the increased headcount as well as the resumption of air travel (36% of all business trips in kilometers), which represent 20% (1,119 tCO<sub>2</sub>e) of Wavestone's total GHG emissions.

Looking to the years ahead, since air travel is key to reducing emissions, monthly monitoring was conducted in 2022/23 with targets set for 2023/24 which will apply to the most affected practice areas and offices.

#### Change in distance travelled for business trips relative to number of employees



In spite of this year's increase, the number of kilometers traveled fell 31% between 2019/20 and 2022/23.

#### Commuting to work

The firm has put measures in place to encourage soft mobility:

- Wavestone pays 50% of employee subscriptions to public bike-rental schemes (Vélib, Vélo'v, Bicloo, etc.) at all its French offices (possibly combined with public transport costs);
- meanwhile, the Geneva office covers the full cost of employees' public transport subscriptions.

Commuting to work (including energy consumption from remote working) accounted for 14% of the firm's total footprint in 2022/23 (i.e. 780 tCO<sub>2</sub>e, which breaks down as 337 tCO<sub>2</sub>e for business trips and 442 tCO<sub>2</sub>e for remote working). The carbon impact of these business trips is higher than in 2019/20 (337 tCO<sub>2</sub>e), although the overall number of kilometers

traveled in this respect was approximately halved. This variation can be explained by the improvement made in measuring commuting to work and traveling to clients premises (see section 8), the inclusion of energy consumption from remote working and the increase in trips made with personal cars (0.8 million km/0.5 million miles in 2022/23 versus 0.7 million km/0.4 million miles in 2019/20).

#### Digital technologies

Digital technologies form the third GHG emissions category at Wavestone. In response, the firm seeks to measure and reduce its carbon footprint more effectively, accounting for all aspects of this value chain.

Through its efforts, Wavestone strives to improve the way it measures and monitors the carbon impact of its digital activities with active involvement in discussions within its ecosystem thanks to a community of signatories of the Responsible Digital Charter of the *Institut Numérique Responsable* (INR - France's Responsible Digital Institute) in 2021 (see section 6.2). To meet its commitments, Wavestone worked on several reduction initiatives in fiscal year 2022/23:

- reduction of the firm's carbon footprint from computers:
  - lifespan of computers owned by the firm (10% of the network): equipment is replaced if it is more than five years old or if it is out of order;
  - lifespan of leased computers (90% of the network): in the past two years, leases were extended from four to five years. This period includes an initial storage and preparation phase, a usage phase for employees, potential preparation phases for a change of user, and a recovery phase for preparation before the equipment is returned to the lessor. The average lifespan per employee is approximately four years;
  - selection of laptop computer models with the Electronic Product Environmental Assessment Tool (EPEAT) label, Gold and Silver level (HP EliteBook G8/HP EliteBook G9/Lenovo Thinkbook 13S).
- reduction of the firm's carbon footprint from mobile/cell phones:
  - changes to internal support processes, since November 2022: renewal campaigns held after three years of use, have been replaced by the processing of requests as and when they are made, again after three years of use;
  - changes in employee communications: more eco-responsible conduct and practices, awareness of the need to cut down on phone time and encourage the shared use of business and personal phones.

- reduction of the firm's carbon footprint from Cloud-based services:
  - implementation of the energy efficiency plan within the IT Department (see section on "Building and energy management");
  - 100% renewably-sourced electricity for Wavestone's cloud-based infrastructure by 2025;
  - generalized automated SharePoint cleanup to limit data storage. A script automatically deletes older versions of a document: if a document has recently been opened, users can only consult the previous thirty versions using the "Version History" feature. If not, all older versions are deleted.
- raising employees' awareness:
  - development of the Wavewatcher app which uses gamification to educate employees, and give them greater responsibility, regarding their digital carbon footprint. By using this tool, employees can monitor and manage their digital footprint on a monthly basis, by comparing their performance against the firm's average score. The project was tested out with the Information System Division (ISD) and a group of employees during fiscal year 2022/23. Its scope will be extended to other practice areas in 2023/24.

For fiscal year 2022/23, the digital carbon footprint represented 25% (i.e. 1,446 tCO<sub>2</sub>e) of the firm's overall footprint, in correlation with the firm's core business activities and changes in ways of working, particularly since 2020. Cloud and telephone systems (59%) and equipment (41%) represent the two main categories. Fully aware of their impacts, Wavestone continues to work towards improving its measures and identifying areas for improvement (see section 8).

### Building and energy management

Fiscal year 2022/23 saw the Company launch a series of initiatives with the goal of managing its energy consumption:

- CSR ambassadors form part of the "relocation" project teams in the relevant offices. Their role is to provide insights into the selection of new offices using environmental and societal criteria. The overarching goal is to gradually align the firm's entire real estate portfolio with its carbon reduction trajectory;
- gradual review of electricity contracts to supply 100% of offices with renewable electricity by 2025. As of 03/31/23, four Wavestone offices have entered into renewable electricity contracts; Wavestone's global headquarters in Paris (almost 80% of the total headcount) as well as the Geneva, Luxembourg and London offices. The other offices

do not currently qualify for renewable electricity contracts. Energy contracts are either handled by office managers or renewable electricity contracts are not offered in the countries in which the Wavestone offices are located;

- update of the regulatory energy audit conducted in 2021/22 which enabled the firm to identify its main sources of energy consumption and potential ways of reducing emissions.

Further to these global initiatives, Wavestone reacted to the French government's appeal to cut energy consumption by 10% out to 2024, with the initial effects expected in winter 2022/23. Against the background of an energy crisis in France and Europe, Wavestone introduced an energy efficiency plan comprising both short-term measures—to avoid power cuts—and recommendations for the medium term. The below measures were put in place for the Paris office. The offices in France's other regions and abroad then introduced action plans for their own locations. These plans are based on three priority measures:

- reducing the energy footprint of social and private spaces within premises; optimizing heating, air conditioning and lighting; and closing part of the premises in a timely manner whenever there are only a few people using the premises (Fridays and the end-of-year holiday season) or even close the entire premises in times where there is a risk of a likely power cut (RTE, France's national electricity transmission system operator, will issue a warning via Ecowatt). This risk did not materialize in fiscal year 2022/23;
- optimizing digital usage by removing dynamic display screens from social spaces, reducing two-screen workstations and optimizing Cloud storage space;
- stepping up efforts to increase awareness among employees by regularly providing information on recommended eco-practices in Wavestone's offices and at home.

These measures are part of two initiatives of which Wavestone is a member:

- Paris La Défense Business Community: an initiative launched in 2022 by the Paris La Défense public institution with the goal of reducing the district's electricity consumption by 15% by the end of winter 2022/23. As a reminder, Wavestone's Paris office is located in this district;
- involvement of Numeum (of which Wavestone is a member) in the September 2022 initiative to champion energy efficiency (see section 6.3 - Digital technologies).

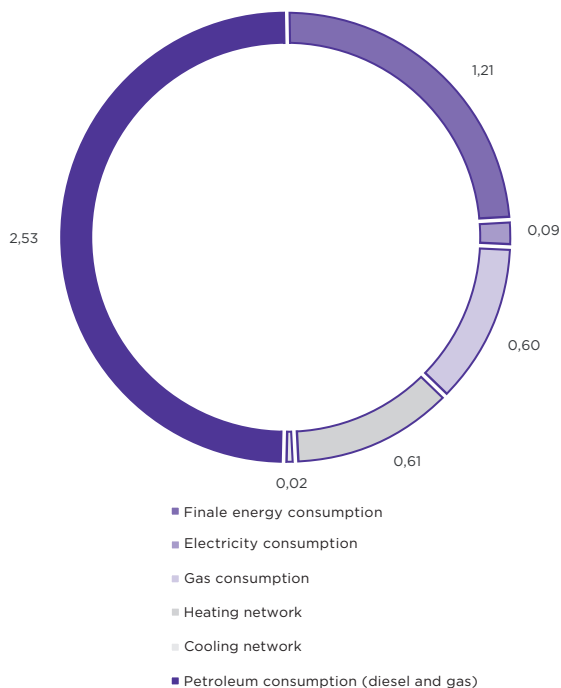
Lastly, in 2022/23, Wavestone tapped into its skills sponsorship expertise in an effort to support two charitable endeavors working towards energy efficiency:

- **STOP à l'Exclusion Energétique (STOP Energy Exclusion):** Wavestone lent its support to foster the growth of the association, which aspires to eradicate fuel poverty for over a million people;
- **Cités Caritas:** Wavestone helped to structure the renovation of the non-profit's real estate portfolio, with a focus on energy performance.

Wavestone's total energy consumption accounted for 5% (i.e. 291 tCO<sub>2</sub>e, market-based) of the firm's carbon footprint in 2022/23, a total of 2.53 GWh of final energy consumed over the year. All offices are taken into account, as is energy consumption in communal areas. The difference from the previous fiscal year is largely due to the fact that the firm occupies a smaller surface area of office space (decrease of around 30%), coupled with the valuation of renewable electricity contracts using the market-based methodology.

Energy consumption was down from 2019/20 (4.7 GWh), particularly electricity consumption. The downturn can be attributed to measures implemented by the firm such as freeing up floors and the development of remote working (part of this impact was nevertheless transferred to commuting to work).

**Breakdown of energy consumption (kWh)**



**Other categories**

Wavestone's other categories for GHG emissions account for slightly more than 1% of the total carbon footprint (i.e. 98 tCO<sub>2</sub>e). Other categories comprise fixed assets (excluding digital, 74.7 tCO<sub>2</sub>e), fugitive emissions (9.2 tCO<sub>2</sub>e), waste (7.3 tCO<sub>2</sub>e), energy consumption from Wavestone's vehicles (6.6 tCO<sub>2</sub>e) and water consumption (0.6 tCO<sub>2</sub>e).

**6.3.3. Employee training and commitment**

To bolster its efforts to reduce its carbon footprint, Wavestone is committed to involving its employees in training and awareness-raising sessions. With this in mind, the firm is focused on upskilling its employees on climate-related and environmental topics.

In 2022/23, the firm launched My Sustainability Learning Journey, a micro-learning platform featuring innovative and interactive modules that focus on the topic of sustainable development. The training course has a twofold objective: to understand the challenges of sustainable development and promote sustainable transformation. Encompassing twenty different modules, the platform will be developed gradually. Modules are divided into several chapters, each lasting five to ten minutes, with quizzes to be completed in short periods, at the end of each section.

On a firm-wide basis, all employees must complete five modules:

- the collapse of biodiversity;
- the overuse of natural resources;
- the impact on society;
- developing a roadmap to take action;
- reducing our carbon footprint.

Four additional and compulsory modules were included for Sustainability practice employees to improve their knowledge. That said, these modules can also be completed by the rest of the firm's employees:

- introduction: the great acceleration;
- the global climate system;
- the incredible story of planet Earth, on the verge of a biodiversity collapse;
- the low-carbon transition.

2022/23 saw Wavestone continue its awareness-raising actions by leveraging its network of CSR ambassadors:

- coordination of compulsory "Climate Fresk"<sup>(1)</sup> workshops for employees across the board since last October: 1,168 employees have received training since the wide-scale rollout in October 2022 (1,792 employees since 2019) and 49 employees are instructors. Reflecting its commitment to the cause, Wavestone became Climate Fresk-certified. In 2023/24, the firm will focus on hosting workshops in its offices outside France (Europe, the UK and the US), by training English-speaking instructors;
- coordination of "Digital Fresk" workshops<sup>(2)</sup>: 183 employees received training, with seven employee-instructors to date;
- coordination of "Biodiversity Collage" workshops<sup>(3)</sup>: 24 employees received training, with three employee-instructors to date;
- organization of the Sustainable Tech Week: 300 employees were involved in 17 events to raise awareness and share best practices.

Parallel to this, the Sustainability practice area established a plan to upskill its employees with a view to organizing seven training courses on various topics: the energy transition and decarbonization, CSR strategy and ESG performance, the circular economy, biodiversity conservation, digital responsibility, purchasing transformation and responsible HR.

In fiscal year 2023/24, on the back of work to develop a training inventory, all CSR-related training courses for the various practice areas will be made available to all the firm's employees.

For some of its employees, Wavestone also delivers training on *Bilan Carbone*<sup>®</sup>(Carbon Audit) methodology:

- 42 consultants completed a training course delivered by France's Carbon Training Institute, to obtain *Bilan Carbone*<sup>®</sup> BMC1 or BMC2 certification;
- 12 managers completed a Carbon Footprint training course provided by the Carbone 4 Academy.

#### 6.3.4. Policy of contributing to carbon neutrality

Wavestone aims to contribute to global carbon neutrality beyond its value chain. In 2022/23, this contribution was reflected in various awareness-raising, skills sponsorship, and startup incubation initiatives:

- organization of 1,108 days of skills sponsorship (excluding Powerday) with a focus on Sustainable Development Goal (SDG) no. 13<sup>(4)</sup>: support for associations taking climate action (e.g. redesign of three modules included in the GoodPlanet Foundation's carbon calculator) and support for associations in reducing their carbon footprint (e.g. rollout and change management phases to implement a carbon inventory tool for Solidarités International as well as needs identification for a carbon footprint measurement platform to be deployed by the French Red Cross);
- support for startups: for the fifth edition of its call for applications, Shake'Up, Wavestone's startup accelerator, targeted startups specializing in sustainability issues with a focus on four verticals: circularity of consumer goods, sustainable mobility, digital responsibility, and energy-efficient buildings. This year's winning startups were:
  - Néolithe, which transforms non-recyclable, non-inert and non-hazardous waste into mineral aggregates for use in the construction sector;
  - Bibak, which specializes in the reuse of containers for events, mass catering and fast-food restaurants;
  - UMotion, which has developed a utility vehicle designed for last-kilometer (last-mile) deliveries to transport the capacity of a standard van (1 ton and 5 cubic meters) at the cost of a cargo bike;
  - Smart & Connective, which aims to transform the technical management of buildings and revolutionize the very architecture of automation solutions, enabling companies to make large-scale energy savings.

(1) Fun workshops to raise employees' awareness of climate change. To learn more, go to: [fresqueduclimat.org](https://fresqueduclimat.org).

(2) Fun workshops to raise awareness of environmental and social digital challenges; for more information go to [climatefresk.org](https://climatefresk.org).

(3) Fun workshops to increase awareness of biodiversity protection and conservation; for more information, go to [fresquedelabiodiversite.org](https://fresquedelabiodiversite.org) (the "Biodiversity Collage").

(4) SDG 13: Climate action.

- student awareness-raising sessions via event participation or organization, including:
  - hosting a “Burger Quiz” at the Centrale Nantes and École des Ponts ParisTech during the Nantes Digital Week;
  - involvement in a CSR (Green Banking) case study presented at Emlyon Business School;
  - coordination of a Digital Fresk session at Arts et Métiers ParisTech engineering school.

In the years ahead, Wavestone intends to step up the initiatives begun in 2022/23 to develop its strategy for accelerating carbon neutrality worldwide through the future financing of projects aimed at increasing carbon sinks.

#### 6.4. Transition to the circular economy: waste management

##### Waste management

The main waste-related challenges facing Wavestone center on IT equipment (laptop computers, peripherals, screens, servers, etc.) and office waste (paper, organic waste, packaging and ink cartridges, etc.). The firm is addressing these challenges by opting for a zero-waste approach in all its offices.

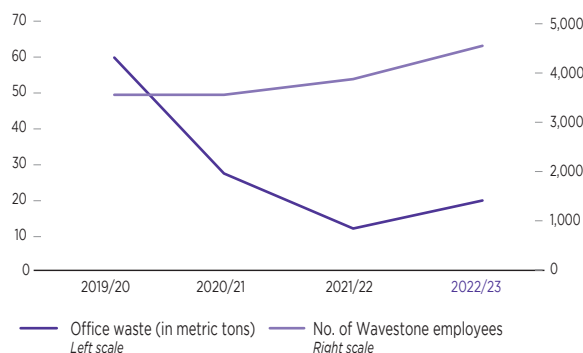
To achieve this, Wavestone has implemented policies and procedures to enable a reduction in digital waste (notably in the French offices, accounting for nearly 87% of the headcount), including:

- the systematic recycling of end-of-service laptop computers, with a leasing service provider that recovers the equipment;
- a policy aimed at giving a new lease of life to end-of-life IT equipment (mobile phones, laptop computers not covered by leasing contracts, printers, unused ink cartridges, screens and specific network equipment) by sending them to responsible recovery circuits (particularly ESAT and the Bodge Workshops social cooperative organization);
- the treatment of waste electrical and electronic equipment (WEEE<sup>(1)</sup>) through the clean disposal of hazardous components and the recycling of recyclable materials by certified companies;
- the extension of the life cycle of laptops leased and owned by Wavestone (see the paragraph of section 6.3 on digital technologies).

Parallel to this, Wavestone seeks to actively reduce office waste and increase recycling:

- collaboration with a recycling company to optimize waste sorting in the Paris, Nantes, Marseille, Brussels and London offices;
- the systematic reuse of furniture when it is no longer required:
  - as part of the redevelopment of social spaces in the Paris office, the resale of furniture to a partner that then repurposes it;
  - as part of the Nantes office's relocation, all the furniture was resold to the new tenant;
- improved selective sorting and discussions on introducing biowaste sorting in the Paris office, in an effort to further recycle waste:
  - installation of new waste garbage cans in the Paris office social spaces, with four sorting categories;
  - discussions with the service provider to structure the sorting process and manage the project (targets, KPIs, etc.).

##### Change in office waste relative to number of employees



Wavestone's policies and procedures have helped to reduce waste production, gradually dissociating production from changes in headcount. Despite an increase compared to 2021/22 fiscal year, this downward trend is confirmed for the year against the background of a recovery in activity relative to 2019/20.

(1) Waste electrical and electronic equipment (WEEE). 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.



### Impact on food waste, food poverty and animal welfare

Wavestone fully understands its role in tackling food waste and food insecurity as well as promoting responsible, fair and sustainable nutrition. A case in point is the firm's systematic redistribution of leftover food to associations as part of its Bridges event. Furthermore, Wavestone's activities do not have a direct impact on animal welfare.

### 6.5. Protection and restoration of biodiversity and ecosystems

Wavestone has used the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) and the TNFD (Task Force on Nature-Related Financial Disclosures) to identify two categories of biodiversity risk:

- the firm's client-facing services;
- the management of its premises.

To reaffirm its commitment to biodiversity, Wavestone referred to the Act4Nature International initiative<sup>(1)</sup> to structure its biodiversity protection and restoration actions (plans to sign the Act4Nature Commitment Charter in fiscal year 2022/23 were postponed to give priority to the firm's near-term and Net-Zero SBTi commitments).

Wavestone accordingly developed a three-pronged plan:

- mobilizing and training employees and raising their awareness of biodiversity issues: including biodiversity in training courses for employees of the firm and the Sustainability practice area (see section 6.3);
- promoting clients' awareness of biodiversity issues: increased client support on biodiversity, led by the Sustainability practice area;
- reducing the impact of the firm's biodiversity activities and stepping up actions to protect and restore biodiversity:
  - implementation of policies to reduce the carbon footprint, aligning with the SBTi's near-term and Net-Zero commitments (see section 6.3) and to manage waste (see section 6.4);

- skills sponsorship for associations taking climate action: this year, the firm spent 1,538 days on Sustainable Development Goal (SDG) no. 15<sup>(2)</sup>. As an example, Wavestone worked with *Société Nationale de Protection de la Nature* (France's National Society of Nature Protection), *Terre de liens*, On the Green Road and *Fonds pour l'Arbre* (France's National Tree Association);
- review of suppliers' biodiversity performance using a questionnaire that is systematically sent to them for purchases as part of tenders. In 2023/24, the Responsible Purchasing Policy may be changed to include criteria on biodiversity impacts (for each purchasing family). For instance, the firm already includes this criterion in its office purchasing activities by opting for equipment with recognized labels (IT equipment with the Electronic Product Environmental Assessment Tool [EPEAT] labeling).

### 6.6. Other environmental matters: pollution and water management

Information related to the Group's water consumption mainly concerns the domestic water supply used for sanitary and cleaning purposes, and air conditioning systems. In fiscal year 2022/23, each employee consumed an average quantity of water estimated at 1.1 m<sup>3</sup>, half the amount consumed in the two previous years. Wavestone's total annual water consumption is estimated at approximately 4,711 m<sup>3</sup>.

Owing to the nature of its activities, Wavestone does not discard hazardous substances into the water system.

(1) Act4Nature International is a voluntary commitment initiative promoting biodiversity and targets international French companies to mobilize them on the issue of their direct and indirect impacts, their associates and the potential for nature-based actions.

(2) SDG 15: Protecting and restoring the planet's ecosystems.

## 6.7. Labels and environmental certifications



The Carbon Disclosure Project (CDP) is a non-profit organization and a standard-bearer of corporate environmental performance with its annual assessment of 18,000-plus companies the world over. In 2022, Wavestone obtained a B- score, placing the firm in the «Management» level category versus its competitors and scoring above average in its sector (rated C).



In France, Wavestone has been «Climate Fresk» certified since February 2023. This label serves to recognize the firm's high-quality and professional rollout of the Fresk and has gradually been awarded to all the firm's employees since 2022.

## 7. European Green Taxonomy

### Entry into force of the European (EU) Taxonomy

European Regulation 2020/852 or the “European Taxonomy” entered into force on January 1, 2022. It aims to accelerate the European Union’s transition to a sustainable economy, against a backdrop where climate and environmental emergencies are being felt more every day. The regulation lays out a common framework enabling financial investments to be channeled towards “sustainable” economic activities.

### Meaning of sustainable, eligible and aligned activities

The European (EU) Taxonomy aims to prioritize the economic transition to sustainable activities. The implementation of the European Taxonomy distinguishes between “eligible” and “aligned” activities. Both of these concepts are described below.

#### Sustainable activities

An economic activity is considered to be “sustainable” within the meaning of the European Taxonomy if it contributes to achieving at least one of the six environmental objectives defined by the European Commission. The first two environmental objectives currently apply:

1. Climate change mitigation
2. Climate change adaptation

They will gradually be supplemented by four other objectives, which are scheduled for publication in 2023:

3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The contribution of an economic activity to one of the environmental objectives is measured in three ways:

- compliance with technical criteria specific to each activity and defined by the European Commission, as listed in the delegated acts of the Taxonomy Regulation;
- do not significant harm to the other environmental objectives;
- business activities must comply with the minimum social guarantees as defined by international law.

#### Eligible activities

An economic activity is considered “eligible” within the meaning of the European Taxonomy if it can be carried out sustainably, or if it is likely to promote the transition to a sustainable economy. This involves recognition of its potential environmental impact, rather than its actual impact. The European Taxonomy includes a list of activities considered eligible.

Starting in fiscal year 2021/22, companies within the scope of the European Taxonomy are required to publish the share of their total business activities that are eligible for the Taxonomy, based on three indicators:

- the share of eligible revenue (REV);
- the share of eligible capital expenditure (CAPEX);
- the share of eligible operating expenditure (OPEX).

#### Aligned activities

An economic activity is considered “aligned” within the meaning of the European Taxonomy if its effective environmental impact has been demonstrated: the activity is, in fact, carried out sustainably or, in fact, promotes the transition to a sustainable economy.

As well as disclosing the share of eligible activities, starting in fiscal year 2022/23, relevant companies must publish the share of their total business activities that are aligned activities, using the same indicators:

- the share of aligned revenue;
- the share of aligned capital expenditure;
- the share of aligned operating expenditure.

### Scope & calculation method

Wavestone has applied the Taxonomy regulations in determining the indicators presented for fiscal year 2022/23:

- the scope applied covers all of the firm's activities, excluding acquisitions completed in the fiscal year under consideration;
- financial data is taken from the financial statements as of 03/31/23 as well as from internal-audit sources (notably for OPEX data). This data was assessed in a coherence audit conducted by the Finance Department, operations teams and the CSR team;
- capital expenditure and operating expenditure for fiscal year 2022/23 correspond to expenditure linked to carrying out eligible activities as well as cost items eligible by their very nature, and identified by the regulation under the cost terminology "individually sustainable";
- CAPEX corresponds to capitalized costs linked to tangible and intangible fixed assets as well as rights of use on leasing contracts (IFRS 16) acquired over the fiscal year, before depreciation and amortization;
- OPEX covers certain uncapitalized cost items such as research and development activities, building renovations, short-term rentals, maintenance as well as all expenses directly related to the maintenance of tangible assets.

### Analysis methodology and change in Wavestone's revenue eligibility situation

In fiscal year 2021/22, Wavestone had estimated that a marginal share of its activity was eligible (<1%) for the Taxonomy and its climate change adaptation objective. As such, the firm took a cautious approach based on its understanding of the regulations at that date.

Wavestone has continued to analyze the impact of the Taxonomy regulation on its activities, establishing a project organization combining the CSR team, the Finance Department, General Management and experts from its operations teams. This analysis has been supplemented by discussions within the firm's ecosystem—involving peers, professional unions, investors, etc.—to ensure compliance with a framework shared by all players in the consulting industry.

Drawing on its conclusions from this work, Wavestone considers that, as they stand, the regulations do not apply to transformation consulting activities since the European Green Taxonomy focuses on activities with the most significant impact on climate. Given that none of the activities listed in the regulations correspond to Wavestone's business model<sup>(1)</sup>, the firm's revenue is not eligible.

### Revenue

#### Eligibility and alignment

For fiscal year 2022/23, Wavestone is publishing a taxonomy-eligible revenue indicator of 0%, in line with its updated analysis of the application of the Taxonomy Regulation. Incidentally, for the same fiscal year, Wavestone is reporting a taxonomy-aligned revenue indicator of 0%.

(1) Wavestone's activity essentially corresponds to NACE (Europe's standard nomenclature of productive economic activities) Code 70.22 - "Business and other management consultancy activities".

## Regulatory reporting table

Economic activities	Code	Substantial contribution criteria								DSNH criteria									
		Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Minimum safeguards	Taxonomy aligned proportion of turnover Year N	Taxonomy aligned proportion of turnover Year N-1	Category (enabling activity)
		Mi€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
	N/A	0.00	0.0%	-	-					-	-					-	0.0%	-	-
Turnover of environmentally-sustainable activities (Taxonomy-aligned) (A.1.)		0.00	0.0%	-	-					-	-					-	0.0%	-	-
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
	N/A	0.00	0.0%							-	-					-		-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0.00	0.0%							-	-					-		-	-
<b>Total (A.1+A.2.)</b>		<b>0.00</b>	<b>0.0%</b>																
<b>B. Taxonomy-non-eligible activities</b>																			
Turnover of Taxonomy-non-eligible activities (B)		532.30	100.0%																
<b>Total (A+B)</b>		<b>532.30</b>	<b>100.0%</b>																

### Alternative activity indicator proposal

The European Taxonomy allows businesses to publish alternative indicators that are complementary to regulatory indicators<sup>(1)</sup>. Wavestone is exploring this option, supported by its responsible consulting approach (detailed in section 2). This approach reflects the firm's commitment to implementing sustainable transformations for its clients, in connection with its *Impact* strategic plan.

Fiscal year 2022/23 saw Wavestone complete 68 projects as part of its sustainability support initiatives, which seek to improve its clients' environmental performance.

### Capital expenditure (CAPEX)

#### Eligibility

In fiscal year 2022/23, the share of capital expenditure eligible for the Taxonomy totaled 45.7% of Wavestone's CAPEX.

This second indicator solely relates to fixed assets (property, plant and equipment and intangible assets) and rights of use of lease assets (IFRS 16) acquired during the fiscal year, before depreciation and amortization. Companies acquired during the year are not included in this indicator.

For fiscal year 2022/23, CAPEX corresponds to the fit-out of office premises and equipment and the right of use of the new premises in Nantes and Casablanca, the extension to certain leases in Singapore and the UK, as well as the increase in rights of use linked to the positive re-indexation of certain other leases. Among these investments, only the increase in rights of use is included in the numerator of the eligibility indicator.

(1) Based on the specific guidelines of ESMA (European Securities and Markets Authority)

**Alignment**

In fiscal year 2022/23, the share of CAPEX aligned with the Taxonomy was 27.7% of all of Wavestone's CAPEX as defined above. This aligned CAPEX corresponds to the right of use for the new premises leased in Nantes during the fiscal year.

This CAPEX meets the following criteria:

- significant contribution to achieving the objective of climate change mitigation (in respect of activity 7.7 "Acquisition and ownership of buildings"<sup>(1)</sup>);
- do no significant harm to other environmental objectives;
- compliance with the minimum guarantees defined in Article 18 of the Taxonomy Regulation.

**Regulatory compliance table**

Economic activities	Code	Absolute turnover Mi€	Proportion of turnover %	Substantial contribution criteria				DSNH criteria								Minimum safeguards	Taxonomy aligned proportion of turnover Year N	Taxonomy aligned proportion of turnover Year N-1	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation %	Climate change adaptation %	Water %	Pollution %	Circular economy %	Biodiversity & ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity & ecosystems Y/N					
<b>A. Taxonomy-eligible activities</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
CAPEX of environmentally-sustainable activities (Taxonomy-aligned) (A.1.)	7.7	1.96	27.7%	100.0%	-															
<b>Total (A.1+A.2.)</b>	<b>7.7</b>	<b>3.23</b>	<b>45.7%</b>																	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	7.7	1.27	18.0%	100.0%	-															
<b>Total (A+B)</b>	<b>7.07</b>	<b>3.84</b>	<b>54.3%</b>																	
<b>B. Taxonomy-non-eligible activities</b>																				
CAPEX of Taxonomy-non-eligible activities (B)		3.84	54.3%																	
<b>Total (A+B)</b>		<b>7.07</b>	<b>100.0%</b>																	

**Operating expenditure (OPEX)**

**Eligibility and alignment**

Not all OPEX is included in the definition of this third indicator. In the denominator, only expenditure related to R&D expenses, building renovations, short-term leases, maintenance, upkeep, repairs as well as any other direct expense linked to the maintenance of property, plant and equipment is to be included. Owing to the nature of the consulting activity, such expenditure is immaterial as a proportion of Wavestone's total OPEX. In fact, the firm's main cost items are personnel

expenses and leases, with lease expenditure not counted as operating expenditure for the purposes of IFRS 16. Totalling €3.5 million, the amount of operating expenditure to be included in the indicator's denominator thus represents less than 4% of the firm's total operating expenditure.

The amount of operating expenditure to be included in the indicator's denominator represents 3.9% of total OPEX for fiscal year 2022/23. Since this represents less than 5% of the firm's total operating expenditure, Wavestone accordingly relies on the materiality exemption for this indicator.

(1) The Energy Performance Diagnosis (EPD) for the new Nantes premises reported primary energy consumption of 132 kWhEP/m2 per year, placing the office in the Top 15% of the market based on the buildings energy and environmental performance barometer developed in January 2023 by the French Environment and Energy Management Agency (ADEME) and France's Green Building Observatory (OID).



## Regulatory compliance table

Economic activities	Code	Substantial contribution criteria										DSNH criteria							
		Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity & ecosystems	Minimum safeguards	Taxonomy aligned proportion of turnover Year N	Taxonomy aligned proportion of turnover Year N-1	Category (enabling activity)
		Mi€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
<b>A. Taxonomy-eligible activities</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
	N/A	0.00	0.0%	-	-					-	-					0.0%	-	-	-
OPEX of environmentally-sustainable activities (Taxonomy-aligned) (A.1.)		0.00	0.0%	-	-					-	-					0.0%	-	-	-
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
	N/A	0.00	0.0%							-	-							-	-
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0.00	0.0%							-	-							-	-
<b>Total (A.1+A.2.)</b>		<b>0.00</b>	<b>0.0%</b>																
<b>B. Taxonomy-non-eligible activities</b>																			
OPEX of Taxonomy-non-eligible activities (B)		3.53	100.0%																
<b>Total (A+B)</b>		<b>3.53</b>	<b>100.0%</b>																

## 8. Methodology note regarding Wavestone's non-financial reporting

### 8.1. Glossary

**Nordic Swan Ecolabel:** this sustainability label applies to IT products. It guarantees the compliance of a product's production method with environmental criteria (in terms of the raw materials used, toxicity, biodegradability, amount of packaging, etc.).

**Carbon dioxide equivalent (CO<sub>2</sub>e):** the *Bilan Carbone*<sup>®</sup> (Carbon Audit) is the inventory not only of CO<sub>2</sub> emissions but also of other greenhouse gas emissions. Each gas has a different global warming potential (GWP): the extent to which gases contribute to the greenhouse effect depends on their characteristics. As a result, releasing the same amount of two

different gases into the atmosphere will not have the same impact on global warming. *Bilan Carbone*<sup>®</sup> (Carbon Audit) reporting requires a common unit be used and that all other greenhouse gas emissions 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 carbon audits: tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

**GHG Protocol:** this global-reaching protocol provides a measurement and accounting framework on managing GHG emissions from private and public sectors alike. The Protocol is developed by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI).



**Blue Angel label:** this environmental label is awarded to computer equipment. It specifically takes into account the recycling of a product as early as its design stage, the reduction of pollution during the manufacture of the product, the reduction of energy consumption, chemical emissions and noise, and lastly, the end of life of computer equipment.

**EPEAT (Electronic Product Environmental Assessment Tool) label:** as the name suggests, this is a tool for the environmental assessment of electronic products. It takes into consideration all product life cycle phases from environmental, social and health standpoints. Specifically, it applies to computers, laptops, screens and servers. Among other things, the EPEAT label guarantees responsible use of natural resources in the manufacture of the products, limited use of dangerous substances, guaranteed recycling and sustainability, low environmental impact packaging and low energy consumption while in use.

**Energy Star Label:** this label assesses the energy efficiency of electronic devices. It solely considers environmental criteria. The label sets an energy consumption threshold, which must not be exceeded.

**The Forest Stewardship Council (FSC) Label:** this environmental label strives to provide assurance to consumers that the production of wood or a wood-based product follows processes which ensure sustainable forest management.

**PEFC (Program for the Endorsement of Forest Certification) label:** this label promotes sustainable forest management. It assures consumers that the purchased product is from sustainably-managed forests.

**RoHS (Restriction of Hazardous Substances in electrical and electronic equipment):** this is a European directive that aims to limit the use of hazardous substances in electrical and electronic equipment.

**SBTi (Science-Based Targets initiative):** this initiative aims to encourage companies to set GHG emission reduction targets that are consistent with scientific recommendations.

## 8.2. 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 (France), merged with Wavestone SA (dissolved on 12/31/22);
- Nomadéis, merged with Wavestone SA (dissolved on 12/31/22);
- Wavestone US Inc. (United States), merged with NewVantage Partners on 01/01/23 (dissolved on 03/31/23);
- why innovation! Pte. Ltd. (Singapore);
- Wavestone Advisors UK Ltd. and its subsidiaries (United Kingdom);
- Wavestone Belgium SA/NV (Belgium);
- Wavestone Luxembourg SA (Luxembourg);
- Wavestone Hong Kong Ltd. and its subsidiary (Hong Kong);
- Wavestone Advisors Morocco SARL (Morocco);
- Wavestone Switzerland SA (Switzerland).

PEN Partnership and Coeus Consulting (and their subsidiaries), acquired during the fiscal year, are included, from their accounting consolidation dates, in the calculation of the staff turnover rate and the percentage of time spent supporting socially responsible structures. The specific scope of the carbon footprint calculation is described in section [8.3](#).

The number of registered employees with disabilities is calculated for Wavestone SA only.

## Reporting period

The data provided in this report covers fiscal year 2022/23 ended 03/31/23. In exceptional cases which are explicitly mentioned, particularly for employment aspects, the information covers the 2022 calendar year.

### 8.3. Sources of, and methods used to collect, non-financial data

#### Data collection and consolidation

##### Employment data

Considering the nature of Wavestone's consulting activity, the employment aspect of CSR is a major issue and a key priority for the firm.

Wavestone's HR Development Department is responsible for defining and implementing the Company's human resources strategy. The department mainly relies on a central team and decentralized HR Development teams.

Employment reporting and the monitoring of the associated indicators fall under the responsibility of the CSR Manager in Wavestone's HR Development Department, who is in charge of data consolidation at Group level.

##### Environmental data

On the environmental front, data collection is overseen by a team tasked with collecting and consolidating all information from the contributors identified within the relevant departments (accounting, payroll, offices, etc.). The processing and analysis of environmental data are carried out and supervised by experts in environmental issues and carbon footprint calculation. In fiscal year 2022/23, Wavestone worked with BL Evolution, while in-house experts focused on SBTi aspects.

##### Method used to analyze environmental risks

To identify its environmental risks, the firm relied on the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) and the TNFD (Task Force on Nature-Related Financial Disclosures). This work was based on the *Bilan Carbone*<sup>®</sup> (Carbon Audit) analysis, the firm's dependence on ecosystem services, and the impacts of Wavestone's activity on drivers of biodiversity erosion. The expectations of the firm's stakeholders (see section 1.2) were taken into account in carrying out the analysis. Lastly, the impact level of the risks was considered in order to prioritize them.

Nine main risks related to nature and the climate were identified, based on short (2-5 years), medium (5-10 years) and long (>10 years) term horizons, along with the corresponding risk level in accordance with the recommendations of the TNFD, the TCFD and the firm's development prospects.

All elements of the analysis method were reviewed by a firm that specializes in the ecological transition.

Risk category	Risk description	Risk level	Time (recommendations of the TNFD and the firm's development prospects)	Impacts	Responses provided to manage risks and seize opportunities
Physical commodity risks	Depletion of resources (water, rare metals, wood, etc.) due to overconsumption and pollution of the soil and water	Low to medium	Long term (> 10 years)	<p><b>Risk:</b> Difficulty procuring various goods (computer equipment, furniture, food)</p> <p><b>Opportunity(ies):</b> Preventive actions and training on environmental issues could have a positive impact in terms of managing and rationalizing resources (water, office equipment, computer equipment, etc.)</p>	<ul style="list-style-type: none"> <li>• Commitments in favor of sustainable IT (see section <a href="#">6.3</a>)</li> <li>• Commitment in favor of biodiversity (see section <a href="#">6.5</a>)</li> <li>• Policies to encourage soft mobility (see section <a href="#">6.3</a>)</li> <li>• "Zero waste" approach (see section <a href="#">6.4</a>)</li> </ul>
Risks associated with extreme events (physical)	Increased risk of high winds, storms, flooding, earthquakes, etc.	Low to medium	Medium term (5-10 years)	<p><b>Risk:</b> Interruption of IT services company-wide (network core: Wi- Fi infrastructure, storage servers, virtualization servers, VPN, etc.)</p> <p><b>Opportunity(ies):</b> Diversification of data storage infrastructures (proprietary / Cloud)</p>	<ul style="list-style-type: none"> <li>• Interruptions to the operation of data centers taken into account in the continuity/disaster recovery plan established annually within the Information System Division (ISD)</li> <li>• Most data is stored in the Cloud using SaaS applications, Microsoft O365 or others -&gt; risks are therefore directly managed by the end publishers, not by Wavestone, even if the firm performs its own analysis of this type of risk when selecting a publisher.</li> </ul>
Financial risks (transition)	Access to competitive financing	High	Short term (2-5 years)	<p><b>Risks:</b> Impact loan taken out by Wavestone = interest rate linked to its GHG emission rate</p> <p>Difficulty attracting investors (especially in the context of the Green Taxonomy) or benefiting from innovative financing</p> <p><b>Opportunity:</b> Minimize the firm's GHG emissions to attract more investors and benefit from innovative financing: impact loans or other types of green financing</p>	<ul style="list-style-type: none"> <li>• Reinforced ambition to reduce the carbon footprint (see section <a href="#">6.3</a>)</li> </ul>



Risk category	Risk description	Risk level	Time (recommendations of the TNFD and the firm's development prospects)	Impacts	Responses provided to manage risks and seize opportunities
Market risks (transition)	Change in clients' expectations in terms of environmental commitment	High	Short/medium term (2-7 years)	<p><b>Risk(s):</b> Loss of clients in the event of non-compliance with expectations concerning GHG reductions (where the firm is expected to lead by example), as well as waste management and responsible purchasing (importance of transparency with respect to Wavestone's value chain, reflecting its integrity)</p> <p><b>Opportunity(ies):</b> The firm's environmental commitments may serve to leverage competitive advantages (calls for tenders) These commitments also make the development of new environmental offerings more credible</p>	<ul style="list-style-type: none"> <li>Reinforced ambition to reduce the carbon footprint (see section 6.3)</li> <li>Commitments in favor of sustainable IT (see section 6.3)</li> <li>Implementation of policies to limit the use of transportation that emits the MOST GHGs, and to encourage soft mobility (see section 6.3)</li> <li>Building and energy management: target of 100% of offices powered by low-carbon electricity, out to 2025 (see section 6.3)</li> <li>Actions to reduce the carbon footprint of the firm's procurement (see section 6.3)</li> <li>"Zero waste" approach (see section 6.4)</li> <li>Commitment in favor of biodiversity (see sections 6.1 and 6.5)</li> <li>Establishment of a new Sustainability practice area</li> <li>Underscoring of the firm's commitments through responses to non-financial rating questionnaires (EthiFinance ESG Ratings, CDP, EcoVadis)</li> </ul>
	Change in clients' expectations regarding the skills expected of consultants in addressing environmental issues	High	Short/medium term (2-7 years)	<p><b>Risks:</b> Loss of clients due to quality incidents as a result of insufficient employee training on environmental issues and a lack of qualified internal resources in this area</p> <p><b>Opportunity(ies):</b> Employee training on environmental issues, combined with the development of Wavestone's Sustainability practice area, represents a significant opportunity to improve our legitimacy with clients</p>	<ul style="list-style-type: none"> <li>Wavestone has carried out major organizational changes with the establishment of a dedicated Sustainability practice area (see sections 2.2 and 6.2)</li> <li>Wavestone intends to accelerate and structure the pace of its awareness and training initiatives (see section 6.3)</li> </ul>

Risk category	Risk description	Risk level	Time (recommendations of the TNFD and the firm's development prospects)	Impacts	Responses provided to manage risks and seize opportunities
Reputational risks (transition)	Environmental commitments made by Wavestone and rollout of awareness-raising initiatives	High	Short term (2-5 years)	<p><b>Risks:</b></p> <p>Loss of candidates and employees through a lack of environmental commitments (GHG reductions, waste management, responsible purchasing, etc.) and sponsorship initiatives</p> <p>Loss of candidates and employees through a lack of employee prevention and awareness-raising sessions intended to address environmental issues</p> <p><b>Opportunities:</b></p> <p>Improving employee loyalty and reinforcing the employer brand (appeal of the Wavestone brand)</p>	<ul style="list-style-type: none"> <li>• Multiple environmental commitments made by the firm (see sections 6.3, 6.4, 6.5, 6.6)</li> <li>• Mobilization of employees via awareness-raising actions, particularly with regard to travel and digital equipment/use (see section 6.3)</li> <li>• Support for associations and startups that promote development (see section 6.3)</li> </ul>
	Communication on environmental issues	High	Medium term (5-10 years)	<p><b>Risk:</b></p> <p>Negative impact on the firm if there is a lack of information in sustainability communications (need to justify commitments made using concrete examples)</p> <p><b>Opportunities:</b></p> <p>Increase non-profits' awareness of the firm, collaboration with eco-responsible companies</p>	<ul style="list-style-type: none"> <li>• Objectives and concrete examples shared via the firm's non-financial communications (see Statement of non-financial performance, <i>Bilan Carbone</i><sup>®</sup> - Carbon Audit)</li> <li>• Establishment of a diversified internal communications plan on CSR, including environmental issues (Wavestone news, environmental commitments, awareness-raising initiatives, etc.)</li> <li>• Presence of a network of CSR contacts within Wavestone's governance tasked with conveying key messages on environmental issues</li> <li>• Strong governance on CSR matters (including the environment) (see section 1.1)</li> <li>• Reporting: every year, the firm improves the monitoring and measurement of its carbon footprint in order to make decisions that align with its climate challenges (see section 8.3)</li> </ul>
	Environmental commitments and results	High	Short/medium term (2-7 years)	<p><b>Risk:</b></p> <p>Negative media coverage in the event of a discrepancy with the commitments made, particularly regarding GHG reductions (SBTi) Greenwashing</p> <p><b>Opportunity:</b></p> <p>Securing employee loyalty and reinforcing the employer brand (appeal of the Wavestone brand)</p>	<ul style="list-style-type: none"> <li>• Reporting: every year, the firm improves the monitoring and measurement of its carbon footprint in order to make decisions that align with its climate challenges (see section 8.3)</li> <li>• Compliance with the recommendations of the French Environment and Energy Management Agency (ADEME), notably in terms of environmental communication</li> <li>• Support from a specialized firm with drafting the statement of non-financial performance</li> </ul>



Risk category	Risk description	Risk level	Time (recommendations of the TNFD and the firm's development prospects)	Impacts	Responses provided to manage risks and seize opportunities
Reputational risks (transition)	Non-financial ratings	High	Short/medium term (2-7 years)	<p><b>Risk:</b> Negative ratings by non-financial rating agencies if commitments to various environmental and responsible purchasing criteria are not met</p> <p><b>Opportunity:</b> Positive ESG ratings will bolster interest in the firm from ESG investors, providing Wavestone with a competitive advantage on environmental issues</p>	<ul style="list-style-type: none"> <li>The firm's commitments, outlined in sections <a href="#">6.3</a>, <a href="#">6.4</a>, <a href="#">6.5</a> and <a href="#">6.6</a> meet the rating criteria used by non-financial rating agencies</li> </ul>

**Methodology used to calculate the carbon footprint**

Information on CO<sub>2</sub>-equivalent emissions may be characterized by uncertainty that is inherent in the current state of scientific or economic knowledge and the quality of external data. Certain items of information are sensitive to the methodological decisions, assumptions and/or estimates used in their preparation and presented in the statement. As a result, this year's results include one uncertain measurement amounting to 770 tCO<sub>2</sub>e (14% of the market-based total).

To track the achievement of its targets, Wavestone calculates and communicates its carbon footprint on an annual basis—both historically based on the *Bilan Carbone*<sup>®</sup> (Carbon Audit) methodology and according to GHG Protocol conventions—which came into effect at the firm this year.

Since fiscal year 2012/13, Wavestone has published a *Bilan Carbone*<sup>®</sup> report every two years. Historically developed by ADEME—the French Environment and Energy Management Agency—this methodology has been implemented by *Association Bilan Carbone*<sup>®</sup> in France and abroad since October 2011.

Every year, the firm improves the monitoring and measurement of its carbon footprint in order to make decisions that align with its climate challenges. In 2022/23, this resulted in:

- monthly monitoring of business trip data, which is presented to the CSR Steering Committee on a quarterly basis;
- improvements to the questionnaire shared with all Wavestone's employees. 40.5% of employees (1,851) answered the questionnaire, versus 36% the previous fiscal year. The results of the questionnaire also helped to calculate specific items of data more accurately (heating and air conditioning at home when working remotely, and food), as well as raise employees' awareness, with a detailed article published on the Company's Intranet.



Breakdown of GHG emissions using the GHG Protocol:

		2019/20 (tCO <sub>2</sub> e) market- based	2020/21 (tCO <sub>2</sub> e) market- based	2021/22 (tCO <sub>2</sub> e) location- based	2022/23 (tCO <sub>2</sub> e) market- based	2022/23 (tCO <sub>2</sub> e) location- based
1-1	Direct emissions from stationary combustion sources	23	28	21	16	16
1-2	Direction emissions from mobile combustion sources	33	6	32	54	54
1-3	Direct emissions from processes	-	-	-	-	-
1-4	Direct fugitive emissions	37	25	37	9	9
<b>Scope 1 total</b>		<b>93</b>	<b>59</b>	<b>90</b>	<b>80</b>	<b>80</b>
2-1	Indirect emissions from electricity consumption	271	89	264	116	155
2-2	Indirect emissions linked to steam, heat and cooling	271	351	233	122	122
<b>Scope 2 total</b>		<b>543</b>	<b>440</b>	<b>497</b>	<b>238</b>	<b>277</b>
<b>Upstream scope 3 emissions</b>						
3-1	Purchased products and services	1,431	2,047	1,169	2,253	2,253
3-2	Fixed assets	466	287	466	665	665
3-3	Emissions from fuel and energy (not included in scopes 1 and 2)	85	87	50	38	45
3-4	Inbound and outbound freight	-	-	-	-	-
3-5	Generated waste	18	10	5	7	7
3-6	Business trips	2,704	263	421	1,381	1,381
3-7	Commuting to work	391	5	425	337	337
3-8	Upstream leasing assets	-	-	-	-	-
<b>Downstream scope 3 emissions</b>						
3-15	Capital expenditure	-	-	3	-	-
<b>Scope 3 total</b>		<b>5,096</b>	<b>2,699</b>	<b>2,541</b>	<b>4,682</b>	<b>4,689</b>
3-6 (optional)	Optional - business trips (hotels)	645	-	130	235	235
3-7 (optional)	Optionnel - remote working	-	-	357	442	442
Others (optional)	Optional - websites	-	-	2	3	3
<b>Total optional emissions</b>		<b>645</b>	<b>0</b>	<b>489</b>	<b>680</b>	<b>680</b>
<b>Total</b>		<b>6,377</b>	<b>3,198</b>	<b>3,617</b>	<b>5,680</b>	<b>5,726</b>

N.B.: this year's results include one uncertain measurement amounting to 770 tCO<sub>2</sub>e (14% of the market-based total).



### Methodology used to measure the carbon footprint of digital technologies

Wavestone's carbon footprint from digital activities was calculated for the different areas of the Information System (IS):

- all personal equipment purchased during the fiscal year (PCs, smartphones, etc.), the number of which is obtained from Wavestone's inventories, in connection with the change in methodology (GHG Protocol). To measure the carbon footprint of this equipment, the emission factors published by the corresponding manufacturers were used, where available. The increase in volumes, particularly the use of PCs, which was observed for this category mainly results from logistics delays to the delivery of specific items of equipment during the fiscal year;
- shared equipment acquired in the fiscal year (printers, Meeting room equipment, etc.), for which the Base Carbone (Carbon Database – ADEME) emission factors were used, and which were, at times, adjusted to accommodate for screen sizes (TVs);
- servers and networks, with the same level of granularity as personal equipment, by model, where this data was available, otherwise via an average factor or a factor provided by ADEME's Base Carbone.

Regarding the calculation of digital and telecommunication use, this year, Wavestone was once again able to calculate the volume of data transfers (e-mails, use of Teams, SharePoint, OneDrive, etc.) completed directly through employees' PCs (via the Zscaler tool), as well as mobile consumption (4G, voice, etc.), enabling the firm to continue making accurate measurements for this category. In particular, storage volumes were more accurate using data from the Microsoft 365 Admin Console. The models used are taken from the most recent studies in this area (Green Cloud Computing, NégaOctet and Cloud Carbon Footprint, among others).

Lastly, usage associated with the websites operated by Wavestone and social networks was also included this year via visitor statistics, without any material impact.

### Methodology used to collect information on employee business trips

#### Business trips

Most of the train and air travel data is supplied by Egencia (France, Brussels and Luxembourg offices), Papillon Voyages (Casablanca) and Corporate Traveller (London). The additional

effort to provide more accurate data from the reports provided by these agencies continued this year, producing results that were as reliable as in prior fiscal years, particularly with respect to distances traveled and travel classes.

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 ADEME's Base Carbone. The two estimates are similar in size. Emissions were then estimated using factors from the Base Carbone, with a focus on the impact of contrails. The class of the flights was also factored in, as First Class requires more floor space than Economy Class. This estimate was based on a study conducted by the World Bank<sup>(1)</sup>. For these trips, the carbon footprint was higher than the previous year, given the increase in distances flown, but was lower than the 2019/20 reference year.

Regarding transportation data, for which only financial information was available (details of kilometers traveled are not included in expense claims), the carbon footprint was calculated using kilometer conversions. The firm was able to estimate the distance traveled for all expense claims based on the mode of transport (plane, train, taxi/cab, etc.) and location (Wavestone office).

This year, the Company did not extrapolate travel data on an employee basis since information was collected for all its offices.

#### Commuting to work

As a result of new ways of working implemented in recent years, in fiscal year 2022/23, Wavestone's offices were not regularly occupied in any of its countries or locations. For the second year running, Wavestone assessed its employees' travel practices to measure their carbon footprint, once again including the impact of remote working.

The data was collected via a questionnaire and a descriptive memo sent to all Wavestone's employees at fiscal year-end, with a 40.5% response rate from employees.

The quantification resulting from this questionnaire shows that remote working has had a significant impact, and that it should continue to be included in future fiscal years. In fact, even if the amount of travel has reduced, there has been a transfer impact to employees.

(1) "Calculating the Carbon Footprint from Different Classes of Air Travel, The World Bank, Development Research Group, Environment and Energy Team", study, May 2013.

**Methodology used to collect information about energy consumption**

Data collected for energy and fugitive emissions concerns the consumption of electricity, gas, and of the heating and cooling networks and air conditioning units in Wavestone's offices.

In fiscal year 2022/23, efforts were consistent with previous years in the collection of data on energy and fluid consumption, producing more accurate data on electricity consumption (particularly in relation to heating and air conditioning), in the Paris, Nantes, Luxembourg, New York and London offices. Lastly, once again this year, the firm also focused on including the energy consumption of shared spaces in the emissions linked to its occupation of the premises. As a result, with the exception of the French offices and the offices in Geneva, Hong Kong, Philadelphia, Dallas and Singapore, additional data on the consumption of shared spaces was collected for the other offices. It should be noted that the Hong Kong office does not have a heating network. As a result, the standard extrapolation for the Paris office was not applied in the interests of consistency.

Despite these efforts, the reliability of the data collected still differs between offices for a number of reasons:

- some components of energy consumption—in shared spaces, for instance—were extrapolated using Paris office data. This category accounts for approximately 4% of the firm's energy consumption;
- the inclusion of data in expenses (for the Philadelphia office) does not produce a reliable estimate of related consumption.

Concerning fugitive emissions, data from five offices (Paris, Marseille, Brussels, Luxembourg and Geneva) was collected. Data for our other offices was extrapolated using 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 quantifying greenhouse gas (GHG) emissions. Conversely, specifying the type of greenhouse gas in certain offices has had an upward impact on scope 1 emissions.

**Methodology used to collect information on waste**

The data collected covers office and recyclable waste (cardboard, paper, WEEE, glass, plastic, etc.).

Data was collected from the offices in Paris, Marseille, Nantes, Brussels, London, Luxembourg and Geneva. The data is provided by service providers in charge of waste collection (Marseille, Brussels, Nantes, London) or based on weight estimates (Paris). It is provided in kilograms (kg).

Data for our other offices was estimated on the basis of headcount and the ratio used for the Paris office.

In light of the representation of the Paris office (headcount and activity) compared to other offices, the reliability of the data from the Paris office, and Wavestone's activity, it is considered that sufficient data was collected (Paris and extrapolated offices) to estimate the firm's waste-related carbon impact.

**Methodology used to collect information on water consumption**

Data on water consumption has several sources:

- 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 occupied by Wavestone;
- water consumption in the Marseille, Brussels and Luxembourg offices is supplied by the lessors or service providers. For these offices, there was no data for certain months of the fiscal year, so the footprint was extrapolated based on the office data;
- figures for the other offices were extrapolated from the data for the Paris office (m<sup>3</sup>/m<sup>2</sup> of office space ratio).



#### 8.4. GHG emissions in the *Bilan Carbone*<sup>®</sup> (Carbon Audit) format

To enable comparisons to be made with previous years, the assessment of Wavestone's GHG emissions is also available in the *Bilan Carbone*<sup>®</sup> (Carbon Audit) categories set out below. However, it should be noted that the GHG Protocol (location-based) is still the applicable convention, particularly regarding "Fixed assets" (without depreciation).

	2019/20 emissions (tCO <sub>2</sub> e)	2020/21 emissions (tCO <sub>2</sub> e)	2021/22 emissions (tCO <sub>2</sub> e)	2022/23 emissions (tCO <sub>2</sub> e)	% of total emissions in 2022/23
Scope 1	41	55	64	31	1%
Scope 2	493	685	497	277	5%
Scope 3	4,893	2,705	3,487	5,418	95%
o/w:					
8: Fuel and energy-related activities	75	92	47	45	1%
9: Purchase of goods and services	1,608	581	565	1,635	29%
10: Fixed assets	775	963	860	665	12%
11: Waste generated by activities	17	10	5	7	0%
13: Business trips	2,112	186	451	1,430	25%
15: Investments	-	-	3	0	0%
22: Commuting to work and remote working	306	4	782	780	14%
23: Other indirect emissions	0	869	773	856	15%
<b>Total</b>	<b>5,427</b>	<b>3,445</b>	<b>4,047</b>	<b>5,726</b>	

#### 8.5. Comparison of GHG emissions in *Bilan Carbone*<sup>®</sup> (Carbon Audit) and GHG Protocol formats

In the interests of comparison and in an effort to understand the impact of transitioning from the *Bilan Carbone*<sup>®</sup> (Carbon Audit) to the GHG Protocol, below is a breakdown of emissions in fiscal year 2022/23 using both methodologies, reflecting emissions included in the current fiscal year.

	<i>Bilan Carbone</i> <sup>®</sup> 2022/23 emissions (tCO <sub>2</sub> e)	GHG Protocol market-based 2022/23 emissions (tCO <sub>2</sub> e)	Description of changes
Scope 1	31	80	Short-term rentals/leases are included in scope 3 of the <i>Bilan Carbone</i> <sup>®</sup> (Carbon Audit) and scope 1 of the GHG Protocol, increasing scope 1 under the new methodology.
Scope 2	277	238	The <i>Bilan Carbone</i> <sup>®</sup> (Carbon Audit) is location-based by default, while the new GHG Protocol market-based methodology estimates emissions from renewable contracts with lower factors (renewables) than the average mix of the relevant countries/locations.
Scope 3	5,418	5,362	It is important to note that the optional emissions under the GHG Protocol were included by default in the <i>Bilan Carbone</i> <sup>®</sup> (Carbon Audit).
<i>o/w business trips (excluding hotels)</i>	1,430	1,381	Same comment as on scope 1 (short-term rentals/leases).

	<b>Bilan Carbone® 2022/23 emissions (tCO<sub>2</sub>e)</b>	<b>GHG Protocol market-based 2022/23 emissions (tCO<sub>2</sub>e)</b>	<b>Description of changes</b>
<i>o/w commuting to work and remote working</i>	780	780	Emissions are identical when combining categories, but the GHG Protocol considers remote working emissions to be optional.
<i>o/w purchasing</i>	1,635	2,491	Cloud-based emissions were included in <i>other</i> indirect emissions under the <i>Bilan Carbone®</i> (Carbon Audit) methodology, and are now included in the purchases category of the GHG Protocol.
<i>o/w fixed assets</i>	665	665	This year, fixed assets are booked using the 'flow rate' convention, as preferred by the GHG Protocol (inclusion of purchases for the year on which emissions are not depreciated), also permitted under the <i>Bilan Carbone®</i> (Carbon Audit) method, and which was calculated in fiscal year 2022/23 using the <i>Bilan Carbone®</i> (Carbon Audit) method. However, there was a change in this category compared to previous years.
<b>Total</b>	<b>5,726</b>	<b>5,680</b>	

## 9. Appendices - Performance indicators

### 9.1. Progress of CSR objectives over the last four fiscal years

	<b>03/31/23</b>	<b>03/31/22</b>	<b>03/31/21</b>	<b>03/31/20</b>
NPS®	45	48	54	51
Projects completed using a responsible consulting approach	119	37	5	-
Engagement Index	74	70	-	-
Staff turnover rate	16%	18%	11%	14%
Representation of women in management (operational or senior positions)	35%	33%	31%	30%
Number of employees with disabilities	49 at 3/31/23	35 at 12/31/21	29 at 12/31/20	22 at 12/31/19
% of the firm's time devoted to supporting organizations with a civic mission	1.3%	1.0%	0.79%	0.53%
% of new employees trained in business ethics	96%	97%	84%	79%
Reduction of the firm's carbon footprint vs. 2019/20	51%	64% <sup>(1)</sup>	-	-
	Scopes 1 & 2 (in absolute terms from 2022/23)			
	Scope 3 (per employee)		-	-

(1) Reduction of emissions for scopes 1 and 2 and business trips before changes in scope linked to the SBTi's near-term and Net-Zero commitments, starting in 2022/23.



## 9.2. Workforce data

### Change in total workforce

	2022/23		2021/22		2020/21		2019/20	
	Number	%	Number	%	Number	%	Number	%
Total workforce	4,406	100.0%	3,732	100%	3,453	100%	3,498	100%
Permanent contracts	4,326	98.2%	3,674	98.4%	3,408	98.7%	3,408	97.4%
<i>o/w permanent contracts in France</i>	3,735	84.8%	3,251	88.9%	3,040	89.2%	,008	88.3%
Temporary contracts	80	1.8%	58	1.6%	45	1.3%	90	2.6%
<i>o/w fixed-term</i>	15	0.3%	22	0.6%	13	0.4%	15	0.4%
<i>o/w work-study contracts</i>	65	1.5%	36	1.0%	32	0.9%	75	2.2%

### Breakdown by gender

(% of total workforce)	03/31/23	03/31/22	03/31/21
Men	57.0%	58.7%	59.5%
Women	43.0%	41.3%	40.5%

### Breakdown for consultants

Men	60.9%	62.5%	63.2%
Women	39.1%	37.5%	36.8%

### Breakdown by age category

(% of total workforce)	03/31/23	03/31/22	03/31/21
18-25 years	20.3%	16.4%	13.5%
25-30 years	52.6%	49.9%	52.6%
30-50 years	21.2%	26.6%	27.4%
> 50 years	5.9%	7.1%	6.5%
<i>o/w over 55 years</i>	3.9%	4.2%	3.6%

### Average length of service

	2022/23	2021/22	2020/21
Firm total	4.1 years	4.5 years	4.7 years
Consultants	3.9 years	4.3 years	4.4 years

### Breakdown by geographic area

(% of total workforce)	03/31/23	03/31/22	03/31/21	03/31/20
Paris region	78.3%	80.3%	81.3%	80.8%
Regional offices	8%	8.3%	7.6%	7.3%
Nantes	3.0%	3.2%	3.0%	2.7%
Lyon	3.9%	3.9%	3.8%	3.8%
Marseille	1.1%	1.1%	0.9%	0.8%
Outside France	13.8%	11.4%	11.1%	11.9%



**Breakdown by job category**

<b>(% of total workforce)</b>	<b>03/31/23</b>	<b>03/31/22</b>	<b>03/31/21</b>
Consultants	3,816	3,250	3,053
% consultants	87%	87%	88,4%
Salespeople	138	131	116
% salespeople	3%	4%	3,4%
Back-office staff	452	351	284
% back-office staff	10%	9%	8,2%

**9.3. Details of new hires and departures**

**Breakdown of new consultants by type of diploma**

	<b>2022/23</b>	<b>2021/22</b>	<b>2020/21</b>
Business schools (%)	36%	32%	27,3%
Engineering schools (%)	33%	44%	53,2%
Universities (%)	23%	22%	19,5%

**Recruitment**

	<b>2022/23</b>		<b>2021/22</b>		<b>2020/21</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
<b>Total external hires (excluding internal transfers)</b>	<b>1,637</b>	<b>100%</b>	<b>1,151</b>	<b>100%</b>	<b>540</b>	<b>100%</b>
<i>o/w permanent employment contracts</i>	<i>1,568</i>	<i>95.8%</i>	<i>1,084</i>	<i>94.2%</i>	<i>501</i>	<i>92.8%</i>
<i>o/w temporary employment contracts:</i>						
- <i>o/w fixed-term</i>	69	4.2%	67	5.8%	39	7.2%
- <i>o/w skills-acquisition and work-study contracts</i>	13	0.8%	37	3.2%	21	3.9%
	56	3.4%	30	2.6%	18	3.3%

**Staff departures**

	<b>2022/23</b>		<b>2021/22</b>		<b>2020/21</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
<b>Departures (excluding internal transfers)</b>	<b>963</b>	<b>100%</b>	<b>872</b>	<b>100%</b>	<b>585</b>	<b>100%</b>
<i>o/w resignations</i>	<i>679</i>	<i>70.5%</i>	<i>649</i>	<i>74.4%</i>	<i>391</i>	<i>66.8%</i>
<i>o/w end of temporary employment contracts (fixed-term, skills-acquisition and work-study contracts)</i>						
	46	4.8%	53	6.1%	92	15.7%
<i>o/w terminations during trial periods</i>	195	20.2%	121	13.9%	68	11.6%
<i>o/w redundancies</i>	21	2.2%	28	3.2%	20	3.4%
<i>o/w employment contract terminated by mutual consent</i>	17	1.8%	7	0.8%	8	1.4%
<i>o/w constructive dismissal claims</i>	0	0%	0	0%	0	0%
<i>o/w retirements</i>	4	0.4%	12	1.4%	4	0.7%
<i>o/w deaths</i>	1	0.1%	2	0.2%	2	0.4%
<b>Departures of permanent employees</b>	<b>916</b>		<b>818</b>		<b>501</b>	



#### Staff turnover (%)

	2022/23	2021/22	2020/21
Staff turnover (%)	15,5%	17,6%	11,3%

### 9.4. Development of employee potential

#### Occupational accidents and illness

Scope France (excluding Metis)	2022/23	2021/22	2020/21
Number of occupational and commuting accidents	9	10	1
<i>o/w commuting accidents</i>	5	5	1
<i>o/w occupational accidents</i>	4	5	0
Number of occupational illnesses declared	0	0	0
Rate and frequency of occupational and commuting accidents <sup>(1)</sup>	0,00	1,0	0
Severity rate of occupational and commuting accidents <sup>(2)</sup>	0,04	0,01	0

(1) Number of accidents with leave per 1 million hours worked.

(2) Number of days lost due to an occupational accident per 1,000 hours worked.

	03/31/23	03/31/22	03/31/21
Proportion of sites that underwent a health and security risk assessment	100% of sites in France	100% of sites in France	100% of sites in France
Proportion of the total workforce represented by an occupational health and safety committee	89% (France workforce)	89% (France workforce)	89% (France workforce)
Proportion of the workforce covered by collective agreements on working conditions	89% (France workforce)	89% (France workforce)	89% (France workforce)

#### Time allocated to training

Sur l'exercice fiscal	Fiscal year 2022/23	Fiscal year 2021/22	Fiscal year 2020/21
Number of employees who attended at least one training course during the year	3,156	2,572	2,147
Percentage of employees who attended at least one training course during the year	72%	69%	62%
Number of training days provided during the year	8,543	7,356	4,739
Number of training hours provided during the year	59,773	52,643	33,163
Average number of training hours provided during the year per employee	19	20	15

#### Career development

	03/31/23	03/31/22	03/31/21
Proportion of employees who benefited from annual career reviews	100%	100%	100%

#### Internal transfers

Breakdown of internal transfers by type	2022/23		2021/22		2020/21	
	Number	%	Number	%	Number	%
Regional transfers	43	35.83%	53	50.5%	28	29%
Transfers between business lines	21	17.50%	28	26.7%	18	18%
Inter-practice transfers	56	46.67%	24	22.8%	51	53%
<b>Total</b>	<b>120</b>	<b>100%</b>	<b>105</b>	<b>100%</b>	<b>97</b>	<b>100%</b>

**9.5. Diversity and inclusion**

**Gender equality in the workplace**

	03/31/23	03/31/22	03/31/21
Representation of women in management <sup>(1)</sup>	35%	33%	31%

(1) Top managerial positions include senior and operations roles.

**Employment and inclusion of people with disabilities**

	Performance 03/31/23	Performance au 31/12/21	Performance au 31/12/20
Number of employees with disabilities	49	35	29

**9.6. Ethics and social commitment**

**Amount of donations and skills sponsorships**

<b>(in euros)</b>	03/31/23	03/31/22	03/31/21
Donations made by the Wavestone Foundation	336,061	115,929	-
Value of skills sponsorship	2,062,549	1,645,286	-
<b>Total</b>	<b>2,398,610</b>	<b>1,761,215</b>	-

**Business ethics**

	03/31/23	03/31/22	03/31/21
Percentage of employees trained in business ethics	96% of employees trained in business ethics	97% of employees trained in business ethics	84% of employees trained in tackling corruption
Number of cases reported	32	33	4
Number of eligible alerts	11	8	2









**Data protection**







<b>Excluding PEN Partnership and Coeus Consulting</b>	<b>03/31/23</b>	<b>03/31/22</b>	<b>03/31/21</b>
Percentage of employees trained in data protection	100% of new hires 100% of employees	100% of new hires 100% of employees	100% of new hires 86% of employees
Sites equipped with an ISO 27001-certified information security management system	Sites in France: Paris, Lyon, Marseille, Nantes	Sites in France: Paris, Lyon, Marseille, Nantes	Sites in France: Paris, Lyon, Marseille, Nantes

**Responsible relations with our suppliers**

	<b>03/31/23</b>	<b>03/31/22</b>	<b>03/31/21</b>
Proportion of suppliers assessed on their CSR performance	100% of suppliers that respond to a call for tenders	100% of suppliers that respond to a call for tenders	100% of suppliers that respond to a call for tenders

**9.7. Recap of CSR rankings and certifications for fiscal year 2022/23**

Label/Certification	Score
EthiFinance ESG Ratings	Score of 80/100 - Gold rating Fifth place among companies with revenue of between €150 million and €500 million TOP 5%
	
EcoVadis	Score of 78/100 Platinum level certification Top 1% of panel companies with the best CSR performance
	
Moody's	Score of 63/100 146 <sup>th</sup> place out of nearly 5,000 companies TOP 5%
	
Carbon Disclosure Project (CDP)	B- score
	
Great Place To Work®	1 <sup>st</sup> place for companies with 2,500+ employees in France 4 <sup>th</sup> place for mid-sized companies in Luxembourg Best Workplace Certification for all firm offices
	
Climate Fresk	Certification in February 2023
	

Label/Certification	Score
	<p>Overall score of 4.13/5, with a recommendation rate of 89.7%</p> <p>Ranked in Top 5 companies welcoming between 200 and 499 interns/trainees and work-study participants</p>
	<p>Overall score of 3.95/5, with a recommendation rate of 70%</p> <p>France: 7<sup>th</sup> place in companies with 1,500+ employees</p> <p>Switzerland: score of 4.25/5, with a recommendation rate of nearly 89%</p> <p>United Kingdom: score of 4.02/5, with a recommendation rate of nearly 74%</p>
	<p>14<sup>th</sup> place in a Best Employers ranking in France for 2023</p>
	<p>Certification in April 2023</p>
	<p>Certification renewed in February 2021 for three years</p>
	<p>Certification obtained each year in the UK</p>



## Board of Directors' report - Additional note

### Company results and other items in the last five years

(in thousands of euros)	03/31/19	03/31/20	03/31/21	03/31/22	03/31/23 <sup>(1)</sup>
<b>Capital at year-end</b>					
Share capital	505	505	505	505	505
Number of ordinary shares	20,196,492	20,196,492	20,196,492	20,196,492	20,196,492
<b>Operations and profit/(loss)</b>					
Revenue before tax	308,967	332,128	332,918	377,647	421,678
Profit/loss before tax, profit sharing, depreciation, amortization and provisions	49,525	50,037	46,956	46,829	57,880
Income tax	11,868	11,560	10,836	9,958	14,350
Employee profit sharing	4,162	3,896	4,201	5,799	8,006
Profit/loss after tax, profit sharing, depreciation, amortization and provisions	31,538	30,010	20,749	39,988	32,387
Distributed earnings	4,054	4,572	0,00	4,612	7,582
<b>Earnings per share</b>					
Profit/loss after tax, profit sharing, before depreciation, amortization and provisions	1.66	1.71	1.58	1.54	1.76
Profit/loss after tax, profit sharing, depreciation, amortization and provisions	1.56	1.49	1.03	1.97	1.60
Dividend paid (in euros)	0.23	0.00	0.00	0.23	0.38
<b>Personnel</b>					
Average headcount	1,942	2,059	2,139	2,251	2,666
Total payroll	107,294	115,126	125,379	130,910,	154,568
Social security and social welfare contributions	50,670	57,176	59,128	62,681	73,890

(1) Following the transfer of Wavestone Advisors' and Nomadéis' assets and liabilities to Wavestone SA, the figures presented at 03/31/23 correspond to the scope of Wavestone SA from 04/01/22 to 12/31/22, then to the scope after the transfer from 01/01/23 to 03/31/23.

## Trends

For a description of recent trends and the outlook for the Company, please refer to the “Board of Directors Report - General Report” in section [1](#) of this document.



# **CORPORATE GOVERNANCE REPORT**

# 02

**178** MANAGEMENT AND CONTROL OF THE COMPANY

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**194** CORPORATE OFFICER COMPENSATION

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**209** ADDITIONAL INFORMATION

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In accordance with article L.225-37 of the French Commercial Code, the Board of Directors will present its report on corporate governance to the Combined General Meeting of 07/27/23, including the information specified in articles L.22-10-9 to L.22-10-11, L.225-37-4 and L.225-197-1, II of the French Commercial Code.

For information, the Corporate Governance Report was approved by the Board of Directors at its Meeting on 05/31/23.

## Management and control of the Company

### 1. Presentation of the governance bodies

Wavestone was a *Société Anonyme* with a Management Board and Supervisory Board until 07/28/22.

As part of the *Impact* strategic plan, Wavestone decided to lay the foundations for its future development in terms of governance. At the Annual General Meeting on 07/28/22, shareholders were asked to approve a change in the corporate governance structure from a Management Board and Supervisory Board to a Board of Directors. The 10<sup>th</sup> resolution was adopted with 99.34% of votes in favor.

To align with best practices in corporate governance, the Board of Directors has appointed Marie-Ange Verdickt as its Lead Director, responsible for ensuring the proper functioning of the Board.

In the coming years, the Board of Directors will continue to structure Wavestone's management in order to begin a transition to a new management team as of 2025.

Once this transition is completed, the Company plans to return to a dual form of governance, separating the functions of Chairman and CEO.

The composition of the governing bodies for the fiscal year ended 03/31/23, is as follows:

#### Board of Directors

• Mr. Pascal Imbert	Chairman-Chief Executive Officer
• Mr. Patrick Hirigoyen	Chief Operating Officer
• Ms. Marie-Ange Verdickt	Lead Director
• FDCH (represented by Michel Dancoisne)	Director
• Ms. Sarah Lamigeon	Director
• Mr. Rafaël Vivier	Director
• Mr. Benjamin Clément	Director representing employees
• Mr. Christophe Aulnette	Director
• Ms. Véronique Beaumont	Director
• Ms. Marlène Ribeiro	Director
• Mr. Pierre Allard	Director representing employee shareholders
• Ms. Emilie Salas	Director representing employees

#### Audit Committee

• Ms. Marie-Ange Verdickt	Chairwoman of the Audit Committee
• Mr. Michel Dancoisne	Permanent representative of FDCH on the Audit Committee
• Ms. Véronique Beaumont	Member of the Audit Committee

#### Compensation and Nomination Committee

• Mr. Rafaël Vivier	Chairman of the Compensation and Nomination Committee
• Mr. Michel Dancoisne	Permanent representative of FDCH on the Compensation and Nomination Committee
• Mr. Benjamin Clément	Member of the Compensation and Nomination Committee
• Ms. Marlène Ribeiro	Member of the Compensation and Nomination Committee

#### CSR Committee

• Ms. Marlène Ribeiro	Chairwoman of the CSR Committee
• Ms. Marie-Ange Verdickt	Member of the CSR Committee
• Ms. Sarah Lamigeon	Member of the CSR Committee
• Mr. Rafaël Vivier	Member of the CSR 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</b>	<b>Other terms of office expired over the past five years</b>
Pascal Imbert	09/30/02	Annual	Chairman- Chief		Wavestone Belgium Director	Wavestone Consulting Switzerland Chairman and CEO
	09/26/08	General				
	07/28/14 (effective as of 09/26/14)	Meeting called to approve the financial statements	Executive Officer		Wavestone Advisors Morocco CEO	Xceed (2007) Inc. Director/ Chairman/ Treasurer
	07/28/20 (effective as of 09/26/20)	for the fiscal year ended				
	07/28/22 (change in governance)	03/31/26			Wavestone US Inc. Chairman	
					Xceed Group Ltd. Director/Chairman	
					Xceed Group (Holdings Ltd.) Director/Chairman	Wavestone Consulting UK Director/ Chairman
					WGroup India Chairman	Metis Consulting Chairman
					FIH CEO	WGroup Inc. President/ Chairman
					why innovation! PTE Director	
					why innovation! Ltd. Director	NewVantage Partners
					why academy! PTE Director	Member of the Board of Managers
					PEN Partnership Limited Director	Wavestone Advisors Chairman
					PEN Partnership GmbH Chairman and CEO	Nomadéis CEO
					Coeus Consulting International Ltd. Director	Axway Director
				Coeus Verwaltungs GmbH Managing Director		
				Coeus Consulting GmbH & Co. KG Managing Director		
				Coeus Consulting Ltd. Director		
				Theodo Member of the Advisory Board		
Patrick Hirigoyen	09/30/02	Annual	Chief Operating Officer		Wavestone Belgium Director	Wavestone Advisors CEO
	09/26/08	General				
	07/28/14 (effective as of 09/26/14)	Meeting called to approve the financial statements			Wavestone Luxembourg B-class Director	
	07/28/20 (effective as of 09/26/20)	for the fiscal year ended				
	07/28/22 (change in governance)	03/31/2026				



<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</b>	<b>Other terms of office expired over the past five years</b>	
<b>Michel Dancoisne, representing FDCH</b>	09/30/02	Annual	Permanent		FDCH		
	09/26/08	General Meeting	representative of		CEO		
	07/11/14 (Member of the Supervisory Board)	called to approve the financial statements	FDCH on the Board of Directors		FDCI		
	07/28/14 (Chairman of the Supervisory Board)	for the fiscal year ended 03/31/26	Permanent representative of FDCH on the Audit Committee		CEO		
	07/20/16 (Member of the Audit Committee)		Permanent representative of FDCH on the Compensation and Nomination Committee				
	03/05/18 (Member of the Compensation Committee)						
	07/26/18 (Chairman of the Supervisory Board)						
	07/28/22 (change in governance)						
	<b>Marie-Ange Verdickt</b>	09/26/12	Annual	Independent	Independent	<b>Interparfums</b> Director	<b>Bonduelle SCA</b> Member of the Supervisory Board
		07/20/16 (Member of the Supervisory Board)	General Meeting called to approve the financial statements	Lead Director	Advisor	<b>Bonduelle SA</b> Director	<b>ABC Arbitrage</b> Director
07/20/16 (Chairman of the Audit Committee)		for the fiscal year ended 03/31/24	Chairwoman of the Audit Committee			<b>Caphorn Invest</b> Member of the Supervisory Board	
03/05/18 (Member of the Compensation Committee)			Member of the CSR Committee				
07/26/18 (Vice-Chairwoman of the Supervisory Board)							
07/28/20 (Member of the Supervisory Board)							
07/28/20 (Vice-Chairman of the Supervisory Board)							
07/28/22 (change in governance)							

<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</b>	<b>Other terms of office expired over the past five years:</b>
Sarah Lamigeon	07/22/15	Annual	Director			
	09/16/19	General Meeting	Member of the CSR Committee			
	07/28/22 (change in governance)	called to approve the financial statements for the fiscal year ended 03/31/23	Communications Director			
Rafaël Vivier	07/22/15	Annual	Director	<b>Wit Associés</b>		
	07/20/16 (Member of the Audit Committee)	General Meeting called to approve the financial statements for the fiscal year ended 03/31/23	Chairment of the Compensation and Nomination Committee	Founding Partner		
	03/05/18 (Chairman of the Compensation Committee)		Member of the CSR Committee	<b>Consultor</b> CEO		
	09/16/19					
	07/28/22 (change in governance)					
Benjamin Clément	01/10/18	07/28/26	Director representing employees		Private business owned by individual (“ <i>auto-entrepreneur</i> ” status)	
	01/21/22		Deputy Communications Director			
	07/28/22 (change in governance)					
Christophe Aulnette	09/16/19	Annual	Director	<b>Arcadia Ventures SAS</b> Chairman	<b>Netgem SA</b> Director	<b>Netgem Singapore</b> Director
	07/28/22 (change in governance)	General Meeting called to approve the financial statements for the fiscal year ended 03/31/23			<b>Locarise Pte Ltd.</b> Board Director	<b>Netgem Australia</b> Director
					<b>Odigo</b> Chairman	<b>Netgem Mexico</b> Director
						<b>Netgem International</b> Chairman
						<b>Sixon Holding SA</b> Director
						<b>MBO Partenaires</b> Member of the Supervisory Board
						<b>Dathena Science Pte Ltd.</b> Executive Chairman



<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</b>	<b>Other terms of office expired over the past five years:</b>
<b>Véronique Beaumont</b>	07/27/21 07/28/22 (change in governance)	Annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/25	Director Member of the Audit Committee	<b>Iodrago SAS</b> <b>Chairwoman</b>	<b>L'escalator SAS</b> Head of Operations	<b>Publicis Sapient France</b> Chairwoman <b>Publicis Conseil</b> Director <b>SOCAH SAS</b> Director <b>QWAMPLIFY (ex-Custom Solutions)</b> Director
<b>Marlène Ribeiro</b>	07/27/21 07/28/22 (change in governance)	Annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/25	Director Member of the Compensation and Nomination Committee Chairwoman of the CSR Committee	<b>PageGroup France</b> Managing Director	<b>Michael Page France and PageGroup France</b> Member of the Executive Committee	
<b>Pierre Allard</b>	07/28/22	Annual General Meeting called to approve the financial statements for the fiscal year ended 03/31/26	Director representing employee shareholders Manager			
<b>Emilie Salas</b>	09/08/22	09/07/26	Director representing employees Financial Services Manager			

All corporate officers confirm 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 declare 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. Composition, preparation and organization of the work of the administrative and supervisory bodies

### 2.1. General organization of the management and control bodies

Wavestone was a *société anonyme* with a Management Board and Supervisory Board until 07/28/22.

As part of the *Impact* strategic plan, Wavestone decided to lay the foundations for its future development in terms of governance. At the Annual General Meeting on 07/28/22, shareholders were asked to approve a change in the corporate governance structure from a Management Board and Supervisory Board to a Board of Directors. The 10<sup>th</sup> resolution was adopted with 99.34% of votes in favor.

To align with best practices in corporate governance, the Board of Directors has appointed Marie-Ange Verdickt as its Lead Director, responsible for ensuring the proper functioning of the Board.

In the coming years, the Board of Directors will continue to structure Wavestone's management, in order to begin a transition to a new management team as of 2025.

Once this transition is completed, the Company plans to return to a dual form of governance, separating the functions of Chairman and CEO.

### 2.2. Composition of the management and control bodies at 03/31/23

#### Composition of the Board of Directors

The Board of Directors is comprised of the following members:

- Mr. Pascal Imbert: Chairman and Chief Executive Officer
- Mr. Patrick Hirigoyen: Chief Operating Officer
- Ms. Marie-Ange Verdickt: Independent Lead Director
- FDCH (represented by Michel Dancoisne): Director
- Ms. Sarah Lamigeon: Director
- Mr. Rafaël Vivier: Director
- Mr. Benjamin Clément: Director representing employees
- Mr. Christophe Aulnette: Director
- Ms. Véronique Beaumont: Director
- Ms. Marlène Ribeiro: Director
- Mr. Pierre Allard: Director representing employee shareholders
- Ms. Emilie Salas: Director representing employees

The directors have been chosen for their multidisciplinary skills and expertise, as shown by the biographies and matrix presented below.

#### Biographies of members of the Board of Directors

##### Pascal Imbert



Born on 08/12/58, Pascal Imbert is a graduate of *Ecole Polytechnique* and *Télécom ParisTech* (the Paris Institute of Science and Technology). He began his career in 1980 at the R&D division of the digital services company, *Télé systèmes* (now part of the Atos group), before joining *Cirel Systems*, a manufacturer of telecom 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, Chairman of the Supervisory Board. Since 07/28/22, he has been Chairman and CEO of Wavestone. Pascal Imbert was Chairman of *MiddleNext*, an association representing mid-cap listed companies in France, from 2010 to 2014.

##### Patrick Hirigoyen



Born on 08/06/1963, Patrick Hirigoyen holds an engineering degree from *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 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. Since 07/28/22, he has been Chief Operating Officer of Wavestone.

##### Michel Dancoisne



Born on 03/13/1947, Michel Dancoisne graduated from *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 *Télé systèmes*, 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 contributed to the creation of the *Questel* database server business at *Télé systèmes*, 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. Since 07/28/22, he has been FDCH's permanent representative on the Board of Directors.

### 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 worked at *Financière de l'Échiquier*, first as an equity fund manager specialized in French and European mid-cap stocks, and then as Director of Research and SRI (Socially Responsible Investment).

Marie-Ange Verdickt is currently a director of Interparfums and Bonduelle SA. In addition, she participates on the CSR Committee of Sopra-Steria and the Investment Committee of the *Fondation des Petits Frères des Pauvres*.

### 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, 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 as a consulting partner for the recruitment agency, Michael Page in Paris. In 2001, he moved to Masai, a consulting firm in cost optimization, initially as a consultant and then as a manager. In 2006, Rafaël joined the Roland Berger firm as an industry specialist, focusing on the automotive and aeronautical sectors. 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 02/24/1989, Benjamin Clément is a graduate of *Télécom Ecole de Management*. He joined Wavestone as a consultant in 2012. He held the position for four years, carrying out most of his assignments in the transport sector in Paris, Brussels and London. In 2016, he joined the Group's communications team and dedicated most of his time to improving Wavestone's image and reputation, before taking over responsibility for financial communications. Since 2022, he has been Deputy Director of Communications, tasked with developing *Thought Leadership*, i.e. better promoting Wavestone's experts and knowledge in the market, in line with the ambitions of the *Impact* strategic plan. He was appointed employee representative on the Board in January 2018 for an initial four-year term, renewed in 2022. Benjamin Clément is also a self-employed corporate and sports event organizer, working as a presenter and organizer for prestigious international institutions (NBA, UEFA, FIBA, IHF, etc.).

### Christophe Aulnette



Born on 12/17/61, a graduate of Telecom Paris, Christophe Aulnette has over 25 years' experience in the management and development of international technology companies. In 1988, he joined Microsoft in 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 annual revenue of over €1.2 billion. In March 2005, he was appointed Chairman of the Management Board of Altran Technologies, a listed company with 16,000 employees in Europe and annual revenue of €1.5 billion. He left his position at the end of 2006 after initiating a major transformation plan at the group. In early 2009, he joined Netgem, a Euronext-listed provider of Internet



TV 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 five 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.

**Véronique Beaumont**



Born on 06/28/1964, and a graduate of Enseeiht with a Master's from ISG, Véronique Beaumont, has more than 30 years' experience in digital transformation and the structuring of innovative fast-growing businesses. She began her career in 1988 at Sagem where she held various marketing and sales positions. In 1996, Véronique seized the opportunity to join Sema Group Consulting to develop her e-business practice at the European level. In 1999, she joined TBWA Interactive, 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 Business Interactif, an independent web agency, initially in Sales and then in Operations. 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. Her role was extended in 2013 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 the new company, which further expanded by acquiring Xebia in late-2018. In parallel, Véronique was appointed to the Publicis France Executive Committee. She left the Publicis Group in December 2020 to explore new opportunities. Since 2021, she has headed L'Escalator, an incubator whose ambition is to strengthen the diversity and inclusion of the startup ecosystem.

**Marlène Ribeiro**



Born on 11/01/1978, and a graduate of the Telecom SudParis engineering school, Marlène Ribeiro has more than 19 years' experience working in international consulting, auditing and recruitment firms. In 2002, she joined Deloitte France as Financial Information Systems Consultant and then moved to Ineum Consulting, the consulting spin-off of Deloitte France. In 2005, she joined the Michael Page recruitment agency, a PageGroup brand listed on the London stock market and part of the FTSE 250 index, 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, accelerating digitalization and innovation at the service of the business activity, sharing a corporate vision, updating the management culture, and strengthening employee commitment and CSR projects. Furthermore, Marlène Ribeiro plays an active role in diversity and inclusion through the Women@Page group for which she is currently the sponsor for PageGroup France. In January 2023, Marlène Ribeiro was appointed Managing Director of PageGroup France.

**Pierre Allard**



Born on 26/11/63, Pierre Allard has been committed to Wavestone's performance for 18 years. He began his career in 1986 as a computer engineer, before becoming project manager, organization and quality manager, and Director of the projects division for IT services and consulting firms. He joined Wavestone in 2005. Since then, he has helped manage transformation projects for large organizations such as SNCF, Enedis, the French Ministry of Ecological Transition, Sanofi, Macif, and Crédit Agricole. In 2016, he orchestrated the merger of the firm's expertise involved in relocation projects and overhauling working practices (real estate, employee services, digital, HR and change management), the origin of the New Ways of Working offering. He also plays a number of cross-functional roles within the firm: Chairman of the Supervisory Board of the Wavestone Actions FCPE since 2020, member of the Individual shareholders Consultative Committee, coordinator of Powerday in Lyon, elected to the Social and Economic



Committee, founder of Club Investissement, and, since 2022, Director representing employee shareholders. One of his core values is the attention paid to people. He embodies this in his relationships inside and outside the firm. He was also a member of the Board of Directors of ASCOME, an organization specializing in events. Since 2007, he has been President and Founder of an investors' association.

**Emilie Salas**



Born on 06/11/1986 and a graduate of EDHEC Business School, Emilie Salas joined Wavestone in 2012. Working initially as a consultant for information systems departments, she soon specialized in the transformation of marketing and digital departments in banking and insurance. She was appointed employee representative on the Board of Directors in September 2022.

**Terms of office and positions held**

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 section 1.1 “Terms of office and positions held by

corporate officers during the fiscal year ended and over the past five years” of this report.

**Duration of terms of office**

Directors are appointed for four-year terms.

**Obligation to hold Wavestone shares**

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 Board of Directors**

Meeting on 03/06/23, the Board of Directors reviewed the independence of all its members on the basis of the criteria defined by the Middlednext Corporate Governance Code published in September 2016. The director-independence qualification criteria set out in this Code stipulate the absence of any significant financial, contractual or family relationships likely to impair the independence of a board member's judgment.

The results of this review are provided in the table below:

Middlednext independence criteria	Not an employee or a corporate officer (either past or present)		Not a reference shareholder	No family ties with another corporate officer or reference shareholder	
	Not a major client, supplier or banker	Not a former auditor		Not a former auditor	Not a former auditor
Pascal Imbert	O	X	O	X	X
Patrick Hirigoyen	O	X	X	X	X
Marie-Ange Verdickt	X	X	X	X	X
Michel Dancoisne	O	X	O	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
Véronique Beaumont	X	X	X	X	X
Marlène Ribeiro	X	X	X	X	X
Pierre Allard	O	X	X	X	X
Emilie Salas	O	X	X	X	X

O: independence criterion not met; X: independence criterion met.

At its Meeting on 03/06/23, the Board of Directors, observed that it had five independent members (Marie-Ange Verdickt, Rafaël Vivier, Christophe Aulnette, Véronique Beaumont and Marlène Ribeiro), while specifying that the Middlednext Corporate Governance Code recommends at least two independent members on the Board.

The percentage of independent Board members is therefore 55% (with employee representative members or members representing employee shareholders not included, in line with standard issuer market practice).

**2.3. Information concerning the new members of the Board of Directors proposed for appointment at the Combined General Meeting of 07/27/23**

**Florence Didier-Noaro**



French national  
57 years old

**Main positions held outside the Company:**

Innwise - Founding Director

**Other terms of office and positions held:**

**Forsee Power** - Director, Chairwoman of the CSR Committee and member of the Audit Committee

**Groupe Bouchard** - Member of the Strategic Committee

**Blue like an Orange Sustainable Capital** - Member of the ESG Advisory Committee

**Sycomore Asset Management** - Member of the Mission Committee

**Other terms of office expired over the past five years:**

N/A

**Professional experience:**

A graduate of Neoma and Sciences Po Paris (EM), Florence Didier-Noaro began her career in financial auditing with Deloitte in 1989. In 2001, she became a partner at Deloitte France, in charge of French and international accounting standards, and then of public offering and accounting standards adoption projects (IFRS, US). In 2007, still with Deloitte, she became partner in charge of transformation projects for the finance function. In 2013, she joined the sustainable development audit and consulting business, which she headed from 2014 and in this capacity joined the Management Committee of the Enterprise Risk Services business in France. In 2017, she left Deloitte to pursue her sustainable strategy consulting activities, which she still pursues today (Innwise).

At the same time, Florence puts her skills in accounting and auditing, and in strategy and sustainable performance, to work for companies as a Board member.

**Number of Wavestone shares held:**

At 03/31/23, Florence Didier-Noaro did not hold any Wavestone shares.

**2.4. Diversity policy of the Board of Directors, its Committees, the Executive Committee and at each hierarchical level**

**Diversity policy within the Board of Directors and its Committees (Audit Committee, Compensation and Nomination Committee, and CSR Committee)**

Guided by the interests of the Company and its shareholders as a whole, the Board of Directors ensures that its composition and that of its Committees (Audit Committee, Compensation and Nomination Committee, CSR 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 Board of Directors 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 five men-excluding the employee representative member-and four women. The Board is thus in compliance with its legal obligations.

For the record, the employee representative members on the Board are a man and a woman, and the Audit Committee and the CSR Committee are chaired by a woman, respectively Marie-Ange Verdickt and Marlène Ribeiro.

- **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 notably cover the consulting and services market, financial and stock market strategy management in an expanding company, external growth, international development, human resources, CSR, and communication.

The Board of Directors also boasts expertise in investor relations thanks to the positions occupied by Sarah

Lamigeon and Benjamin Clément at Wavestone as well as the professional experience of Marie-Ange Verdickt.

Skills/experience	Pascal Imbert	Patrick Hirigoyen	Marie-Ange Verdickt	Michel Dancoisne	Sarah Lamigeon	Rafaël Vivier	Benjamin Clément	Christophe Aulnette	Véronique Beaumont	Marlène Ribeiro	Pierre Allard	Emilie Salas
Leadership/management	X	X		X	X	X		X	X	X		
Finance/audit	X		X	X					X		X	X
CSR/Human resources		X	X		X	X			X	X	X	
Consulting market	X	X		X		X	X		X	X	X	X
Corporate governance	X		X	X			X			X		
International	X							X	X			
External growth	X							X	X			
Digital/new technologies	X	X		X				X	X		X	X
Communication/shareholder relations	X	X	X	X	X		X	X				

• 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 Board of Directors and its Committees. The Board strives to maintain a balanced composition between members with historical knowledge of the Company and those who have recently joined. In fiscal year 2022/23, Board members ranged in age from 34 to 76, with an average age of 54.

**Diversity policy within the ExCom with regard to the balanced representation of women and men and a each hierarchical level**

The Board also ensures that the Management Board implements a non-discrimination and diversity policy, particularly 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, Wavestone's operating model gives extensive powers to the Executive Committee (ExCom), which is specifically responsible for establishing Group strategy. The ExCom is composed of key leaders from operations and functions representing all Wavestone teams, with an over-representation of Wavestone's international activities.

This governance body is now 37.5% female.

The Board also ensures, in accordance with the new recommendation of the Middelnext Code, that a policy aimed at the representation of diversity and the absence of discrimination is implemented within Wavestone at each level of the hierarchy.

## 2.5. Preparation and organization of work

### The functioning and work of the Board

The Board of Directors controls and manages the Company.

The Board of Directors may conduct as many audits and controls as it deems necessary, at any time during the year, and may request any document it considers necessary to fulfill its duties. Moreover, at any time during the course of business between its meetings, the Board of Directors may request any information considered pertinent, or even critical, notably in the form of financial analysis reports.

During the fiscal year ended 03/31/23, the Supervisory Board met twice, on 05/31/22 and 07/06/22, and the Board of Directors met five times, on 07/28/22, 09/12/22, 12/05/22, 01/27/23 and 03/06/23, with an attendance rate of 98%. The Board of Directors Meeting schedule is determined at each 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 Board Meeting agenda is always sent with the notice of Meeting. In addition, interim and full-year financial statements are communicated to the Board members for review approximately one week before the date of the Board Meeting. Social and Economic Committee representatives on the Board of Directors are invited to attend all Board meetings.

The Statutory Auditors are invited to Board of Directors meetings called to approve the Company's interim and annual financial statements. The items dealt with by the Board of Directors during the fiscal year ended 03/31/23 included:

- the review, verification and audit of the full-year company and consolidated financial statements;
- the review, verification and audit of the interim company and consolidated financial statements;

- the review of the results of the current share buy-back program and the review of the proposal for the next share buy-back program;
- the preparation of the Board of Directors' report on corporate governance;
- action plan/budget;
- the presentation of provisional management documents;
- the review of external growth and international development reports;
- the review of quarterly reports;
- corporate officer compensation;
- the change in Wavestone's legal governance;
- the review of the eligibility of Board members' independent status;
- the review of potential conflicts of interest;
- monitoring the replacement of executive directors;
- compliance with the Middelnext Corporate Governance Code (recommendations and points requiring vigilance);
- formalized structuring and monitoring of progress on the three-year training plan<sup>(1)</sup>;
- the amendment of the internal rules for the Board of Directors;
- the Company's policy with respect to equal pay and professional opportunities;
- the Company's Corporate Social Responsibility (CSR) strategy;
- the change in the constitution of the Committees;
- the analysis of internal control, risk management and internal-audit procedures in force at the Company;
- a formalized assessment of the Board's operations and work;
- a review of results of voting at ordinary general meetings, particularly minority-interest voting;
- the procedure for evaluating current agreements entered into under normal conditions;
- the renewal of a regulated agreement.

The Chief Financial Officer, or any other person, depending on the subject under discussion, may attend all or part of Board meetings, at the discretion of the directors.

The compensation of executive corporate officers is discussed in the absence of the Chairman and Chief Executive Officer and Chief Operating Officer.

Draft minutes of Board of Directors' meetings are sent to all members for approval before signature, which generally takes place at the next Board Meeting.

(1) The three-year training plan was reviewed at the Board of Directors Meeting on 03/06/23. A reminder of the skills set out in the training plan, as well as the individual progress of the plan (including training courses taken in 2022/23 and recognition of prior experience) for each Board member, were discussed at the Meeting, in accordance with recommendation 5 of the Middelnext Code on Board member training.

### Assessment of the functioning and work of the Board of Directors

The Board of Directors carries out an annual review of its operations and work, and a self-assessment every three years based on a detailed questionnaire. The most recent formal assessment was carried out by the Board of Directors on 03/07/22.

### Role of the Lead Director

To align with best practices in corporate governance, the Board of Directors has appointed Marie-Ange Verdickt as its Lead Director, responsible for ensuring the proper functioning of the Board. Marie-Ange Verdickt, an independent director, has held this position since 07/28/22.

The Lead Director has the following duties:

- to liaise between the independent directors and the other members of the Board and the Company's General Management, particularly on governance issues;
- to ensure that shareholders receive answers to their questions and suggestions regarding corporate governance, and to make themselves available to communicate with institutional shareholders and voting recommendation agencies at the Chairman's request, where necessary;
- to ensure that the Directors are in a position to perform their duties in the best possible conditions, and in particular that they are provided with a satisfactory level of information prior to Board meetings;
- to direct the assessment process for the Board's functioning;
- to prevent conflicts of interest. She is informed of any conflict of interest concerning a Board member and may initiate the matter herself where necessary;
- ensure compliance with the Board's internal rules.

During the year, the Lead Director organized an executive session without the presence of the executive corporate officers. The session focused on the following points:

- verification of compliance with the Middlesnext Governance Code;
- follow-up of the recommendations made in the previous self-assessment by the Supervisory Board on 03/07/22;
- new proposals to further improve the way the Board operates, in particular by strengthening the training program for directors, especially on CSR issues.

In May 2023, in preparation for the Annual General Meeting on 07/27/23, the Lead Director met with voting recommendation agencies and Wavestone shareholders to discuss governance and compensation policy issues.

### 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, now the Board of Directors.

The Audit Committee comprises three members, Marie-Ange Verdickt, Véronique Beaumont, and Michel Dancoisne.

It has been noted that Marie-Ange Verdickt and Véronique Beaumont meet the criteria of independence and competence in accounting and financial matters by virtue of their professional experience.

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 Board of Directors and is drawn up in accordance with applicable regulations; it also issues a recommendation to the 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 comply 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 Board of Directors meetings and are chaired by Marie-Ange Verdickt, Chairman of the Audit Committee and an independent member of the Board.

The Chief Financial Officer, the Head of Internal Audit, the Head of Internal Control, the Head of Information System Security or any other person, depending on the subject under discussion, may attend all or part of Audit Committee meetings, as decided by the members of the 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 General Management.

Minutes of each Audit Committee Meeting are drawn up and appended to the minutes of the Board of Directors Meeting tasked with examining their content.

During the year ended 03/31/23, the Audit Committee met four times, on 05/27/22, 10/11/22, 12/01/22 and 01/25/23, with an attendance rate of 100%.

At these meetings, the main points addressed by the Audit Committee included:

- the review and verification of the Company and consolidated financial statements for the fiscal year ended 03/31/23, presented and approved by the Board of Directors; examination of the Chief Financial Officer and Statutory Auditors reports;
- the review of additional reports and documents drafted by the Board of Directors for the Annual General Meeting;
- the review, verification and audit of the annual financial report prepared by the Board of Directors;
- the review of the Corporate Governance Report;

- the review of the audit plan presented by the Statutory Auditors;
- the review of Statutory Auditors' independence (note that the Statutory Auditors provided a service in addition to the certification of the financial statements, which consisted in certifying the leverage ratio as part of the financing agreement);
- 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 Board of Directors; the examination of the Chief Financial Officer and Statutory Auditors reports;
- the 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 at the Company; This point is the subject of a biannual review of the general framework of the system, ensuring its effectiveness, based in particular on risk mapping and reports on internal-audit assignments, and verifying the existence of appropriate procedures and control activities. In the event of failure or malfunction, the Audit Committee asks the Company to take the necessary corrective measures. During the year, the Audit Committee focused in particular on the staffing of internal-audit and internal control teams, information systems security, cash flow security, and processes relating to the Group's international expansion.

At its various meetings, the Board of Directors 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 is composed of four members: Marlène Ribeiro, Rafaël Vivier, Michel Dancoisne, and Benjamin Clément.

It was noted that Marlène Ribeiro and Rafaël Vivier meet the independence criteria.

Without prejudice to the powers of the Board of Directors, and under its responsibility, the Compensation and Nomination Committee's mission is to carry out an annual review and make recommendations and opinions, which it submits to the Board of Directors, with respect to the following items:

- studying and proposing to the Board of Directors all the items of compensation and benefits for executive corporate officers;

- the amount of the remuneration package for the Board of Directors to be submitted to the Annual General Meeting of shareholders and the distribution of this package among the members of the Board of Directors, and the remuneration of non-voting members;
- reviewing and proposing the appointment of new members to the Board of Directors.

Compensation and Nomination Committee meetings are held separately from Board of Directors meetings and are chaired by Rafaël Vivier, Chairman of the Compensation and Nomination Committee and independent member of the Board of Directors.

Minutes are drawn up of each Meeting of the Compensation and Nomination Committee and are communicated to each of the members of the said Committee.

During the year ended 03/31/23, the Compensation and Nomination Committee met three times, on 04/13/22, 05/25/22 and 03/28/23, with an attendance rate of 100%.

The main points addressed by the Compensation and Nomination Committee included:

- the approval of the amount and terms of allocation of compensation to be paid to members of the Board of Directors and the related Committees;
- work on the compensation of executive corporate officers;
- the compensation of executive corporate officers;
- the change in compensation of executive corporate officers over the medium term;
- the criteria for the allocation of the variable portion of executive corporate officers' compensation and the method for assessing the achievement of objectives;
- the change in compensation for members of the Board of Directors, the Audit Committee, the Compensation and Nomination Committee, and the CSR Committee;
- the review of the renewals of the terms of Christophe Aulnette and Rafaël Vivier, and the candidacy of Florence Didier-Noaro;
- work on the succession of the General Management.

### CSR Committee

Meeting on December 6, 2021, the Supervisory Board decided to create a CSR Committee with effect from April 1, 2022.

The CSR Committee has four members, Marlène Ribeiro, Sarah Lamigeon, Marie-Ange Verdickt, and Rafaël Vivier.

It was noted that Marlène Ribeiro, Marie-Ange Verdickt and Rafaël Vivier meet the independence criteria.

At its first Meeting on 05/13/22, the CSR Committee appointed Marlène Ribeiro as Chairman of the CSR Committee, who is an independent member.

Without prejudice to the powers of the Board of Directors, and under its responsibility, the CSR Committee has the following mission:

- to annually review progress on the implementation of the CSR strategy;
- to challenge the CSR strategy;
- to ensure compliance with obligations on non-financial information publications in a constantly changing regulatory environment;
- to prepare proposals and opinions that it communicates to the Board of Directors.

CSR Committee meetings are held separately from the Board of Directors and are chaired by the Chairman of the CSR Committee.

Minutes are taken of each Meeting of the CSR Committee and communicated to its members.

During the year ended 03/31/23, the CSR Committee met four times, on 05/13/22, 09/13/22, 11/25/22 and 02/17/23, with an attendance rate of 93.75%.

### Internal rules

New internal rules have been adopted following the change in governance and the adoption of a Board of Directors.

These rules aim to cover as comprehensively as possible the functioning of the Board and include the following categories:

**Role of the Board of Directors:**

- to perform its general role of exercising continuous controls;
- 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 Board of Directors and independence criteria for its members:**

- conditions for the appointment of Board members;
- employee and employee shareholder representative members;
- independence of Board members;
- lead Director.

**Duties of Board members:**

- loyalty and compliance with laws and the Articles of Association;
- secrecy;
- diligence;
- compliance with rules on trading in Company securities, including on insider information;
- disclosure of conflicts of interest and duty to abstain.

**Functioning of the Board of Directors, the Audit Committee, the Compensation and Nomination Committee and the CSR Committee:**

- frequency of Board meetings;
- convening Board members;
- informing Board members;
- the use of video-conferencing or other means of telecommunication;
- deliberations of the Board of Directors;
- decisions of the Board of Directors by written consultation;
- assessment of the work of the Board;
- Audit Committee:
- censors;
- Compensation and Nomination Committee;
- CSR Committee.

**Rules for determining the compensation of members of the Board of Directors, the Audit Committee, the Compensation and Nomination Committee, and the CSR Committee:**

- Board of Directors;
- Audit Committee;
- Compensation and Nomination Committee;
- CSR 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 Board of Directors adopted the Middelnext Corporate Governance Code for Small and Mid-Cap Companies published in December 2009, updated in September 2016 and September 2021. This Code is available on the Middelnext website at [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 Board of Directors reviews every year.

The Board of Directors has noted that Wavestone's corporate governance structure allows for the application of all the recommendations of the Middelnext Corporate Governance Code.



# Corporate officer compensation

## 1. Compensation paid to corporate officers in 2022/23, 2021/22 and 2020/21

### Summary table of gross compensation of corporate officers due for fiscal years 2022/23, 2021/22 and 2020/21

(in euros)	Gross annual compensation 2022/23			Gross annual compensation 2021/22			Gross annual compensation 2020/21					
	Fixed	Variable	Board and Committee compensation Total	Fixed	Variable	Board and Committee compensation Total	Fixed	Variable	Board and Committee compensation Total			
<b>Corporate officers</b>												
Pascal Imbert	211,286	34,786	246,072	205,132	69,048	274,180	199,157	100,972	300,129			
Patrick Hirigoyen	211,286	34,786	246,072	205,132	69,048	274,180	199,157	100,972	300,129			
Benefits-in-kind <sup>(1)</sup>	5,786		5,786	5,786		5,786	5,786		5,786			
<b>Board of Directors and Committee</b>												
Michel Dancoisne <sup>(2)</sup>	12,273		10,507	22,780	36,856	26,000	62,856	35,783	24,000	59,783		
Marie-Ange Verdickt <sup>(3)</sup>			52,651	52,651		34,667	34,667		32,000	32,000		
Jean-François Perret <sup>(4)</sup>			7,274	7,274		17,333	17,333		16,000	16,000		
Sarah Lamigeon <sup>(5)</sup>	94,042	11,338	22,500	127,880	93,075	13,723	13,000	119,798	89,637	15,536	12,000	117,173
Rafaël Vivier			36,375	36,375		30,333	30,333		27,100	27,100		
Benjamin Clément <sup>(5)</sup>	66,210		22,500	88,710	59,325	16,467	75,792	57,801	12,000	69,801		
Christophe Aulhette			13,714	13,714		12,133	12,133		12,000	12,000		
Marlène Ribeiro			37,500	37,500		8,833	8,833		8,833	8,833		
Véronique Beaumont			25,000	25,000		8,833	8,833		8,833	8,833		
Pierre Allard <sup>(5)(6)</sup>	89,464	9,399	10,151	109,014								
Emilie Salas <sup>(5)(7)</sup>	65,739	8,217	8,260	82,217								
FDCH <sup>(8)</sup>			21,993	21,993								

(1) Patrick Hirigoyen benefits from unemployment insurance for company directors and managers, the contributions of which are paid by the Company. The contributions thus paid are reintegrated into Patrick Hirigoyen's compensation as benefits in kind.

(2) Michel Dancoisne receives a fixed compensation for his mandate as Chairman of the Supervisory Board. As a reminder, the Annual General Meeting of 07/28/22, approved the change in governance and the creation of a Board of Directors. Compensation takes into account a prorata temporis until the AGM of 07/28/22, and was paid over the 2022/23 financial year.

(3) Meeting on 07/28/22, the Board of Directors appointed Marie-Ange Verdickt as Lead Director. Total compensation includes the additional compensation of the Lead Director, set at €15,000.

(4) Jean-François Perret's term of office expired at the Annual General Meeting of 07/28/22, and was not renewed. Compensation takes into account a prorata temporis until the AGM of 07/28/22, and was paid over the 2022/23 financial year.

(5) For Sarah Lamigeon, Emilie Salas, Pierre Allard, and Benjamin Clément, the table includes their compensation as Directors, and their compensation under their Wavestone employment contract. As regards their variable compensation, the amount shown in the table is the amount provisioned at 03/31/23.

(6) As a reminder, since the Annual General Meeting of 07/28/22, Pierre Allard has been appointed as a Director for a four-year term. Compensation is prorated from this date.

(7) Emilie Salas was appointed by the SEC on September 12, 2022, for a four-year term. Compensation is prorated from this date.

(8) As a reminder, since the Annual General Meeting of 07/28/22, FDCH has been appointed as a Director for a four-year term. Michel Dancoisne has been appointed as the permanent representative of FDCH. Compensation is prorated from this date.

It is specified that Wavestone's executives and corporate officers do not receive any remuneration from FIH (Pascal Imbert's family holding company) or FDCH (Michel Dancoisne's family holding company).

None of Wavestone's executive directors or corporate officers received any compensation other than that listed in the summary table above, nor do any of them benefit from a complementary mechanism (severance or arrival bonus mechanism or deferred compensation relating to the termination of or change in duties for Wavestone corporate officers, or specific supplementary pension plans).

The following tables, prepared in accordance with AMF recommendations, provide all the information required by regulation.

**Gross compensation, options and shares granted to executive corporate officers (Table 1 of the AMF recommendations)**

In euros	Gross annual compensation 2022/23	Gross annual compensation 2021/22	Gross annual compensation 2020/21
	Amounts due	Amounts due	Amounts due
<b>Pascal Imbert, Chairman - CEO</b>			
Compensation due for the fiscal year	246,072	274,180	300,129
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 allocated during the fiscal year	n/a	n/a	n/a
<b>Total</b>	<b>246,072</b>	<b>274,180</b>	<b>300,129</b>
<b>Patrick Hirigoyen, Chief Operating Officer</b>			
Compensation due for the fiscal year	251,858	279,966	305,915
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 allocated during the fiscal year	n/a	n/a	n/a
<b>Total</b>	<b>251,858</b>	<b>279,966</b>	<b>305,915</b>

**Gross compensation paid to each executive corporate officer (Table 2 of the AMF recommendations)**

In euros	Gross annual compensation 2022/23		Gross annual compensation 2021/22		Gross annual compensation 2020/21	
	Amounts paid out	Amounts due	Amounts paid out	Amounts due	Amounts paid out	Amounts due
<b>Pascal Imbert, Chairman - CEO</b>						
Fixed compensation	211,286	211,286	205,132	205,132	199,157	199,157
Variable compensation	69,048	34,786	100,972	69,048	0	100,972
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
Board and Committee compensation	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>280,334</b>	<b>246,072</b>	<b>306,104</b>	<b>274,180</b>	<b>199,157</b>	<b>300,129</b>
<b>Patrick Hirigoyen, Chief Operating Officer</b>						
Fixed compensation	211,286	211,286	205,132	205,132	196,818 <sup>(1)</sup>	199,157
Variable compensation	69,048	34,786	100,972	69,048	0	100,972
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
Board and Committee compensation	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>286,120</b>	<b>251,858</b>	<b>311,890</b>	<b>279,966</b>	<b>202,604</b>	<b>305,915</b>

(1) Following two material errors in the 2018/19 and 2019/20 fiscal years that led to an overestimation of the variable component paid in the amount of €2,339, an adjustment of this same amount was made to Patrick Hirigoyen's fixed component on the May 2020 salary.

(2) Patrick Hirigoyen benefits from unemployment insurance for company directors and managers, the contributions of which are paid by the Company. The contributions thus paid are reintegrated into Patrick Hirigoyen's compensation as benefits in kind.



**Compensation paid to non-executive corporate officers (Table 3 of the AMF recommendations)**

	Amounts paid for the fiscal year 2022/23	Amounts paid for the fiscal year 2021/22	Amounts paid for the fiscal year 2020/21
<b>Michel Dancoisne</b>			
Board and Committee compensation	36,507	24,000	18,000
Other compensation	12,273	36,856	35,783
<b>Marie-Ange Verdickt</b>			
Board and Committee compensation	34,667	32,000	24,000
Other compensation	n/a	n/a	n/a
<b>Jean-François Perret</b>			
Board and Committee compensation	24,607	16,000	12,000
Other compensation	n/a	n/a	n/a
<b>Sarah Lamigeon</b>			
Board and Committee compensation	13,000	12,000	9,000
Other compensation	104,324	110,505	94,487
<b>Rafaël Vivier</b>			
Board and Committee compensation	30,333	27,100	21,000
Other compensation	n/a	n/a	n/a
<b>Benjamin Clément</b>			
Board and Committee compensation	16,467	12,000	9,000
Other compensation	66,210	59,325	57,801
<b>Christophe Aulnette</b>			
Board and Committee compensation	12,133	12,000	4,844
Other compensation	n/a	n/a	n/a
<b>Marlène Ribeiro</b>			
Board and Committee compensation	8,833	n/a	n/a
Other compensation	n/a	n/a	n/a
<b>Véronique Beaumont</b>			
Board and Committee compensation	8,833	n/a	n/a
Other compensation	n/a	n/a	n/a
<b>Emilie Salas</b>			
Board and Committee compensation	n/a	n/a	n/a
Other compensation	75,672	n/a	n/a
<b>Pierre Allard</b>			
Board and Committee compensation	n/a	n/a	n/a
Other compensation	97,206	n/a	n/a
<b>FDCH</b>			
Board and Committee compensation	n/a	n/a	n/a
Other compensation	n/a	n/a	n/a
<b>Total</b>	<b>541,065</b>	<b>341,786</b>	<b>285,916</b>

**Allocation of vested shares (Table 7 of the AMF recommendations)**

Shares allocated free of charge that have become available to each corporate officer	Number and date of definitive allocation of plan	Number of shares that became available during the year	Acquisition condition <sup>(1)</sup>
None		0	
<b>Total</b>		<b>0</b>	

(1) Performance and attendance conditions.



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

<b>Information on free shares granted</b>	<b>Plan dated 09/15/06</b>	<b>Plan Dirigeants no. 5</b>	<b>Plan Dirigeants no. 7</b>	<b>Plan Dirigeants no. 10</b>	<b>OneFirm Share Plan</b>	<b>Key People Plan no. 13<sup>(1)</sup></b>
Date of Meeting	30/09/05	25/09/09	28/09/11	25/09/13	07/22/15	07/20/16
Date of Management Board Meeting	15/09/06	15/10/10	02/07/12	01/07/15	28/01/16	02/07/18
Total number of free shares granted Of which the number assigned to corporate officers:	27,840	45,540	7,499	13,160	111,136	71,036
Patrick Hirigoyen	9,280	7,590	0	2,632	736	11,836
Sarah Lamigeon	0	0	7,499	0	736	0
Date of acquisition of shares	15/09/09	15/07/13	02/07/15	01/07/18	28/06/18	07/02/21
End date of holding period	15/09/11	15/07/15	02/07/17	07/01/20	28/06/18	07/02/21
Number of shares subscribed at 03/31/23	27,840	37,950	7,499	13,160	87,346	65,116
Cumulative number of shares cancelled or lapsed	0	7,590	0	0	23,790	5,920
Number of free shares allocated and still to be acquired at 03/31/23	0	0	0	0	0	0

(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 officers</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 Chairman - CEO		X		X		X		X
Patrick Hirigoyen Chief Operating Officer <sup>(1)</sup>		X		X		X		X

(1) As a reminder, Patrick Hirigoyen's employment contract was suspended with effect from 04/01/17.

**Other tables of AMF recommendations not applicable**

In accordance with AMF recommendations, the following information is not applicable to Wavestone for the 2022/23 fiscal year:

- subscription or purchase options granted during the year to each executive corporate officer 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 each executive corporate officer (Table 5 of the AMF recommendations);
- performance shares allocated to each corporate officer (Table 6 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, 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 the termination of their functions, within the context of each plan implemented by Wavestone in which these corporate officers would qualify as beneficiaries as a 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
Mr. Patrick Hirigoyen	04/04/22	Sale	1,500	€45.9765
Mr. Patrick Hirigoyen	07/29/22	Sale	1,000	€50.6672
Mr. Rafaël Vivier	08/04/22	Sale	1,000	€51.8180
Mr. Pierre Allard	11/04/22	Acquisition	237	€41.8500
Mr. Patrick Hirigoyen	11/08/22	Sale	1,500	€42.4448
Mr. Patrick Hirigoyen	12/20/22	Sale	1,000	€41.7050
Mr. Patrick Hirigoyen	02/06/23	Sale	1,700	€48.0722
Mr. Patrick Hirigoyen	02/07/23	Sale	1,500	€48.6261
Mr. Pierre Allard	02/08/23	Sale	470	€49.9500

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

As an introduction and general reminder concerning the 2022/23 compensation policy for executive directors and corporate officers approved at the Combined General Meeting of 07/28/22:

- for Michel Dancoisne, Chairman of the Supervisory Board until 07/28/22, the Combined General Meeting of 07/28/22 approved a fixed annual gross compensation of €37,962. In view of the change in governance, Michel Dancoisne's compensation is calculated on a prorata basis until the Combined General Meeting of 07/28/22.;
- with regard to Pascal Imbert and Patrick Hirigoyen, members of the Executive Board until 07/28/22 and Chairman and Chief Executive Officer and Chief Operating Officer respectively from that date, the principles governing their compensation were as follows;
  - fixed annual gross compensation of €211,286;
  - variable compensation made up of a bonus. This bonus is calculated based on a target gross bonus of €88,740, i.e. 42% of the fixed portion, to which two performance

indices are applied, multiplied by each other: the collective performance index (CPI) and the individual performance index (IPI). Bonus = Target bonus \* [IPI] \* [IPC];

- > the collective performance index is equal to 100% for EBIT equal to budgeted EBIT, measured on a scope excluding acquisitions made during the year. It can vary linearly from 0% to 130%, depending on the difference between actual EBIT and budgeted EBIT, as determined at the beginning of the year by the Board of Directors. For confidentiality reasons, the budget target as well as the variation formula are not communicated;
- > the individual performance indicator (IPI) is reviewed by the Board of Directors on the recommendation of the Compensation and Nomination Committee. It is based 20% on the assessment of CSR criteria, with the same weighting given to each of the nine indicators measured in the non-financial scorecard published in the statement of non-financial performance. The remaining 80% is the result of a multi-criteria evaluation based on an assessment of the key business indicators usually published by the Group, an assessment of the trend in the realization of the *Impact* medium-term strategic plan, and an assessment of the realization of

key projects for the 2022/23 financial year, as well as the ability to take into account issues linked to the economic climate. This individual performance index can vary from 0% to 100%. It is set by the Board of Directors based on an assessment by the Compensation and Nomination Committee;

- > this combination of collective and individual performance indicators reflects the compensation policy implemented throughout the firm;

- compensation for members of the Supervisory Board and then the Board of Directors is set within an overall envelope of €271,000, calculated on the basis of membership of certain Committees and attendance at Supervisory Board and then Board of Directors and Committee meetings.

**3.1. Consultation on the compensation items paid or allocated during the 2022/23 fiscal year (“say-on-pay” ex-post vote – Resolutions 6 to 8 of the AGM on 07/27/23)**

The information in this paragraph relative to the compensation of Wavestone corporate 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, is subject to the approval of the Combined Ordinary and Extraordinary General Meeting of 07/27/23 and votes on resolutions 6,7 and 8.

**Compensation paid during fiscal year 2022/23 or allocated for this fiscal year to members of the Board of Directors**

A total amount of €268,425, within the limits of the €271,000 voted by the General Meeting of shareholders on 07/28/22, allocated for the 2022/23 fiscal year, will be paid to members of the Board of Directors.

Refer to paragraph 2.5 “Preparation and organization of work” for the number of Board and Committee meetings and attendance rates.

<b>Members of the Board of Directors</b>	<b>Compensation due for fiscal year 2022/23</b> 7 Board meetings 11 Committee meetings	<b>Compensation due for fiscal year 2021/22</b> 9 Board meetings 6 Committee meetings
Michel Dancoisne <sup>(1)</sup>	€10,507	€26,000
Marie-Ange Verdickt <sup>(2)</sup>	€52,651	€34,667
Jean-François Perret <sup>(3)</sup>	€7,274	€17,333
Sarah Lamigeon	€22,500	€13,000
Rafaël Vivier	€36,375	€30,333
Benjamin Clément	€22,500	€16,467
Christophe Aulnette	€13,714	€12,133
Véronique Beaumont	€25,000	€8,833
Marlène Ribeiro	€37,500	€8,833
FDCH <sup>(4)</sup>	€21,993	n/a
Pierre Allard <sup>(5)</sup>	€10,151	n/a
Emilie Salas <sup>(6)</sup>	€8,260	n/a

(1) Michel Dancoisne's term of office expired at the Annual General Meeting of 07/28/22, and was not renewed. As part of the change in corporate governance, Michel Dancoisne now sits on the Board of Directors as the permanent representative of FDCH. The compensation package due takes into account a prorata temporis until the AGM of 07/28/22, and was paid in respect of the 2022/23 financial year. It should also be noted that Michel Dancoisne receives compensation for his duties as Chairman of the Supervisory Board (see table below).

(2) Meeting on 07/28/22, the Board of Directors appointed Marie-Ange Verdickt as Lead Director. Total compensation includes the additional compensation of the Lead Director, set at €15,000.

(3) Jean-François Perret's term of office expired at the Annual General Meeting of 07/28/22, and was not renewed. The compensation package due takes into account a prorata temporis until the AGM of 07/28/22, and was paid in respect of the 2022/23 financial year.

(4) FDCH's term of office began at the Annual General Meeting on 07/28/22. The proposed compensation package takes into account the prorata temporis nature of its compensation as from the AGM of 07/28/22.

(5) Pierre Allard's term of office began at the Annual General Meeting of 07/28/22. The proposed compensation package takes into account the prorata temporis nature of his compensation as from the AGM of 07/28/22.

(6) Emilie Salas' term of office began on 09/12/22, after nomination by the CSE. The proposed compensation package takes into account the prorata temporis nature of her compensation as of 09/12/22.



**Items of compensation paid or granted to Pascal Imbert, Chairman and CEO, in respect of the 2022/23 fiscal year**

<b>Items of compensation paid or granted in respect of the 2022/23 fiscal year</b>	<b>Amount or book value submitted to vote</b>	<b>Description</b>
Fixed compensation	€211,286	Meeting on 05/31/22, the Supervisory Board, acting on the recommendation of the Compensation and Nomination Committee, set Pascal Imbert's fixed gross compensation for fiscal year 2022/23 at €211,286.
Variable compensation paid in 2022/23, in respect of the 2021/22 fiscal year	€69,048	The target-based variable portion for the 2021/22 fiscal year was €82,053. Based on the proposal of the Compensation and Nomination Committee, and in accordance with the rules for calculating variable compensation, the amount granted was €69,048.
Variable compensation due in respect of the 2022/23 fiscal year, to be paid in 2023/24	€34,786	The target-based variable portion for the 2022/23 fiscal year was €88,740. Based on the proposal of the Compensation and Nomination Committee, and in accordance with the rules for calculating variable compensation, the initial amount granted is €52,246 (IPI of 75%). This is reduced to €34,786, i.e. an IPI of 50% (see explanations below).

Based on the financial statements for the year ended 03/31/23, the collective performance indicator (CPI) stands at 78.4%.

On the proposal of the Compensation and Nomination Committee, the Board of Directors also calculated an Individual Performance Index of 75.55%, rounded to 75% in order to comply with Wavestone practices. This result is the consequence of:

- the achievement of seven out of the nine CSR criteria as published in the statement of non-financial performance, i.e. 77.77%. CSR criteria count for 20% in the determination of the individual performance indicator (IPI), the performance is thus 15.55%;
- achieving an average of 75% of the various targets set as part of the Impact strategic plan, the key projects for fiscal 2022/23, and the business indicators usually published by the Group. This multi-criteria evaluation accounts for 80% of the IPI, giving a performance of 60%.

For reasons of consistency, and to align with Wavestone's ExCom, Pascal Imbert decided to waive part of his bonus, reducing his IPI to 50%. The Board of Directors welcomed this proposal and took note of it.

Lastly, the Board of Directors noted the following points, brought to its attention by the Compensation and Nomination Committee:

- as the calculation of the collective performance indicator (CPI) is the same for all employees of the firm, the variable compensation presented in the table below is consistent with the variable compensation paid to other Wavestone employees in respect of fiscal 2022/23;
- 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, Chief Operating Officer, in respect of the 2022/23 fiscal year**

<b>Items of compensation paid or granted in respect of the 2022/23 fiscal year</b>	<b>Amount or book value submitted to vote</b>	<b>Description</b>
Fixed compensation	€211,286	Meeting on 05/31/22, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, set Patrick Hirigoyen's fixed compensation for fiscal 2022/23 at €211,286 gross.
Variable compensation paid in 2022/23, in respect of the 2021/22 fiscal year	€69,048	The target-based variable portion for the 2021/22 fiscal year was €82,053. Based on the proposal of the Compensation and Nomination Committee, and in accordance with the rules for calculating variable compensation, the amount granted was €69,048.
Variable compensation due in respect of the 2022/23 fiscal year, to be paid in 2023/24	€34,786	The target-based variable portion for the 2022/23 fiscal year was €88,740. Based on the proposal of the Compensation and Nomination Committee, and in accordance with the rules for calculating variable compensation, the initial amount granted is €52,246 (IPI of 75%). This is reduced to €34,786, i.e. an IPI of 50% (see explanations below).
Value of benefits of all kinds	€5,786	Unemployment insurance for company directors and officers, whose contributions are paid by the Company. The contributions thus paid are reintegrated into Patrick Hirigoyen's compensation as benefits in kind.

Based on the financial statements for the year ended 03/31/23, the collective performance indicator (CPI) stands at 78.4%.

On the proposal of the Compensation and Nomination Committee, the Board of Directors also calculated an Individual Performance Index of 75.55%, rounded to 75% in order to comply with Wavestone practices. This result is the consequence of:

- the achievement of seven out of the nine CSR criteria as published in the statement of non-financial performance, i.e. 77.77%. CSR criteria count for 20% in the determination of the individual performance indicator (IPI), the performance is thus 15.55%;
- achieving an average of 75% of the various targets set as part of the Impact strategic plan, the key projects for the 2022/23 fiscal year, and the business indicators usually published by the Group. This multi-criteria evaluation accounts for 80% of the IPI, giving a performance of 60%.

For reasons of consistency, and to align with Wavestone's ExCom, Patrick Hirigoyen decided to waive part of his bonus, reducing his IPI to 50%. The Board of Directors welcomed this proposal and took note of it.

Lastly, the Board of Directors noted the following points, brought to its attention by the Compensation and Nomination Committee:

- as the calculation of the collective performance indicator (CPI) is the same for all employees of the firm, the variable compensation presented in the table below is consistent with the variable compensation paid to other Wavestone employees in respect of fiscal 2022/23;
- 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 Patrick Hirigoyen's employment contract would be taken into consideration when calculating 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 2022/23 fiscal year**

<b>Items of compensation paid or granted in respect of year closed</b>	<b>Amount or book value submitted to vote</b>	<b>Description</b>
Fixed compensation	€12,273	Meeting on 05/31/22, the Supervisory Board, acting on the recommendation of the Compensation and Nomination Committee, set Michel Dancoisne's fixed compensation for fiscal 2022/23 at €37,962 gross.  As a reminder, the Annual General Meeting of 07/28/22, approved a change of governance and the creation of a Board of Directors. The amount due to Michel Dancoisne is therefore calculated prorata temporis over the period 04/01/22 - 07/28/22, and amounts to €12,273.
Board and Committee compensation	Compensation paid in 2022/23 in respect of 2021/22: €26,000  Compensation due in respect of the 2022/23 financial year paid over the 2022/23 financial year: €10,507	As a reminder, since the Annual General Meeting of 07/28/22, FDCH has been appointed as a Director for a four-year term. Michel Dancoisne has been appointed as permanent representative of this company and therefore no longer sits on the Board as an individual. The compensation of €10,507 relating to Board and Committee membership due in respect of the 2022/23 fiscal year, and paid over the 2022/23 fiscal year, is therefore calculated prorata temporis over the period from 04/01/22, to 07/28/22.

Michel Dancoisne does not receive any compensation or benefits other than the amounts shown in the table.

**Compliance with the ex ante say-on-pay compensation policy approved by the Annual General Meeting of 07/28/22**

The fixed compensation paid to the Chairman and Chief Executive Officer and the Chief Operating Officer during fiscal 2022/23 is strictly identical to that approved at the Combined General Meeting of 07/28/22.

The amount of variable compensation for the Chairman and Chief Executive Officer and the Chief Operating Officer in respect of fiscal 2022/23 proposed to the Combined General Meeting of 07/27/23, is in line with the previously approved policy. As a reminder, the target share was set at €88,740. The Board of Directors is asking the Combined General Meeting of 07/27/23, to approve a total of €34,786 for both the Chairman and Chief Executive Officer and the Chief Operating Officer. This amount was determined upon the recommendations of the Compensation and Nomination Committee in line with the criteria defined in the ex ante say-on-pay policy approved by the Combined General Meeting of 07/28/22.

The compensation of the Chairman of the Supervisory Board paid during 2022/23 is strictly identical to that approved by the Combined General Meeting on 07/28/22. As a reminder, in view of the change in governance, Michel Dancoisne's compensation is calculated on a prorata basis through to the Combined General Meeting of 07/28/22.

Compensation attributed to members of the Board of Directors and Committees in respect of fiscal 2022/23 totaled €268,425, in line with the €271,000 budget approved.

**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, the multiples between the level of compensation 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, over the past five 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 representing 86.3% of the overall headcount.

Wavestone Advisors SAS (formerly Kurt Salmon France, acquired on January 7, 2016) and Nomadéis (acquired on 04/05/22) were transferred to Wavestone SA on 12/31/22. Their data are therefore merged with those of Wavestone SA for the purposes of calculations for fiscal 2022/23.

Metis Consulting and M3G were transferred to Wavestone SA on 12/31/2021. Their data are therefore merged with those of Wavestone SA for the purposes of calculations for fiscal 2021/22.

Starting in fiscal 2017/18, the data includes Wavestone and Wavestone Advisors in view of 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 homogeneous treatment between the two companies (switch to joint ERP tools on 04/01/20).

**Calculation base**

Total compensation includes:

- for the Chairman-Chief Executive Officer and the Chief Operating Officer: (i) their variable compensation (bonus), (ii) their fixed compensation relating to the corporate office held in the Company, (iii) benefits in kind paid (iv) free share allocation plans (for Patrick Hirigoyen, definitive allocation), (v) for Patrick Hirigoyen, profit sharing;
- 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, (iii) his compensation relative to corporate governance duties (previously attendance fees), (iv) his profit sharing;
- for employees: (i) fixed compensation, (ii) variable compensation (bonuses), (iii) free share allocation plans (definitive allocation), (iv) profit sharing.

Regarding the bonus amounts for fiscal 2022/23 used in the calculation of total compensation, these are bonuses covered by provisions in the accounts to end-March 2023 since the 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 2021/22 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 into the compensation of Patrick Hirigoyen and employees.

With regard to the compensation paid to the Chairman of the Supervisory Board, the Chairman and Chief Executive Officer, and the Chief Operating Officer, the compensation taken into account for the 2022/23 financial year is that which will be subject to an “ex-post” say-on-pay vote at the Combined General Meeting on 07/27/23 (see 3.1 above “Consultation on compensation paid or due during the 2022/23 financial year (ex-post say-on-pay vote - resolutions 6 to 8 of the AGM of 07/27/23)”).



		2022/23	2021/22	2020/21	2019/20	2018/19
<b>Pascal Imbert</b> Chairman-Chief Executive Officer	Total compensation	€246,072	€274,180	€300,129	€199,157	€227,459
	Multiple of average compensation	4.34	4.73	5.08	3.50	3.87
	Multiple of median compensation	5.02	5.59	6.27	4.30	4.88
	Multiple of the minimum wage <sup>(2)</sup>	12.27	14.50	16.21	10.88	12.60
<b>Patrick Hirigoyen</b> Chief Operating Officer	Total compensation	€251,858	€279,966	€305,915	€204,943	€233,245
	Free share allocation plan now definitive	-	€506,581	-	-	€450,200
	Multiple of average compensation	4.44	13.56	5.18	3.60	11.64
	Multiple of median compensation	5.14	16.04	6.39	4.43	14.65
	Multiple of the minimum wage <sup>(2)</sup>	12.55	41.60	16.52	11.19	37.86
<b>Michel Dancoisne</b> <sup>(1)</sup> Chairman of the Supervisory Board	Total compensation	€22,780	€62,856	€59,783	€53,783	€59,429
	Free share allocation plan now definitive	-	-	-	-	€1,432
	Multiple of average compensation	0.40	1.08	1.01	0.94	1.04
	Multiple of median compensation	0.47	1.28	1.25	1.15	1.30
	Multiple of the minimum wage <sup>(2)</sup>	1.14	3.32	3.23	2.94	3.37
<b>Wavestone performance</b>	EBIT	€77,042k	€74,805k	€53,275k	€55,700k	€55,243k
	EBIT margin	14.5%	15.9%	12.8%	13.2%	14.1%

(1) As a reminder, the Annual General Meeting of 07/28/22, approved a change of governance and the creation of a Board of Directors. Michel Dancoisne's compensation in respect of his office as Chairman of the Supervisory Board and his membership of the Board and Committees is prorated until the AGM of 07/28/22. As such, it is not calculated on a full-time equivalent basis.

(2) Source: insee.fr, monthly minimum wage (SMIC) reported over 12 months. For information, the SMIC multiple ratios have been recalculated in real terms for each fiscal year, taking into account revaluations during the year. For this reason, in fiscal years 2018/19 to 2021/22, the ratios are different from those presented in the 2021/22 Universal Registration Document.

### 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 15 of the AGM on 07/27/23)

Pursuant to article L.22-10-26 of the French Commercial Code, the Combined General Meeting of 07/27/23 will be asked to approve the 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 for Pascal Imbert as Chairman and Chief Executive Officer, and for Patrick Hirigoyen as Chief Operating Officer

The compensation policy for Pascal Imbert and Patrick Hirigoyen submitted to the vote of the Combined General Meeting of 07/27/23 is in line with the policies voted by 98.98% for Pascal Imbert, Chairman and Chief Executive Officer, and by 98.90% for Patrick Hirigoyen, Chief Operating Officer, by the Combined General Meeting of 07/28/22. Pascal Imbert's compensation presented below is to be considered in respect of both his role as Chairman of the Board of Directors and his role as Chief Executive Officer.

**a) General principles**

The compensation of corporate officers and executive directors is based on achieving strictly defined societal objectives and Meeting the targets of the Company's development plan.

The items taken into account by the Board of Directors, on the recommendation of the Compensation and Nomination Committee, in the analysis of compensation for Pascal Imbert and Patrick Hirigoyen 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 executive 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: Pascal Imbert and Patrick Hirigoyen's compensation is consistent with the Group's standardized pay policy applied for all of its personnel. Their compensation 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 the compensation policy for Pascal Imbert and Patrick Hirigoyen**

Pursuant to Order no. 2019-1234 of 11/27/19, relative to the compensation of corporate officers of listed companies, the Board of Directors 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 ruled on by the Board of Directors based on recommendations from the Compensation and Nomination Committee.

Exceptional circumstances in this respect include the recruitment of a new Chief Operating Officer 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 Pascal Imbert and Patrick Hirigoyen is composed of different elements:

- a fixed component;
- a variable component referred to as a bonus. The target bonus (target bonus level achieved) for 2022/23 represents 42% of fixed compensation. The bonus paid may vary between 0% and 130% of the target bonus amount;
- the bonus will be determined according to the target bonus, to which two performance indicators apply:
  - a collective performance indicator (CPI): based on the achievement of budgetary objectives (measured using 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 Board of Directors. The CPI can range from 0% to 130%. For confidentiality reasons, the budget target as well as the variation formula are not disclosed;
  - an individual performance indicator (IPI), reviewed by the Board of Directors on the recommendation of the Compensation and Nomination Committee. For the 2023/24 fiscal year, the Board of Directors, on the proposal of the Compensation and Nomination Committee, determined the following criteria:
    - > accounting for 20% of the individual performance indicator (IPI) calculation, the CSR criteria applied are aimed at:
      - boosting the satisfaction of clients and supporting them in achieving sustainable performance;
      - fostering employee engagement, well-being and quality of life at work;
      - taking action in favor of diversity and creating an inclusive work environment where everyone is free to be themselves and has equal opportunities to fulfill their potential;
      - acting as a good corporate citizen by adopting ethical and responsible practices;
      - limiting the environmental impact of business activity.

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 business activity, international development and external growth;
  - the ability of current managers to prepare ahead for and manage their succession and the attendant governance;
  - assessment of the trend in achieving the objectives of the medium-term strategic plan;
  - assessment of the achievement of operational objectives or the completion of projects linked to the action plan for the 2023-2024 financial year, as well as the ability to take account of issues relating to the economic situation and to adapt its policy as best it can to the circumstances of the financial year.
- 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 2023/24, the Board of Directors is proposing a “clawback” clause, reimbursing all or part of the annual variable compensation paid to Pascal Imbert and Patrick Hirigoyen under serious and exceptional circumstances.

As a result, if, during the five years following the payment of annual variable compensation, it is observed that:

- the data used to measure performance was clearly and intentionally falsified;
- or, if Pascal Imbert or Patrick Hirigoyen is guilty of serious and willful misconduct;

the Board of Directors may require Pascal Imbert or Patrick Hirigoyen to reimburse all or part of the variable compensation paid.

#### e) Determination of the 2023/24 compensation of Pascal Imbert for exercising his mandate as Chairman and Chief Executive Officer

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 2023/24 are as follows:

#### i) Fixed component

At the proposal of the Compensation and Nomination Committee, the fixed portion is identical to that in 2022/23, at €211,286 gross.

#### ii) Variable component

A target bonus amount of €88,740 gross is proposed, i.e. 42% of the fixed portion. This implements the process outlined in this document.

In accordance with article L.22-10-34 of the French Commercial Code, payment of the annual variable compensation due in respect of the fiscal year ended 03/31/24 will be made after the Ordinary General Meeting to be held in 2024 to approve the financial statements for the year ended 03/31/24 and is subject to approval by said Meeting.

#### iii) Long-term compensation items

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 2023/24 compensation of Patrick Hirigoyen for exercising his mandate as Chief Operating Officer

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 2023/24 are as follows:

#### i) Fixed component

At the proposal of the Compensation and Nomination Committee, the fixed portion is identical to that in 2022/23, at €211,286 gross.

#### ii) Variable component

A target bonus amount of €88,740 gross is proposed, i.e. 42% of the fixed portion. This implements the process outlined in this document.

In accordance with article L.22-10-34 of the French Commercial Code, payment of the annual variable compensation due in respect of the fiscal year ended 03/31/24 will be made after the Ordinary General Meeting to be held in 2024 to approve the financial statements for the year ended 03/31/24 and is subject to approval by said Meeting.

**iii) Long-term compensation items**

Patrick Hirigoyen was awarded free share allocation plans on 09/15/06, 10/15/10, 07/01/15, 01/28/16 and 07/02/18.

**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 specified in the collective bargaining agreement applicable to the Group's employees.

For the record, the Annual General Meeting of 07/26/18, approved the regulated agreement pursuant to which it was agreed that the suspension period of Patrick Hirigoyen's employment contract would be taken into consideration when calculating the number of years of service acquired under his employment contract (Mr. Hirigoyen's contract was suspended as of 04/01/17).

**Compensation policy for Directors**

The compensation policy for Directors, submitted for approval to the Combined General Meeting on 07/27/23, is in line with the policy 99.96% approved by the Combined General Meeting of 07/28/22.

**g) Compensation for Directors**

Compensation for Directors in respect of their office consists exclusively of compensation in respect of their duties as members of the Board of Directors and its Committees, for which the total annual amount is voted by the Annual General Meeting and the distribution of which is decided by the Board of Directors.

In respect of fiscal year 2023/24, the Combined General Meeting of 07/27/23, proposed to set the overall full-year amount at €294,000, versus €271,000 previously.

The rules for allocating compensation to members of the Board of Directors provide for a fixed component and a larger variable component, calculated on the basis of attendance at meetings of the Board of Directors, the Audit Committee, the Compensation and Nomination Committee and CSR Committee meetings, and the number of meetings held.

This compensation is paid once the variable component for each member has been determined.

The amount of compensation to be paid is set at €15,000 and includes a fixed portion of 40% and a variable portion of 60%.

The compensation of Committee Chairpersons is doubled. The additional remuneration of the Lead Director is set at €15,000.

For information, Pascal Imbert and Patrick Hirigoyen do not receive any compensation other than that proposed in the points described above; as such, they shall not be compensated for their duties as Directors.



Below is a summary table of the amounts allocated to the Board and the various Committees reporting to it:

Board/Committee	Amount	Fixed component (40%)	Variable component (60%)
Board of Directors <sup>(1)</sup>	€165,000	€66,000	€99,000
Audit Committee <sup>(2)</sup>	€53,644	€21,458	€32,186
Compensation and Nominations Committee	€37,500	€15,000	€22,500
CSR Committee <sup>(3)</sup>	€37,500	€15,000	€22,500

(1) Sarah Lamigeon's term of office expires at the Annual General Meeting on 07/27/23. Sarah Lamigeon is not seeking the renewal of her term of office. The proposed compensation package takes into account a prorata temporis up to the AGM. In addition, the appointment of Florence Didier-Noaro will be put to the vote at the Annual General Meeting on 07/27/23. The proposed compensation package takes into account a prorata temporis as of the AGM.

(2) The package takes into account the appointment of two new directors to the Audit Committee as of the Annual General Meeting of 07/27/23.

(3) The term of office of Sarah Lamigeon, member of the CSR Committee, expires at the Annual General Meeting on 07/27/23. Sarah Lamigeon is not seeking the renewal of her term of office. The compensation package takes into account a prorata temporis for the CSR Committee compensation up to the AGM. The package also takes into account the appointment of a new director to the CSR Committee as of the Annual General Meeting of 07/27/23.

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, the members of the Board of Directors may also receive compensation for carrying out exceptional assignments.

In accordance with articles R22.10.14 II 5° and R.22-10-18 II 5° of the French Commercial Code, the employment contracts binding Sarah Lamigeon, Benjamin Clément, Pierre Allard and Emilie Salas to the Company have the following characteristics:

Name	Duration of work contract	Notice period	Termination conditions
Sarah Lamigeon	Permanent contract	3 months in accordance with the collective bargaining agreement applicable to the Company's employees falling under the "modality 3" category	Termination conditions authorized by current legislation and consistent with the conditions set out in the collective bargaining agreement applicable to the Group's employees
Benjamin Clément	Permanent contract	3 months in accordance with the collective bargaining agreement applicable to the Company's employees falling under the "modality 3" category	Termination conditions authorized by current legislation and consistent with the conditions set out in the collective bargaining agreement applicable to the Group's employees
Pierre Allard	Permanent contract	3 months in accordance with the collective bargaining agreement applicable to the Company's employees falling under the "modality 3" category	Termination conditions authorized by current legislation and consistent with the conditions set out in the collective bargaining agreement applicable to the Group's employees
Emilie Salas	Permanent contract	3 months in accordance with the collective bargaining agreement applicable to the Company's employees falling under the "modality 3" category	Termination conditions authorized by current legislation and consistent with the conditions set out in the collective bargaining agreement applicable to the Group's employees



# Additional information

## 1. Terms and conditions of shareholder participation at General Meetings

The terms and conditions of shareholder participation at Annual General Meetings are specified 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 took place during the 2022/23 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

Meeting on 06/02/20, the Supervisory Board implemented a procedure on the regular assessment 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.

This procedure is distinct from existing internal processes for assessing an agreement when it is signed or amended.

At the end of each fiscal year, the controlling team is responsible for drawing up a list of current agreements and their characteristics 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:

- the 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 any 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 Board of Directors. In such instances, the 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 Board of Directors is to approve 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 Board of Directors 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

According to the Combined General Meeting of 07/28/22

Resolution	Purpose	Duration	Maximum par value	Utilization
12 <sup>th</sup>	Issue of ordinary shares and financial securities giving immediate or future access to the Company's share capital, with preferential subscription rights	26 months	Securities: €151,474 Debt securities: €40,000,000	None
13 <sup>th</sup>	Issue of ordinary shares and financial securities giving immediate or future 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	Securities by public offering: €100,982 Debt securities: €15,000,000	None
14 <sup>th</sup>	Issue of ordinary shares and financial securities giving immediate or future access to the Company's share capital, without PSR maintained, within the framework of a private placement	26 months	10% of the Company's share capital as of 07/28/22 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 13 <sup>th</sup> resolution and the overall ceiling set in the 23 <sup>rd</sup> resolution	None
15 <sup>th</sup>	In the event of oversubscription to a capital increase authorized under the 12 <sup>th</sup> resolution (with or without PSR), 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 23 <sup>rd</sup> resolution	None

Resolution	Purpose	Duration	Maximum par value	Utilization
16 <sup>th</sup>	In the event of oversubscription to a capital increase authorized under resolution 13 (with cancellation of PSR and under the framework of a public offering), 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 23 <sup>rd</sup> resolution	None
17 <sup>th</sup>	In the event of oversubscription to a capital increase authorized under resolution 14 (with cancellation of PSR and under the framework of a private placement), 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 23 <sup>rd</sup> resolution	None
18 <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 public exchange offers)	26 months	10% of the Company's share capital as of 07/28/22 Debt securities: €15,000,000 within the limit of the specific ceiling provided for in the 13 <sup>th</sup> resolution and the overall ceiling set in the 23 <sup>rd</sup> resolution	None

Resolution	Purpose	Duration	Maximum par value	Utilization
19 <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 a public exchange offer initiated by the Company	26 months	10% of the Company's share capital as of 07/28/22  Debt securities: €15,000,000  within the limit of the specific ceiling provided for in the 13 <sup>th</sup> resolution and the overall ceiling set in the 23 <sup>rd</sup> resolution	None
20 <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 and to corporate officers eligible for the employee savings plan	26 months	5% of the share capital on the day of implementation of the resolution  within the limit of the overall ceiling set in the 23 <sup>rd</sup> resolution	None
21 <sup>st</sup>	Free allocation of existing shares or shares to be issued to employees of the Company and related companies	38 months	5% of the share capital on the day of implementation of the resolution  within the limit of the overall ceiling set in the 23 <sup>rd</sup> resolution	Employees plan no. 16 of 07/06/22: Initial allocation of 60,322 shares corresponding to 0.30% of the share capital  Key People plan no. 16 of 07/06/22: Initial allocation of 57,135 shares corresponding to 0.28% of the share capital  International plan no. 2 of 07/06/22: Initial allocation of 9,036 shares corresponding to 0.04% of the share capital

<b>Resolution</b>	<b>Purpose</b>	<b>Duration</b>	<b>Maximum par value</b>	<b>Utilization</b>
22 <sup>nd</sup>	Free allocation of existing shares or shares to be issued to corporate officers of the Company and related companies	38 months	0.5% of the share capital on the day of implementation of the resolution  within the limit of the overall ceiling set in the 23 <sup>rd</sup> resolution	None
23 <sup>rd</sup>	Aggregate ceiling for issues under the 12 <sup>th</sup> to 22 <sup>nd</sup> resolutions of the Combined General Meeting of 07/28/22		Securities: €151,474  Debt securities: €40,000,000	None
24 <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  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, 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 “Information concerning the share capital” of the General 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 “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 point 3.2. “Employee shareholding” of the Board Report, are exercised by the Wavestone Actions Fund;
- the appointment and revoking of executive corporate officers are governed by the applicable laws;
- current delegations related to the powers of the Board of Directors are described in point 4.1.9. (“Share buyback program”) of the Board Report and in the table of currently valid authorizations provided in section 4 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 executive corporate officers to receive severance compensation upon termination of their functions;

- as part 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 of control refers to the occurrence of one or more of the following events:

- any person, or group of persons acting in concert, not including Pascal Imbert (or his heirs in the event of his death) or his affiliates (or those of his heirs in the event of his death), has control of the borrower within the meaning of article L.233-3 I (1°, 2° and 3°) and II of the French Commercial Code; or
- Pascal Imbert (or his heirs in the event of his death) and his affiliates (or those of his heirs in the event of his death) cease to hold, directly or indirectly, for any reason whatsoever, at least 15% of the capital and/or voting rights of the Borrower.





# FINANCIAL INFORMATION

# 03

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## Consolidated financial statements at 03/31/23

### Consolidated income statement

(in thousands of euros)	Note	03/31/23	03/31/22
<b>Revenue</b>	1	<b>532,264</b>	<b>470,057</b>
Purchases consumed	2	(21,753)	(11,190)
Personnel expenses	3 & 4	(373,278)	(336,016)
External expenses	5	(46,594)	(34,432)
Levies and taxes		(8,044)	(7,748)
Depreciation charges and provisions		(5,771)	(6,023)
Other current income and expenses		218	157
<b>Current operating income</b>		<b>77,042</b>	<b>74,805</b>
Customer relations depreciation	6	(1,493)	(1,493)
Other operating income and expenses	6	(2,864)	(501)
<b>Operating income</b>		<b>72,685</b>	<b>72,811</b>
Financial income	7	10	15
Cost of gross financial debt	7	(1,766)	(899)
<b>Cost of net financial debt</b>		<b>(1,756)</b>	<b>(884)</b>
Other financial income and expenses	7	(2,348)	(16)
<b>Pre-tax profit (loss)</b>		<b>68,580</b>	<b>71,912</b>
Tax charge	8	(18,513)	(20,880)
<b>Net income</b>		<b>50,068</b>	<b>51,032</b>
Minority interests		0	0
<b>Net earnings attributable to owners of the parent</b>		<b>50,068</b>	<b>51,032</b>
Net earnings per share attributable to owners of the parent (euros) <sup>(1)</sup>	9	2.51	2.55
Net diluted earnings attributable to owners of the parent (in euros)	9	2.51	2.55

(1) Weighted number of shares during the period.

### Consolidated balance sheet

(in thousands of euros)	Note	03/31/23	03/31/22
Goodwill	10	235,355	178,512
Intangible assets	11	2,644	4,320
Tangible assets	11	8,815	6,879
Right-of-use of properties leased	12	13,179	14,468
Financial assets - share over one year	13	1,790	1,296
Other non-current assets	13	11,038	9,397
<b>Non-current assets</b>		<b>272,820</b>	<b>214,872</b>
Trade and other receivables	14	176,595	147,761
Other receivables	14	16,549	23,351
Cash and cash equivalents	14	70,824	108,251
<b>Current assets</b>		<b>263,968</b>	<b>279,363</b>
<b>Total assets</b>		<b>536,788</b>	<b>494,235</b>
Capital	15	505	505
Additional paid-in capital		11,218	11,218
Reserves and consolidated income		285,314	243,139
Group translation reserves		2,013	2,122
<b>Shareholders' equity attributable to owners of the parent</b>		<b>299,050</b>	<b>256,984</b>
Minority interests		0	0
<b>Total shareholders' equity</b>		<b>299,050</b>	<b>256,984</b>
Long-term provisions	16	13,316	14,287
Financial liabilities > 1 year	17	38,047	39,811
Lease liabilities > 1 year	12	11,098	13,097
Other non-current liabilities	18	1,023	332
<b>Non-current liabilities</b>		<b>63,485</b>	<b>67,528</b>
Short-term provisions	16	4,755	5,253
Financial liabilities < 1 year	17	5,654	8,109
Lease liabilities < 1 year	12	4,754	4,959
Trade receivables and related accounts	18	14,731	12,590
Tax and social security liabilities	18	106,272	109,770
Other current liabilities	18	38,087	29,042
<b>Current liabilities</b>		<b>174,254</b>	<b>169,723</b>
<b>Total liabilities</b>		<b>536,788</b>	<b>494,235</b>

## Change in consolidated cash and cash equivalents

(in thousands of euros)	Note	03/31/23	03/31/22
<b>Consolidated net income</b>		<b>50,068</b>	<b>51,032</b>
Elimination of non-cash items:			
Net depreciation and provisions <sup>(1)</sup>		9,907	3,051
Expenses/(income) related to share-based payments		3,305	2,044
Losses/gains on disposals, net of tax		(217)	1,463
Other calculated income and expenses		256	(652)
Cost of net financial debt (incl. interest on lease liabilities)		1,933	1,139
Tax expense/(income)	8	18,513	20,880
<b>Self-financing capacity before net financial debt and tax costs</b>		<b>83,764</b>	<b>78,956</b>
Tax paid		(21,052)	(15,768)
Change in WRC		(21,567)	(6,853)
<b>Net cash flow from operations</b>		<b>41,146</b>	<b>56,335</b>
Acquisitions of tangible and intangible fixed assets	11	(3,705)	(455)
Disposals of fixed assets		168	146
Change in financial fixed assets		3	277
Impact of changes in scope		(49,196)	(12,452)
<b>Net cash flow from investments</b>		<b>(52,731)</b>	<b>(12,485)</b>
Sale (acquisition) by the Company of its own shares <sup>(2)</sup>		(6,403)	(2,361)
Dividends paid to parent company shareholders		(7,612)	(4,612)
Dividends paid to minority interests in consolidated companies		0	0
Loan subscriptions	17	0	(0)
Repayment of loans	17	(4,435)	(8,472)
Repayment of lease liabilities	12	(5,132)	(7,583)
Net financial interest paid		(2,078)	(655)
Net interest paid on lease liabilities	7	(181)	(282)
Other flows related to financing operations	17	(6)	0
<b>Net cash flow from financing operations</b>		<b>(25,847)</b>	<b>(23,965)</b>
<b>Net change in cash and cash equivalents</b>		<b>(37,432)</b>	<b>19,885</b>
Impact of translation differences	17	(136)	360
Cash at start of period	17	108,249	88,003
Cash at end of period	17	70,681	108,249

(1) Including €4,322,000 for the amortization of property usage rights (IFRS 16) at 03/31/23 and €6,281,000 at 03/31/22.

(2) For information, the Company delivered treasury shares worth €1,802,000 in FY 2022/23.



### 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 03/31/21</b>	<b>505</b>	<b>11,218</b>	<b>168,567</b>	<b>25,377</b>	<b>395</b>	<b>206,063</b>
Consolidated profit for the year	0	0	0	51,032	0	51,032
Change in fair value of hedging instruments	0	0	198	0	0	198
Translation gain (loss)	0	0	10	0	1,727	1,736
IAS 19 actuarial gain (loss)	0	0	2,944	0	0	2,944
<b>Net comprehensive income</b>	<b>0</b>	<b>0</b>	<b>3,152</b>	<b>51,032</b>	<b>1,727</b>	<b>55,910</b>
Impact of minority interests	0	0	0	0	0	0
Appropriation of profit	0	0	25,377	(25,377)	0	0
Dividends paid out by consolidating company	0	0	(4,612)	0	0	(4,612)
Treasury stock transactions	0	0	(2,428)	0	0	(2,428)
Share-based payments	0	0	2,052	0	0	2,052
<b>Consolidated shareholders' equity at 03/31/22</b>	<b>505</b>	<b>11,218</b>	<b>192,107</b>	<b>51,032</b>	<b>2,122</b>	<b>256,984</b>
Consolidated profit for the year	0	0	0	50,068	0	50,068
Change in fair value of hedging instruments	0	0	331	0	0	331
Translation gain (loss)	0	0	0	0	(109)	(109)
IAS 19 actuarial gain (loss)	0	0	2,456	0	0	2,456
<b>Net comprehensive income</b>	<b>0</b>	<b>0</b>	<b>2,787</b>	<b>50,068</b>	<b>(109)</b>	<b>52,746</b>
Impact of minority interests	0	0	0	0	0	0
Appropriation of profit	0	0	51,032	(51,032)	0	0
Dividends paid out by consolidating company	0	0	(7,612)	0	0	(7,612)
Treasury stock transactions	0	0	(6,421)	0	0	(6,421)
Share-based payments	0	0	3,354	0	0	3,354
<b>Consolidated shareholders' equity at 03/31/23 <sup>(1)</sup></b>	<b>505</b>	<b>11,218</b>	<b>235,246</b>	<b>50,068</b>	<b>2,013</b>	<b>299,050</b>

(1) Shareholders' equity contains no taxable items. Cumulative deferred tax assets amounting to €(1,505)k 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.

The dividend distributed during the year amounted to €0.38 per share, i.e. a total of €7,612k.

### Statement of net comprehensive income

(in thousands of euros)	Note	03/31/23	03/31/22
<b>Net income</b>		<b>50,068</b>	<b>51,032</b>
<b>Items recyclable in the income statement:</b>			
Change in fair value of hedging instruments	19	331	198
Translation gain (loss)		(109)	1,736
<b>Items not recyclable in the income statement:</b>			
IAS 19 actuarial gain (loss)	16	2,456	2,944
<b>Total recognized as equity</b>		<b>2,678</b>	<b>4,878</b>
<b>Net comprehensive income attributable to owners of the parent</b>		<b>52,746</b>	<b>55,910</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. 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 Board of Directors on 05/31/23.

All amounts presented in the notes are expressed in thousands of euros.

### Technical data

<b>Name or other identifier of the reporting entity</b>	Wavestone
<b>Explanation of changes in the name or other identification of the reporting entity since the end of the previous reporting period</b>	No change in name
<b>Headquarters</b>	Tour Franklin, 100-101 Terrasse Boieldieu, 92042 La Défense Cedex, France
<b>Country of incorporation</b>	France
<b>Address of the entity</b>	Tour Franklin, 100-101 Terrasse Boieldieu, 92042 La Défense Cedex, France
<b>Main office</b>	France
<b>Legal form</b>	Limited company ( <i>société anonyme</i> )
<b>Description of the nature of the entity's operations and its main activities</b>	Wavestone is a consulting firm specializing in organizational transformation, with over 4,000 employees in Europe, the United States and Asia
<b>Name of the parent entity</b>	Wavestone SA
<b>Name of the head company</b>	Wavestone SA

## 2. Significant events in the fiscal year

### Acquisition of Nomadéis

On 04/05/22, Wavestone acquired the entire share capital of Nomadéis.

Founded in 2002 and based in Paris, Nomadéis is a consultancy firm that specializes in the environment and social responsibility.

In its 2021/22 fiscal year, Nomadéis generated estimated revenue of €1.8 million, representing growth of 27%. On the acquisition date, the firm had 22 employees.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

The company was consolidated in Wavestone's financial statements between 04/01/22 and 12/31/22, the date on which all Nomadéis's assets and liabilities were transferred to Wavestone SA (see "Scope of Consolidation").

Provisional goodwill has been recognized in the Group's financial statements for the year ended 03/31/23, as described in note 10.

### Acquisition of PEN Partnership

On 08/03/22, Wavestone acquired the entire share capital of PEN Partnership Ltd. and PEN Partnership GmbH.

Founded in 2012 and based in the United Kingdom, PEN Partnership has established itself as a trusted partner for its clients operating across the Financial Services and Life Sciences sectors.

In its 2021/22 fiscal year, PEN Partnership generated estimated revenue of GBP 19.6 million (i.e. approximately €23.4 million, converted at the exchange rate applicable on the acquisition date) and an adjusted EBITDA margin of approximately 15%. On the acquisition date, the firm had 60 employees and 40 independent consultants.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

The companies were consolidated in Wavestone's financial statements with effect from 08/01/22, i.e. for 8 months of their fiscal year.

Provisional goodwill has been recognized in the Group's financial statements for the year ended 03/31/23, as described in note 10.

### Acquisition of Coeus Consulting

On 09/14/22, Wavestone acquired the entire share capital of Coeus Consulting Ltd., Coeus Consulting International Ltd., Coeus Verwaltungs GmbH and Coeus Consulting GmbH & Co.KG.

Founded in 2013 and based in London, Coeus Consulting is an IT strategy advisory firm.

In its 2021/22 fiscal year, the firm generated revenue in the region of €10.4 million with profitability markedly higher than that of Wavestone. The firm had 45 permanent employees on the date of acquisition.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

The companies were consolidated in Wavestone's financial statements with effect from 10/01/22, i.e. for 6 months of their fiscal year.

Provisional goodwill has been recognized in the Group's financial statements for the year ended 03/31/23, as described in note 10.

### Disposal of Wavestone India and the benchmarking business

On 01/12/23, Wavestone disposed of its entire shareholding in Wavestone India, a subsidiary that carries out benchmarking activities, to the US company, Brahma Advisors LLC. By way of reminder, this entity had been acquired in 2019 as a subsidiary of WGroup.

This disposal was carried out as Wavestone no longer wished to invest in this ancillary business activity, preferring to focus its efforts on its core business in the United States.

The company had three employees when it was transferred and its sole client was Wavestone US, which entered into benchmarking contracts with external clients.

Wavestone India left the scope of consolidation on 01/01/23.

The impact of this disposal on the consolidated scope as a whole is minor, as the revenue involved represented less than \$0.5 million on the date of disposal.

### Impact of business combinations

On a like-for-like and constant forex basis, Wavestone generated revenue of €495,216k, operating income on ordinary activities of €73,538k and group share of net income of €51,446k at 3/31/23, compared with revenue of €461,678, operating income on ordinary activities of €74,272 and group share of net income of €51,845k at 03/31/22.

On a like-for-like and current forex basis, revenue was €498,465k, operating income on ordinary activities was €73,630k and group share of net income was €51,481k at 03/31/23.

On a full-scope basis, Wavestone had revenue of €532,264k, operating income on ordinary activities of €77,042k and group share of net income of €50,068k at 03/31/23.

### Change in Wavestone governance

A change in the firm's mode of governance was approved at the General Meeting held on 07/28/22, with Wavestone SA moving from having a Management Board and Supervisory Board to having a Board of Directors.

The Members of the Supervisory Board became members of the Board of Directors for the remainder of their term of office. Pascal Imbert and Patrick Hirigoyen joined the board as Chairman-Chief Executive Officer and Chief Operating Officer, respectively.

In addition, in order to comply with best governance practices, Marie-Ange Verdickt was appointed Lead Director.

### Financing transactions

On 12/14/22, Wavestone renegotiated its financing contract with partner banks to extend the availability of the various credit facilities and increase their maximum amounts.

Under this contract, the initial structure of which has generally been maintained, Wavestone has:

- a "Refinancing" credit facility, with €44.3 million outstanding at 03/31/23;
- two "Acquisition" credit facilities, comprising a confirmed facility of €105 million and an unconfirmed facility of €70 million; and
- a €40 million facility to fund the firm's working capital requirements.

On 03/31/23, Wavestone entered into an agreement with a US bank for a \$15 million "all uses" bilateral facility.

### Ukrainian conflict

The other point of attention for the year is the change in the economic environment in a context that remains uncertain, notably due to the conflict in Ukraine. In sales terms and despite the geopolitical environment, the consultancy market has remained buoyant since the beginning of 2022. The firm is particularly vigilant concerning the risk of a slowdown in demand and has decided, for all intents and purposes, to maintain an intense pace of commercial prospecting to better counter this risk. Note that Wavestone has no presence in either Russia or Ukraine.

## 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 03/31/23.

The accounting principles used to prepare Wavestone's consolidated financial statements are the same as those used to prepare its consolidated financial statements at 03/31/22, with the exception of the normative changes presented below.

#### 3.1.2. Changes in accounting standards

The firm has applied the IASB's IFRS and the IFRIC interpretations, as adopted by the European Union, for annual reporting periods beginning on or after 04/01/22 (available on the [European Commission's website](#)) without any significant impacts on the presentation of the financial statements.

### IFRS standards, IFRIC interpretations and amendments applied by the firm as of 04/01/22

Standards, amendments and interpretations	Date of adoption by the EU	Date of application <sup>(1)</sup> : fiscal years beginning on or after
Annual IFRS improvements (2018-2020)	06/28/21	01/01/22
Amendments to IFRS 3 "Business Combinations"	06/28/21	01/01/22
Amendments to IAS 16 "Property, Plant, and Equipment - Proceeds before intended use"	06/28/21	01/01/22
Amendments to IAS 37 "Onerous contracts - costs of performing the contract"	06/28/21	01/01/22

(1) Date of EU application.

### Accounting standards and interpretations that the firm will apply in the future

The firm has chosen not to apply the following standards and interpretations published by the IASB but not yet adopted by the European Union at 03/31/23.

Standards, amendments and interpretations	Date published by the IASB	Date of application: fiscal years beginning on or after
Amendments to IAS 28 and IFRS 10 “Sale or contribution of assets between associated companies and joint ventures”	9/11/14	Undetermined
Amendments to IAS 1 on classification of liabilities as current and non-current	12/31/22	01/01/24

The IASB has published standards and interpretations, adopted by the European Union at 03/31/23, that are applicable to reporting periods beginning on or after 01/01/23. The Group has chosen not to early adopt these texts.

Standards, amendments and interpretations	Date of adoption by the EU	Date of application <sup>(1)</sup> : fiscal years beginning on or after
Amendments to IAS 1 “Disclosure of Accounting Policies”	03/02/22	01/01/23
Amendments to IAS 8 “Definition of an accounting estimate”	03/02/22	01/01/23
Amendments to IAS 12 “Income Taxes”	08/11/22	01/01/23

(1) Date of EU application.

The impact of draft standards and interpretations currently being reviewed by the IASB has not been taken into account in these consolidated financial statements and cannot reasonably be estimated at this time.

#### 3.1.3. Comparability of financial statements

The financial statements for the fiscal years ended March 31, 2023 and March 31, 2022 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 wholesale transfers of assets and liabilities, the merger and the winding up referred to in section 4 “Scope of consolidation” have no impact on the consolidated financial statements.

The financial statements of the consolidated companies were all prepared as at 03/31/23.

At 03/31/23, the consolidated financial statements included all Wavestone’s companies for 12 months, with the exception of Wavestone India (9 months), PEN Partnership Ltd. (8 months) and PEN Partnership GmbH (8 months), Coeus Consulting Ltd. (6 months), Coeus Consulting International Ltd. (6 months), Coeus Verwaltungs GmbH (6 months) and Coeus Consulting GmbH & Co.KG (6 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".

Currency		Closing rate		Average rate	
		03/31/23	03/31/22	03/31/23	03/31/22
Swiss franc	CHF	1.003210	0.973994	1.007185	0.939416
Pound sterling	GBP	1.137398	1.182103	1.155868	1.175620
Hong Kong dollar	HKD	0.117141	0.115051	0.122591	0.110656
Indian rupee	INR	0.011186	0.011886	0.011925	0.011583
Moroccan dirham	MAD	0.089953	0.093255	0.092458	0.094258
Singapore dollar	SGD	0.691372	0.665425	0.700374	0.639274
US dollar	USD	0.919540	0.900820	0.961007	0.861691

Source: Banque de France (and Banque du Maroc for the Moroccan dirham).

The average exchange rate is determined by calculating the average monthly closing rate over the period.

The price retained for the inclusion of the PEN Partnership companies acquired is that prevailing on 07/31/22, for inclusion in the scope of consolidation, and the eight-month average for the income statement.

The price retained for the inclusion of the Coeus Consulting companies acquired is that prevailing on 09/30/22, for inclusion in the scope of consolidation, and the six-month average for the income statement.

#### Specific rates on entry of PEN Partnership

Currency		Closing rate	Rate on scope entry	Average rate over eight months
		03/31/23	07/31/22	03/31/23
Pound sterling	GBP	1.137398	1.190618	1.143960
Swiss franc	CHF	1.003210	1.026273	1.013556

Source: Banque de France.

#### Specific rates on entry of Coeus Consulting

Currency		Closing rate	Rate on scope entry	Average rate over six months
		03/31/23	09/31/22	03/31/23
Pound sterling	GBP	1.137398	1.132503	1.142879

Source: Banque de France.

#### Recognition of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros at the exchange rate on the transaction date.



### 3.4. Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions concerning the measurement of certain amounts in the financial statements, notably with regard to:

- duration of asset depreciation;
- measurement of provisions and pension obligations;
- measurements used for impairment testing;
- fair value measurement of financial instruments;
- estimates of accrued income and expenses,
- measurement of share-based payments;
- the performance estimates used for the additional considerations in the subsidiary acquisition prices;
- recognition of deferred tax assets;
- recognition of revenue from fixed-price contracts.

Management reviews these estimates and assessments on a regular basis to take into account past experience and other factors deemed reasonable, which serve as the basis for these assessments. Future results may differ significantly under different assumptions or conditions.

### 3.5. Contingent liabilities and contingent assets

None.

## 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 100-101 Terrasse Boieldieu 92042 La Défense Cedex	37755024900041	SA	Parent company	France	12
Wavestone Advisors UK	Warnford Court 29-30 (1 <sup>st</sup> Floor) Cornhill London. EC3V 3NF	5896422	Limited company	100%	United Kingdom	12
Wavestone Switzerland	1 Place de Pont-Rouge 1212 Grand-Lancy. Genève	CHE-109.688.302	SA	100%	Switzerland	12
Wavestone Advisors	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	43322484700114	SAS	100%	France	9
Wavestone US	130 West 42nd Street New York. NY10036	5905389	Incorporated company	100%	United States of America	12
Wavestone Luxembourg	10 rue du Château d'Eau 3364 Leudelange	B114630	SA	100%	Luxembourg	12
Wavestone Belgium	6 avenue des Arts Immeuble The Artist 1210 Bruxelles	0879.426.546	SA/NV	100%	Belgium	12
Wavestone Advisors Maroc	Capital Tower Angle Main Street et Bd Mly Abdellah Bencherif 20100 Casablanca	219375	SARL	100%	Morocco	12
Wavestone HK	21/F. On Hing Building. 1 On Hing Terrace Central. Hong Kong	66431968-000-07-16-9	Limited company	100%	Hong Kong	12
Xceed Group (Holdings) Limited	Warnford Court 29-30 Cornhill London. EC3V 3NF	10468064	Limited company	100%	United Kingdom	12

Companies	Head Office	Company registration number	Legal Form	Holding (%)	Nationality	Number of months consolidated
Xceed Group Limited	Warnford Court 29-30 Cornhill London. EC3V 3NF	6526750	Limited company	100%	United Kingdom	12
Wavestone Consulting UK	Warnford Court 29-30 Cornhill London. EC3V 3NF	4965100	Limited company	100%	United Kingdom	12
UpGrow	150 N. Radnor Chester Road. Suite A230 Radnor. PA 19087. USA	6360853	Incorporated company	100%	United States of America	8
Wavestone India	2nd Floor. WeWork, Behind 32nd Milestone The Galaxy Hotel Sector 15 Gurgaon HR 122001. India	U74999HR2019FTC079593	Private limited company	100%	India	9
why innovation!	380 Jalan Besar #08-06/07 ARC 380 209000. Singapore	201113021K	Private limited company	100%	Singapore	12
why academy!	380 Jalan Besar #08-06/07 ARC 380 209000. Singapore	201932428N	Private limited company	100%	Singapore	12
why innovation!	21/F. On Building. 162 Queen's Road Central Central. Hong Kong	2124014	Limited company	100%	Hong Kong	12
NewVantage Partners	800 Boylston Street. P.O. Box 990465 Boston. MA 2199. USA	800036827	Limited Liability company	100%	United States of America	12
Nomadéis	4 rue Francisque Sarcey 75116 Paris	44128487400035	EURL	100%	France	9
PEN Partnership Limited	Camburg House 27 New Dover Road Canterbury Kent United Kingdom CT1 3DN	10618417	Limited company	100%	United Kingdom	8
PEN Partnership GmbH	Untermuli 3. 6300 Zug	CHE-267.105.509	Limited Liability company	100%	Switzerland	8
Coeus Consulting Limited	28-30 Cornhill London. EC3V 3NF	08360921	Limited company	100%	United Kingdom	6
Coeus Consulting International Limited	28-30 Cornhill London. EC3V 3NF	11692719	Limited company	100%	United Kingdom	6
Coeus Verwaltungs GmbH	40211 Dusseldorf. Bleichstraße 8-10. c/o RWP Rechtsanwälte	HRB 85619	SARL	100%	Germany	6
Coeus Consulting GmbH & Co. KG	40211 Dusseldorf. Bleichstraße 8-10. c/o RWP Rechtsanwälte	HRA 25293	SARL and company limited partnership	100%	Germany	6

All these companies have been fully consolidated.

### Transfer of all Wavestone Advisors' and Nomadéis's assets and liabilities to Wavestone SA

The transfers of all Wavestone Advisors' and Nomadéis's (both wholly owned subsidiaries of Wavestone SA) assets and liabilities to Wavestone SA were approved by a resolution of their sole shareholder dated 11/18/22. They were completed at the end of the creditors' objection period on 12/31/22.

These transactions have no impact on the consolidated financial statements.

### Merger of NewVantage Partners into Wavestone US

In order to further simplify the legal structure of the group, Wavestone merged NewVantage Partners into Wavestone US during the fiscal year, effective 03/31/23.

This transaction has no impact on the consolidated financial statements.

## 5. Notes relative to certain income statement and balance sheet items

### Note 1. Revenue

Wavestone specializes in the specific market segment of management and information systems consulting. Since all these services are subject to the same risks and generate similar levels of profitability, Company revenue is not broken down by business line.

#### Revenue recognition

Revenue is 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").

#### Time-based services contracts

The revenues from these services are recognized as 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.

#### Fixed-price services contracts

Revenue generated on fixed-price services contracts is 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.

#### Subscription services

Revenue from subscription services is 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.

80% of the firm's consolidated revenue is generated in France.

Revenue	03/31/23	03/31/22
France	425,211	396,393
International	107,053	73,664
<b>Total</b>	<b>532,264</b>	<b>470,057</b>

Revenue is 59% made up of fixed-price contracts, and 41% time-based contracts.

The order book represents 4 months of business as of 03/31/23.

<b>Average headcount</b>	<b>03/31/23</b>	<b>03/31/22</b>
France	3,360	3,106
International	546	406
<b>Total</b>	<b>3,907</b>	<b>3,512</b>

### Note 2. Purchases consumed

The majority of the purchases are the purchase of subcontracting services.

### Note 3. Staff expenses

<b>Personnel expenses</b>	<b>03/31/23</b>	<b>03/31/22</b>
Wages and salaries	(273,124)	(242,932)
Payroll expenses	(100,154)	(93,083)
<b>Total</b>	<b>(373,278)</b>	<b>(336,016)</b>

<b>Average headcount FTE</b>	<b>03/31/23</b>	<b>03/31/22</b>
Engineers and managers	3,844	3,454
Employees	62	58
<b>Total</b>	<b>3,907</b>	<b>3,512</b>

### Note 4. Compensation paid to management

<b>Compensation paid to management</b>	<b>03/31/23</b>	<b>03/31/22</b>
Compensation paid to Board of Directors members	571	0
Compensation paid to Management Board members	351	618
Compensation paid to Supervisory Board members	185	342
<b>Total</b>	<b>1,108</b>	<b>960</b>

The changes to the governance structure are described in significant events of the fiscal year.

### Note 5. External expenses

	<b>03/31/23</b>	<b>03/31/22</b>
Rent and other lease expenses	(12,908)	(10,303)
IFRS 16 restatement	4,238	4,169
Professional fees	(14,576)	(10,199)
Travel, assignments	(9,788)	(7,364)
Other external expenses	(13,561)	(10,735)
<b>Total</b>	<b>(46,594)</b>	<b>(34,432)</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 client relationships is recognized as non-current given the non-recurring nature and the scale of the Kurt Salmon transaction.

	<b>03/31/23</b>	<b>03/31/22</b>
Various	1,576	17,853
<b>Other operating income</b>	<b>1,576</b>	<b>17,853</b>
Securities and goodwill acquisition costs	(3,174)	(1,693)
Various	(1,267)	(16,660)
<b>Other operating expenses</b>	<b>(4,440)</b>	<b>(18,354)</b>
<b>Net total</b>	<b>(2,864)</b>	<b>(501)</b>

Other miscellaneous operating expenses principally include, as of 03/31/23, €(286)k in costs for unoccupied premises, as well as €(593)k in costs related to ongoing projects aimed at returning premises to their owners.

Other miscellaneous operating income consists mainly of reversals of impairment losses on rights of use and provisions

for charges on unoccupied premises amounting to €84k, €112k from the sale of returned fixtures and fittings, as well as income of €441k from the cancellation of rental debts remaining at the date of return of the premises. They also include income comprising refunds of tax credits and social contributions of €658k.

### Note 7. Financial profit (loss)

	<b>03/31/23</b>	<b>03/31/22</b>
Net income from disposals of cash and cash equivalents	10	15
Interest on loans	(1,766)	(899)
<b>Cost of net debt</b>	<b>(1,756)</b>	<b>(884)</b>
Other financial income and expenses	(2,348)	(16)
<b>Financial profit (loss)</b>	<b>(4,104)</b>	<b>(899)</b>

Interest on borrowings mainly include interest on the Refinancing loan of €(1,027)k, and the costs of issuing this loan yet to be amortized on the renegotiation date, of €(425)k, recognized as costs for the current fiscal year. The financing transaction is presented in significant events of the fiscal year.

Other financial income and expenses include the cost of hedging instruments of €(707)k as of 03/31/23 and €(386)k as of 03/31/22.

**Note 8. Tax charge**

Deferred tax is calculated on a company-by-company basis for temporary differences between the carrying value of assets and liabilities, and their taxable value.

In accordance with IAS 12, tax assets are recognized, on a company-by-company basis, only when the estimated future profit is sufficient to cover these assets within a reasonable period of time, 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 as equity is booked under shareholders' equity.

**Net impact of taxes on income**

	<b>03/31/23</b>	<b>03/31/22</b>
Current tax	(18,686)	(18,483)
Deferred tax	173	(2,397)
<b>Total</b>	<b>(18,513)</b>	<b>(20,880)</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 €3,018k.

	<b>Consolidated balance sheet</b>		<b>Income statement</b>	
	<b>03/31/23</b>	<b>03/31/22</b>	<b>03/31/23</b>	<b>03/31/22</b>
Tax loss carryforwards capitalized	3,896	2,615	(412)	(821)
Temporary time differences on provisions	1,712	2,180	(486)	(2,318)
Consolidation entries	3,979	3,831	1,070	742
<b>Total deferred tax assets</b>	<b>9,588</b>	<b>8,626</b>	<b>172</b>	<b>(2,397)</b>
Tax loss carryforwards capitalized	-	-	-	-
Temporary time differences on provisions	(5)	-	1	-
<b>Total deferred tax liabilities</b>	<b>(5)</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Deferred tax charge</b>	<b>9,583</b>	<b>8,626</b>	<b>173</b>	<b>(2,397)</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:

	<b>03/31/23</b>	<b>03/31/22</b>
Consolidated net income	50,068	51,032
Tax income (expense)	(18,513)	(20,880)
IAS 12: CVAE and other	3,018	2,700
Tax credits	1,436	2,038
Pre-tax profit (loss)	(64,127)	(67,173)
Theoretical tax rate	25.83%	28.41%
<b>Theoretical tax income (expense)</b>	<b>(16,564)</b>	<b>(19,084)</b>
<b>Reconciliation:</b>		
Permanent differences	(913)	(807)
Deactivation (reactivation) of previous deficit	0	-
Activities taxed at a different rate	483	389
Tax credit	1,499	1,322
IAS 12: CVAE and other	(3,018)	(2,700)
<b>Actual tax income (expense)</b>	<b>(18,513)</b>	<b>(20,880)</b>

### Note 9. Earnings per share

	<b>03/31/23</b>	<b>03/31/22</b>
Net profit from companies attributable to owners of the parent	50,068	51,032
Weighted average number of shares outstanding <sup>(1)</sup>	19,951,609	20,009,872
<b>Net undiluted earnings attributable to owners of the parent (in euros)</b>	<b>2.51</b>	<b>2.55</b>
No. of shares issued at the closing date <sup>(1)</sup>	19,951,609	20,009,872
<b>Net diluted earnings attributable to owners of the parent (in euros)</b>	<b>2.51</b>	<b>2.55</b>

(1) Excluding treasury shares.



**Note 10. Goodwill on the assets side of the balance sheet**

The integrated operating model rolled out in July 2016 across the firm has enabled Wavestone to develop synergies between all 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 market value derived from Wavestone's market capitalization, and second, 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. If necessary, the five-year horizon may be shortened, but only if that simplification has no impact on the outcome of the impairment test.

These tests are based on the following key assumptions:

A perpetual growth rate of 2%, a level deemed reasonable in light of past performances observed in the management and IT services consulting sector.

A discount rate of 10.6% 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.

Assets with an indefinite useful life, such as goodwill, are tested for impairment at least once a year and whenever there is evidence of impairment.

	Net value at 03/31/22	Change in scope	Reduction in fiscal year	Translation diff.	Net value at 03/31/23
<b>Goodwill</b>	178,512	59,842	(2,032)	(967)	235,355
incl.:					
why innovation!	-	-	(842)	-	-
NewVantage Partners	-	-	(1,190)	-	-
Nomadéis	-	2,668	-	-	-
PEN Partnership	-	34,818	-	-	-
Coeus Consulting	-	22,355	-	-	-

The firm observed a lag in the operating forecasts for Why Innovation! and NewVantage Partners. Without disputing the value of the goodwill included in the prices paid, it is now certain that the price supplements planned when these companies were acquired will not be paid.

The consolidated financial statements were revised accordingly.

In view of the recent acquisitions of PEN Partnership and Coeus Consulting, their entry cost has been provisionally estimated, including any earn outs for their maximum amount, on the basis of expected performance at 09/30/23.



### Calculating goodwill for new acquisitions

Goodwill for new acquisitions breaks down as follows:

	Nomadéis	PEN Partnership Ltd.	Coeus Consulting	Total
<b>Acquisition cost</b>				
Acquisition price	3,060	33,093	21,489	57,642
Price adjustment	-	2,278	-	2,278
Earn-out	-	8,792	3,869	12,660
<b>Total I</b>	<b>3,060</b>	<b>44,163</b>	<b>25,357</b>	<b>72,581</b>

	Nomadéis	PEN Partnership Ltd.	Coeus Consulting	Total
<b>Assets acquired on acquisition date</b>				
Net fixed assets	113	131	69	313
Non-current assets	34	1,700	1	1,735
Current assets	1,575	12,771	6,522	20,868
<b>Sub total B</b>	<b>1,722</b>	<b>14,602</b>	<b>6,592</b>	<b>22,915</b>
<b>Liabilities acquired on acquisition date</b>				
Non-current liabilities	219	-	6	225
Short-term provisions	-	-	-	0
Current liabilities	1,111	5,256	3,584	9,951
<b>Subtotal C</b>	<b>1,330</b>	<b>5,256</b>	<b>3,590</b>	<b>10,176</b>
<b>Total II - Net assets acquired (B-C)</b>	<b>392</b>	<b>9,345</b>	<b>3,002</b>	<b>12,739</b>

	Nomadéis	PEN Partnership Ltd.	Coeus Consulting	Total
<b>Provisional goodwill (I-II)</b>	<b>2,668</b>	<b>34,818</b>	<b>22,355</b>	<b>59,842</b>

### Impairment tests

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

In view of Wavestone's market value, calculated on the basis of its market capitalization at the end of the fiscal year, which is significantly higher than the aggregate value of its goodwill, the tests revealed that the goodwill was not impaired.

## Financial risks associated with acquisitions

### Description of the risk

Wavestone's external growth strategy involves regularly acquiring new companies or businesses, in France and internationally. In carrying out such transactions, Wavestone is exposed to a number of risks, including carrying out acquisitions that are not strategic or that do not result in the acquired company being properly integrated. In such situations, the value of the acquired company may fall significantly if a material percentage of its key employees leave the Company soon after the acquisition, or if the Company is unable to be efficiently integrated into Wavestone's operating model. As a result, it is important for Wavestone to consolidate its expertise, both in terms of assessing target companies and in the resulting integration process.

### Management of the risk

Wavestone engages specialist firms to screen potential targets. In order to limit the risk of a target being poorly evaluated, Wavestone's Strategic Development Department and Senior Management hold discussions with the target company's management team prior to the transaction. These discussions are aimed at determining the strategic and cultural alignment of the two companies.

When preparing the indicative offer, Wavestone and the target company's management team produce a common rationale for the proposed acquisition. The purpose of this approach is to establish, from the very outset of the process, a mutual understanding between the stakeholders, and to define shared objectives for the acquisition. The approval of the Board of Directors is needed for any acquisition that exceeds certain quantitative criteria.

After the acquisition has been completed, and to limit the risks associated with integrating the target company, Wavestone ensures the following:

- involvement of directors and key employees in steering Wavestone's operations;
- targeted integration into Wavestone's business model within 12 to 18 months;
- search for revenue synergies by focusing on applying the acquired company's know-how to Wavestone's existing clients;
- rapid deployment of the firm's management tools within the new entity.

## Note 11. Intangible and tangible assets

Wavestone legally owns all the intangible fixed assets and property, plant and machinery included on its balance sheet.

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;
- client 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.

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.

In certain circumstances, intangible and tangible fixed assets may be subject to impairment tests.

<b>Gross value</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Increase</b>	<b>Decrease</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Software	2,983	5	-	(148)	8	2,849
Clients	16,546	-	-	-	-	16,546
<b>Total intangible assets</b>	<b>19,529</b>	<b>5</b>	<b>-</b>	<b>(148)</b>	<b>8</b>	<b>19,394</b>
Other tangible assets	16,344	525	3,839	(1,048)	14	19,674
Intangible assets in progress	18	-	1,240	(1,099)	(3)	156
<b>Total intangible assets</b>	<b>16,362</b>	<b>525</b>	<b>5,078</b>	<b>(2,146)</b>	<b>11</b>	<b>19,829</b>

<b>Amortization</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Increase</b>	<b>Decrease</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Software	2,783	3	191	(148)	8	2,837
Clients	12,410	-	1,493	-	-	13,903
<b>Total intangible assets</b>	<b>15,193</b>	<b>3</b>	<b>1,684</b>	<b>(148)</b>	<b>8</b>	<b>16,740</b>
Other tangible assets	9,470	379	2,087	(935)	1	11,002
<b>Total intangible assets</b>	<b>9,470</b>	<b>379</b>	<b>2,087</b>	<b>(935)</b>	<b>1</b>	<b>11,002</b>

<b>Impairment</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Increase</b>	<b>Decrease</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Software	16	-	-	(6)	-	10
<b>Total intangible assets</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>10</b>
Other tangible assets	13	-	-	(1)	-	13
<b>Total intangible assets</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>13</b>
<b>Total intangible assets</b>	<b>4,320</b>	<b>2</b>	<b>(1,684)</b>	<b>6</b>	<b>-</b>	<b>2,644</b>
<b>Total tangible assets</b>	<b>6,879</b>	<b>146</b>	<b>2,991</b>	<b>(1,210)</b>	<b>10</b>	<b>8,815</b>

None of Wavestone's tangible and intangible assets are subject to ownership restrictions.

Fixed assets under construction consist of ongoing development works at the Paris and Casablanca premises. 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 €274k at 03/31/23, versus €(4)k for the same period last year.

**Note 12. 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, i.e. 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. The discount rate used for all entities corresponds to the rate used on the principal outstanding current facilities.

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 \$5k. In addition, the Group excluded vehicle leases with a non-significant value from the scope of adjustment.

As such, only property leases are subject to the adjustment planned for by the standard.

In accordance with the IFRIC Interpretations Committee's decision of November 2019 published on 12/16/19 regarding 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.

**Rights of use**

<b>Gross value</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Increase</b>	<b>Decrease</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
<b>Operating lease</b>	<b>25,573</b>	<b>1,507</b>	<b>3,290</b>	<b>(2,530)</b>	<b>58</b>	<b>27,897</b>
Real estate lease	25,573	1,507	3,290	(2,530)	58	27,897
<b>Credit lease</b>	<b>2,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>2,618</b>
IT and office equipment	2,508	-	-	-	-	2,508
Transport equipment	107	-	-	-	3	110
<b>Total rights of use</b>	<b>28,188</b>	<b>1,507</b>	<b>3,290</b>	<b>(2,530)</b>	<b>61</b>	<b>30,516</b>

<b>Amortization</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Increase</b>	<b>Decrease</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
<b>Operating lease</b>	<b>11,147</b>	<b>1,384</b>	<b>4,322</b>	<b>(2,096)</b>	<b>4</b>	<b>14,762</b>
Real estate lease	11,147	1,384	4,322	(2,096)	4	14,762
<b>Credit lease</b>	<b>2,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2,575</b>
IT and office equipment	2,508	-	-	-	-	2,508
Transport equipment	65	-	-	-	2	67
<b>Total rights of use</b>	<b>13,720</b>	<b>1,384</b>	<b>4,322</b>	<b>(2,096)</b>	<b>6</b>	<b>17,337</b>



<b>Impairment</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Increase</b>	<b>Decrease</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
<b>Operating lease</b>	-	-	-	-	-	-
Real estate lease	-	-	-	-	-	-
<b>Credit lease</b>	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
<b>Total rights of use</b>	-	-	-	-	-	-
<b>Total net rights of use</b>	<b>14,468</b>	<b>123</b>	<b>(1,032)</b>	<b>(434)</b>	<b>55</b>	<b>13,179</b>

Assets financed by a leasing contract are subject to an ownership restriction.

### Lease liabilities

	<b>03/31/22</b>	<b>Change in scope</b>	<b>Variation</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Lease liabilities over five years	1,173	-	82	13	1,269
Lease liabilities from one to five years	11,924	-	(2,124)	29	9,830
<b>Total non-current lease liabilities</b>	<b>13,097</b>	<b>-</b>	<b>(2,042)</b>	<b>42</b>	<b>11,098</b>
Total current lease liabilities (including credit leases)	4,959	81	(306)	20	4,754
<b>Total lease liabilities</b>	<b>18,056</b>	<b>81</b>	<b>(2,348)</b>	<b>62</b>	<b>15,852</b>

Guarantees pledged as collateral against these lease liabilities are described in note 20 below.

### Note 13. Other 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.

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.

Financial assets consist mainly of deposits and guarantees.

Other non-current assets consist mainly of deferred tax assets in the amount of €9,588k (€8,626k at 03/31/22).

**Note 14. Current assets**

Receivables are measured at their nominal value. A provision for impairment is recognized when their recoverable value is less than their carrying value.

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 its net income and/or expenses from disposals.

<b>Trade receivables and related accounts</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Change</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Client receivables	93,297	6,498	13,579	30	113,403
Invoices to be issued	55,414	2,334	6,593	(245)	64,096
<b>Gross value</b>	<b>148,711</b>	<b>8,832</b>	<b>20,172</b>	<b>(215)</b>	<b>177,500</b>
<b>Impairment</b>	<b>(950)</b>	<b>-</b>	<b>49</b>	<b>(4)</b>	<b>(905)</b>
<b>Net book value</b>	<b>147,761</b>	<b>8,832</b>	<b>20,221</b>	<b>(219)</b>	<b>176,595</b>

In view of the quality of Wavestone's clients, no overall first-level risk has been identified. Nevertheless, the firm analyzes its trade receivables on a case-by-case basis and recognizes impairment on an individual basis, taking into account the client's specific situation and delays in payments.

<b>Other receivables</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Change</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Advances and down-payments	321	-	335	-	656
Tax receivables	17,539	2,944	(9,640)	(123)	10,719
Other debtors	2,707	339	(1,383)	62	1,725
Deferred expenses	3,034	137	310	7	3,488
<b>Gross value</b>	<b>23,600</b>	<b>3,420</b>	<b>(10,379)</b>	<b>(54)</b>	<b>16,588</b>
Impairment of other receivables	(249)	-	212	(3)	(39)
<b>Impairment</b>	<b>(249)</b>	<b>-</b>	<b>212</b>	<b>(3)</b>	<b>(39)</b>
<b>Net book value</b>	<b>23,351</b>	<b>3,420</b>	<b>(10,166)</b>	<b>(56)</b>	<b>16,549</b>

<b>Cash and cash equivalents</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Change</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Liquid assets	108,251	8,468	(45,759)	(136)	70,824
<b>Gross value</b>	<b>108,251</b>	<b>8,468</b>	<b>(45,759)</b>	<b>(136)</b>	<b>70,824</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>	<b>108,251</b>	<b>8,468</b>	<b>(45,759)</b>	<b>(136)</b>	<b>70,824</b>



### Note 15. Capital

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.

In accordance with IFRS 2 "Share-based payment", the benefit granted to employees under the free share plans is measured at the fair value of the equity instrument at the date of grant, and recognized as an expense. This fair value corresponds to the market price at that date.

At 03/31/23, the capital of the Wavestone parent company comprised 20,196,492 fully paid-up shares at €0.025 per unit.

At the same date, the Company owned 244,883 Wavestone shares.

In addition, on the authorization of the General Meeting of Shareholders, the Wavestone Management Board, at its meeting of 07/06/22, decided to allot free shares, either existing or to be issued, to the firm's Key People ("Key People Plan no.13"). The final allotment of those free shares is conditional on the beneficiary's personal investment in Wavestone shares, and on the achievement of a performance criterion relating to the firm's consolidated EBIT.

In addition, at the same meeting, the Wavestone Management Board decided to make free allotments of existing shares or shares to be issued to employees of Wavestone or the firm or to certain categories of employees, as part of the employee savings plan set up by Wavestone ("Plan for Everyone no.16").

Finally, at that same meeting the Wavestone Management Board decided to either make free allotments of existing shares or shares to be issued to the employees of the firm's foreign subsidiaries or certain categories of such employees, as part of the existing employee savings program ("International Plan no.2").

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 03/31/23.

### Free share allotment programs

At 03/31/23, the Wavestone Group had several free share plans.

Beneficiaries must remain employees of the firm until the final allotment date.

Details of the free share allotment programs are set out below:

Name of plan	Initial allocation date	Final acquisition date	Initial quantity of shares	Initial number of beneficiaries	Fair value of shares allocated
Tous Plan no. 15	07/06/21	07/06/23	30,815	1,254	1,319
Key People Plan no. 15	07/06/21	07/06/24	55,499	19	2,138
International Plan no. 1	10/15/21	10/15/23	6,052	96	229
Tous Plan no. 16	07/06/22	07/06/24	60,322	1,521	2,217
Key People Plan no. 16	07/06/22	07/06/25	57,135	15	2,363
International Plan no. 2	07/06/22	07/06/24	9,036	98	332

During the 2022/23 fiscal year, Wavestone granted the following free shares:

**Final allotment under the 07/02/19 program (“Key People Program no.14”)**

On 07/02/19, a free share allotment program (the “Key People Program no.14”), was introduced for 15 key Wavestone employees designated by the Management Board following consultation with the Remuneration Committee.

The thirty-six (36) month vesting period of Key People Program no.14 expired on 07/02/22.

The initial allotment was up to 72,960 shares. In accordance with the conditions of the program, 72,960 shares were fully acquired by 15 employees at the end of the vesting period.

The shares delivered under “Key People Program no.14” are existing shares previously acquired by the Company during a share buyback program.

**Initial allotment under the 07/06/22 program (“Employee Program no.16”)**

At its 07/06/22 meeting, the Management Board introduced “Employee Program no.16” for the allotment of free shares as part of the firm’s employee savings program. Employee Program no.16 is for Wavestone employees, depending on the employee savings program option they have selected.

At initial allotment, the number of beneficiaries was 1,521, and the number of Wavestone shares available (to people meeting program conditions by the end of the 24-month vesting period) was 60,322 or 0.30% of Wavestone equity at 07/06/22.

**Initial allotment under the 07/06/22 program (“Key People Program no.16”)**

At its 07/06/22 meeting, the Management Board introduced “Key People Program no.16” for the allotment of free shares. This “Key People Program no.16” is for key Wavestone employees designated by the Management Board at the recommendation of the Remuneration Committee.

At initial allotment, the number of beneficiaries was 15, and the number of Wavestone shares available (to people meeting program conditions by the end of the 36-month vesting period) was 57,135 or 0.28% of Wavestone equity at 07/06/22.

**Initial allotment under the 07/06/22 program (“International Program no.2”)**

At its 07/06/22 meeting the Management Board introduced “International Plan for Everyone no.2” for the allotment of free shares. This “International Plan for Everyone no.2” is for the employees of Wavestone’s foreign subsidiaries who have signed up to the “Wavestone Shares” FCPE (collective employee shareholding fund) or for registered Wavestone shares as part of the 2022 international employee shareholding program.

At initial allotment, the number of beneficiaries was 98, and the number of Wavestone shares available (to people meeting program conditions by the end of the 24-month vesting period) was 9,036 or 0.04% of Wavestone equity at 07/06/22.

## Note 16. Provisions

### Provisions for retirement packages

In accordance with IAS 19 (Employee benefits), defined benefit program obligations and their cost are valued by independent actuaries on a projected unit credit basis. 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.

There is also a retirement and welfare liability in Belgium, but this is not material.

Retirement benefits for France are based on the following assumptions:

Application of the Syntec no. 3018 collective bargaining agreement

- Staff turnover rate: 15%, i.e. the same as the assumption applied at 03/31/22
- 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: 2.20%, compared with 2.00% at 03/31/22
- Discount rate: 3.60% versus 1.75% as of 03/31/22
- Retirement age: 65
- Voluntary departure

Retirement benefits for Switzerland are based on the following assumptions:

- BVG2020 GT mortality table
- Discount rate: 2.10% versus 1.30% as of 03/31/22

In accordance with the amendment to IAS 19 "Employee benefits" dated 6/16/11, applicable to reporting periods beginning on or after 01/01/13, Wavestone recognized all actuarial gains and losses directly in shareholders' equity at 03/31/23.

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.

Most of the provisions relate to retirement benefits, which were measured by an independent actuary; proceedings before the labor courts, measured based on legal counsel's estimates of the most probable risk; and, if applicable, provisions for trade disputes.

	03/31/22	Change in scope	Increase	Reversal		Trans. gain (loss)	03/31/23
				Used	Unused		
Provisions for retirement packages	14,287	5	2,595	(116)	(3,477)	22	13,316
Provisions for risks	-	-	-	-	-	-	-
<b>Total long-term provisions</b>	<b>14,287</b>	<b>5</b>	<b>2,595</b>	<b>(116)</b>	<b>(3,477)</b>	<b>22</b>	<b>13,316</b>
Provisions for risks	5,253	-	681	(904)	(225)	(50)	4,755
<b>Total short-term provisions</b>	<b>5,253</b>	<b>-</b>	<b>681</b>	<b>(904)</b>	<b>(225)</b>	<b>(50)</b>	<b>4,755</b>
<b>Total provisions</b>	<b>19,540</b>	<b>5</b>	<b>3,276</b>	<b>(1,020)</b>	<b>(3,702)</b>	<b>(28)</b>	<b>18,071</b>

Changes in provisions for the fiscal year had a €(1,906)k impact on operating income on ordinary activities and a €59k 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 gain of €3,293k was generated in the fiscal year ended on 03/31/23, primarily as a result of changes to assumptions (discount rate, staff turnover rate, etc.).

The impact on shareholders' equity was €2,944k, net of deferred taxes, for the fiscal year ended 03/31/22. It was positive, in the amount of €2,456k, net of deferred taxes, for the year ended 03/31/23.

The net expense recognized of €2,295k breaks down as follows:

- Cost of services rendered: €815k
- Interest expenses for the year: €244k
- Benefits provided: €(116)k
- Changes to the regime: €1,353k

The changes have been made to the regime as a result of the order of 04/05/23 extending amendments to the Syntec collective bargaining agreement, published in the Official Journal on 04/28/23. This amendment relates to the calculation of the provision for termination benefits, with the elements of compensation taken into account now identical to those used in calculating severance pay, as provided for by the amendment agreement dated 03/31/22. As a result, the calculation base now includes bonuses.

### Hedging assets in Switzerland

The commitment booked in Switzerland in respect of retirement commitments corresponds to the differential observed between the defined-benefit regime and hedging assets made up of contributions already paid.

Wavestone Switzerland is affiliated with the Helvetica Group Foundation for health and social coverage of its employees (Helvetia Sammelstiftung für Personalvorsorge). 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

Hedging assets	03/31/22	03/31/23
Fondation Helvetia	4,740	4,646
<b>Total</b>	<b>4,740</b>	<b>4,646</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 €549k decrease in actuarial differences (recognized in shareholders' equity) while a 0.25% decrease in the discount rate would represent a €580k increase in actuarial differences.

## Note 17. Financial liabilities and net 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.

	03/31/22	Change in scope	Change	Trans. gain (loss)	03/31/23
<b>Debt &gt; 5 years</b>	-	-	16,056	-	16,056
Bank borrowings	-	-	16,056	-	16,056
<b>Debt 1 &gt; 5 years</b>	39,811	-	(17,820)	-	21,991
Bank borrowings	39,811	-	(17,845)	-	21,967
Borrowings and other financial liabilities	-	-	24	-	24
<b>Total non-current financial liabilities</b>	39,811	-	(1,764)	-	38,047
Bank borrowings	8,074	300	(2,960)	-	5,414
Borrowings and other financial liabilities	28	-	(30)	2	-
Bank overdrafts	2	-	140	-	143
Accrued interest outstanding	4	-	93	-	98
<b>Total current financial liabilities (&lt; 1 year)</b>	8,109	301	(2,757)	2	5,654
<b>Total financial liabilities excluding current bank overdrafts</b>	47,918	300	(4,661)	2	43,559
<b>Total financial liabilities</b>	47,920	301	(4,521)	2	43,702

Breakdown of financial liabilities by interest rate:

Rate	03/31/22		03/31/23	
	Fixed	Variable	Fixed	Variable
Non-current financial liabilities	-	39,811	24	38,023
Current financial liabilities	28	8,081	-	5,654
<b>Total financial liabilities</b>	28	47,892	24	43,677

The Group did not default on any of its debt repayment obligations during the period. On 12/14/22, Wavestone signed an amendment to the syndicated loan agreement, described in significant events of the fiscal year.

Subscriptions and repayments carried out over the fiscal year are presented in the consolidated cash flow statement.

These borrowings are not backed by any guarantees.

### Syndicated credit facilities

Characteristics of the Refinancing loan:

- Nominal: €65,000k
- Rate: variable (Euribor + margin)
- Maturity: 12/14/28
- Date of issue: 03/26/20

Characteristics of the Revolving Credit facility:

- Nominal: €40,000k
- Rate: variable (Euribor + margin)
- Maturity: 12/14/27
- Date of issue: 12/14/22

Characteristics of the Acquisition loan:

- Nominal: €105,000k
- Rate: variable (Euribor + margin)
- Maturity: 12/14/29
- Date of issue: 12/14/22

The unused portion of the Revolving Credit facility and Acquisition loan is set out in note 20.

The agreement also provides for an unconfirmed loan of up to €70,000k specifically for acquisitions.

**Other credit facilities**

Wavestone is party to an agreement with a US bank relating to a \$15 million bilateral “all uses” facility.

<b>Cash and cash equivalents</b>	<b>03/31/22</b>	<b>Change in scope</b>	<b>Change</b>	<b>Trans. gain (loss)</b>	<b>03/31/23</b>
Cash equivalents at historical value	-	-	-	-	-
Liquid assets	108,251	8,468	(45,759)	(136)	70,824
Bank overdrafts	(2)	-	(140)	-	(143)
<b>Total cash net of overdrafts</b>	<b>108,249</b>	<b>8,467</b>	<b>(45,899)</b>	<b>(136)</b>	<b>70,681</b>
Fair value adjustment of cash equivalents	-	-	-	-	-
<b>Consolidated cash</b>	<b>108,249</b>	<b>8,467</b>	<b>(45,899)</b>	<b>(136)</b>	<b>70,681</b>
<b>Financial liabilities excluding bank overdrafts</b>	<b>47,918</b>	<b>300</b>	<b>(4,661)</b>	<b>2</b>	<b>43,559</b>
<b>Net financial cash/(debt)</b>	<b>60,331</b>	<b>8,167</b>	<b>(41,238)</b>	<b>(138)</b>	<b>27,122</b>

**Note 18. Financial instruments**

The firm has entered into 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 firm has also entered into currency futures contracts and cross-currency swaps to hedge its foreign-currency loans and current accounts.

Lastly, the firm has entered into interest rate hedges (caps) to cover the risk of an increase in the interest rate on the loans taken out.

Wavestone’s financial instrument portfolio is made up of:

- treasury stock;
- forward exchange contracts and cross-currency swaps;
- interest rate hedges (caps).



### Accounting classification and fair value of financial assets and liabilities

	Instrument category						Fair value			Fair value
	Financial assets measured at fair value through			Assets financial derivatives at cost	Liabilities financial at cost	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	
<b>At 03/31/23</b>										
Equity instruments	-	-	-	1,779	-	1,779	-	1,779	-	1,779
Derivative instrument assets	1,673	-	-	-	-	1,673	-	1,673	-	1,673
Liquid assets	-	70,824	-	-	-	70,824	70,824	-	-	70,824
<b>Total assets</b>	<b>1,673</b>	<b>70,824</b>	<b>-</b>	<b>1,779</b>	<b>-</b>	<b>74,276</b>	<b>70,824</b>	<b>3,452</b>	<b>-</b>	<b>74,276</b>
Bonds	-	-	-	-	-	-	-	-	-	-
Bank loans	-	-	-	-	43,534	43,534	-	43,534	-	43,534
Financial debt (incl. leases)	-	-	-	-	15,852	15,852	-	15,852	-	15,852
Bank overdrafts	-	-	-	-	143	143	143	-	-	143
Derivative instrument assets	485	-	-	-	-	485	-	485	-	485
<b>Total liabilities</b>	<b>485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,529</b>	<b>60,014</b>	<b>143</b>	<b>59,872</b>	<b>-</b>	<b>60,014</b>



	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	
<b>At 03/31/22</b>										
Equity instruments	-	-	-	1,664	-	1,664	-	1,664	-	1,664
Derivative instrument assets	836	-	-	-	-	836	-	836	-	836
Liquid assets	-	108,251	-	-	-	108,251	108,251	-	-	108,251
<b>Total assets</b>	<b>836</b>	<b>108,251</b>	<b>-</b>	<b>1,664</b>	<b>-</b>	<b>110,752</b>	<b>108,251</b>	<b>2,500</b>	<b>-</b>	<b>110,752</b>
Bonds	-	-	-	-	-	-	-	-	-	-
Bank loans	-	-	-	-	47,890	47,890	-	47,890	-	47,890
Financial debt (incl. leases)	-	-	-	-	4,923	4,923	-	4,923	-	4,923
Bank overdrafts	-	-	-	-	2	2	2	-	-	2
Derivative instrument assets	147	-	-	-	-	147	-	147	-	147
<b>Total liabilities</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,815</b>	<b>52,962</b>	<b>2</b>	<b>52,960</b>	<b>-</b>	<b>52,962</b>

**Financial risks associated with exchange rates and hedging transactions**

**Description of the risk**

Fluctuations in exchange rates may have a significant impact on the firm's financial results. This risk arises when Wavestone carries out transactions in foreign currencies, such as purchasing or selling products or services, or holds assets or liabilities denominated in a foreign currency. Hedging transactions are used to manage this risk, as they reduce the Company's exposure to exchange rate fluctuations. As such, Wavestone is exposed to the risk of entering into hedging instruments that are inadequate, ineffective or whose cost is not proportional to the risk being hedged.

**Management of the 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 accounted for 18% of revenue at 03/31/23.

Wavestone has a currency hedging policy in place 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 responsible for putting in place the appropriate financial instruments as soon as a significant foreign currency transaction shows signs of being a potential source of risk for the firm. In fiscal 2022/23, Wavestone therefore entered into forward currency sales and cross-currency swaps. In view of the technical nature of the transactions to be designed, Wavestone relies on external risk, debt and treasury experts when entering into hedging and foreign exchange instruments. A risk arises where the information required by these experts to carry out their work is not properly provided or if their instructions are misunderstood.



**Note 19. Other liabilities**

	03/31/22	Change in scope	Change	Trans. gain (loss)	03/31/23
<b>Other non-current liabilities</b>					
Tax and social security liabilities	201	-	27	-	228
<i>o/w tax liabilities</i>	201	-	27	-	228
Other debt	131	6	664	(6)	796
<b>Total</b>	<b>332</b>	<b>6</b>	<b>691</b>	<b>(6)</b>	<b>1,023</b>
<b>Current liabilities</b>					
Trade receivables and related accounts	12,590	2,019	196	(74)	14,731
Tax and social security liabilities	109,770	7,584	(10,913)	(169)	106,272
<i>o/w tax liabilities</i>	46,379	3,616	(10,179)	(95)	39,722
<i>o/w social security liabilities</i>	63,391	3,969	(735)	(74)	66,551
Other current liabilities	29,042	128	8,945	(29)	38,087
<i>o/w suppliers of fixed assets</i>	5	-	470	-	476
<i>o/w other debt</i>	13,288	60	10,756	(66)	24,038
<i>o/w deferred income</i>	15,749	68	(2,281)	38	13,573
<b>Total</b>	<b>151,402</b>	<b>9,732</b>	<b>(1,772)</b>	<b>(271)</b>	<b>159,091</b>
<b>Total other liabilities</b>	<b>151,734</b>	<b>9,738</b>	<b>(1,081)</b>	<b>(277)</b>	<b>160,114</b>

The increase in “other current liabilities” is due to the price adjustments and earn outs on the acquisitions of PEN Partnership and Coeus Consulting of €14,347k. At 03/31/23, there were no other outstanding earn outs.

**Note 20. Off-balance sheet commitments**

	Total amount at 03/31/23	< 1 year	> 1 year 1 > 5 years	> 5 years
<b>Commitments given</b>				
Guarantees and sureties	1,730	122	1,041	566
Pledges	-	-	-	-
Operating lease commitments	10,041	4,158	5,883	-
<b>Total</b>	<b>11,771</b>	<b>4,280</b>	<b>6,925</b>	<b>566</b>
<b>Commitments received</b>				
Guarantees and sureties	454	54	-	400
Undrawn credit lines	158,793	-	158,793	-
Liability guarantees <sup>(1)</sup>	65,572	6,200	15,117	44,255
<b>Total</b>	<b>224,819</b>	<b>6,254</b>	<b>173,910</b>	<b>44,655</b>

(1) Including escrow accounts of €3,717k and insurance policy (Coeus transaction) of €11,374k.

Real estate leases are now reported as lease liabilities:

- The New York (USA) lease is 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 Luxembourg lease is covered by a rental guarantee from a bank in the amount of €92k granted to Wavestone Luxembourg, maturing in 2027.
- The Belgian lease is covered by a €28k rental guarantee from Wavestone SA maturing in 2028.
- The Swiss lease is covered by a €130k bank rental guarantee maturing in 2030.

The liability guarantees were received in connection with the acquisitions of companies carried out during the 2018/19, 2019/20, 2021/22 and 2022/23 fiscal years.

	Total amount at 03/31/22	< 1 year	1 > 5 years	> 5 years
<b>Commitments given</b>				
Guarantees and sureties	1,777	392	1,087	299
Pledges	-	-	-	-
Operating lease commitments	3,461	1,702	1,759	-
<b>Total</b>	<b>5,238</b>	<b>2,094</b>	<b>2,846</b>	<b>299</b>
<b>Commitments received</b>				
Guarantees and sureties	409	61	-	349
Undrawn credit lines	95,000	65,000	30,000	-
Liability guarantees <sup>(1)</sup>	21,913	44	21,869	-
<b>Total</b>	<b>117,322</b>	<b>65,104</b>	<b>51,869</b>	<b>349</b>

(1) Including escrow accounts of €4,104k.

**Note 21. Related-party transactions**

Nature of the transaction	Transaction amount	Name of related party	Type of relationship
Recruitment fees for Michael Page France and PageGroup France	67	Marlène Ribeiro	Member of the Board of Directors

**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 03/31/23 amount to €7,582k, or €0.38 per share.

**Note 23. Auditors' fees**

	Mazars				Aca Nexia				Others	
	Amount	Amount	%	%	Amount	Amount	%	%	Amount	Amount
	22/23	21/22	22/23	21/22	22/23	21/22	22/23	21/22	22/23	21/22
<b>Certification &amp; limited review of the individual and consolidated financial statements on a half-yearly basis</b>										
> Issuer	182	130	78%	58%	126	108	67%	77%	0	0
> Fully consolidated subsidiaries	51	96	22%	42%	62	33	33%	23%	39	4
<b>Subtotal</b>	<b>233</b>	<b>226</b>	<b>100%</b>	<b>100%</b>	<b>188</b>	<b>141</b>	<b>100%</b>	<b>100%</b>	<b>39</b>	<b>4</b>
<b>Services other than the legal certification of financial statements</b>										
> Issuer	11	10	100%	100%	11	10	100%	100%	0	0
> Fully consolidated subsidiaries	0	0	0%	0%	0	0	0%	0%	0	0
<b>Subtotal</b>	<b>11</b>	<b>10</b>	<b>100%</b>	<b>100%</b>	<b>11</b>	<b>10</b>	<b>100%</b>	<b>0%</b>	<b>0</b>	<b>0</b>
<b>Services other than the certification of financial statements requested by the entity <sup>(1)</sup></b>										
> Issuer	2	0	100%	0%	1	0	100%	0%	0	0
> Fully consolidated subsidiaries	0	0	0%	0%	0	0	0%	0%	0	0
<b>Subtotal</b>	<b>2</b>	<b>0</b>	<b>100%</b>	<b>0%</b>	<b>1</b>	<b>0</b>	<b>100%</b>	<b>0%</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>245</b>	<b>236</b>	<b>100%</b>	<b>100%</b>	<b>200</b>	<b>151</b>	<b>100%</b>	<b>100%</b>	<b>39</b>	<b>4</b>

(1) The services provided relate to the issue of the certification on financial ratios.

**Note 24. Financial risk related to climate change**

The firm, which is exclusively active in the provision of intellectual services, has not identified, at this stage, any significant financial risk related to the effects of climate change.

# Statutory Auditor's report on the consolidation financial statements - For the year ended 03/31/23

*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 accordance with our appointment as Statutory Auditors by the shareholders at the Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of Wavestone for the year ended 31 March 2023.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities, and the results of the Group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union

The audit opinion formulated above is consistent with the content of 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 stated in the "Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements" section of this report.

### Independence

We conducted our audit, in accordance with the independence rules laid out in the French Commercial Code (Code de commerce) and in the Code of Conduct of the Statutory Audit profession in France, between 1 March 2023 and the date on which we issued our report, and in particular we did not provide any services forbidden by article 5, paragraph 1 of Regulation (EU) 537/2014.

## 3. Justification of our assessments – Key Audit Matters

As required by 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 what were, in our professional judgment, the main risks of

material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

### Assessment of Goodwill

**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. Description of the 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 10](#) of the appendix to the consolidated financial statements, these acquisitions gave rise to the recognition of goodwill. Net goodwill represents 44% 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 the impairment test is based first on the use of the market value of Wavestone's market capitalization and, if necessary, second on the discounted future cash flow method.

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, forecast assumptions and the relative weight of these assets in the Group's consolidated financial statements.

#### 3.2. Audit work performed

We took note of the work relating to the impairment test carried out by management and the conclusions that emerged from it.

We have reviewed the work performed by management in relation to the impairment test and the conclusions drawn therefrom.

Our work mainly consisted in assessing the reasonableness of the valuation made of the recoverable amount of the CGU for the goodwill impairment tests.

Our work mainly consisted of:

- examine the compliance of the methodology applied by the Group with the accounting standards in force and, in particular, whether the assignment of assets to the single identified UGT is exhaustive;
- verify that the fair value net of disposal costs is derived from the closing stock market price.

### Recognition of turnover from fixed-price services

[Note 1](#) « Revenue » in section 5 « Notes on certain items in the income statement and balance sheet »

### 3.3. Description of the risk

As explained in [note 5.1](#) to the appendix to the consolidated financial statements, the turnover 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. Accrued or deferred income on contracts is 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. Accrued or deferred income on contracts is 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 prorata temporis over the duration of the contract. Accrued or deferred income on contracts is 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 prorata temporis.

We considered that the recognition of turnover from “fixed-price” contracts is a key point of our audit because fixed-price contracts represent 59% 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. Audit work performed

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 also verified, in accordance with the professional standards applicable in France and as required by laws and regulations, the information concerning the Group presented in the management report of the Board of Directors.

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

We attest that the consolidated non-financial statement required by article L.225-102-1 of the French Commercial Code (*Code de Commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

## 5. Report on other legal and regulatory requirements

### Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that 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, prepared under the responsibility of the chairman of the Management Board, complies with the single electronic format defined in the European Delegated Regulation no. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on our work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the blocktagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

### 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, 2023, Aca Nexia and Mazars were in the fourth year and nine year of total uninterrupted engagement.

## 6. 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.

## 7. Statutory Auditor's responsibilities for the audit of the consolidated 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 and Paris La Défense, June 2, 2023

**Aca Nexia**  
Sandrine Gimat  
Partner

**Mazars**  
Bruno Pouget  
Partner

## Company financial statements at 03/31/23

### Wavestone income statement

<b>(in thousands of euros)</b>	<b>03/31/23</b>	<b>03/31/22</b>
<b>Revenue</b>	<b>421,678</b>	<b>377,647</b>
Operating subsidies	36	80
Reversals on provisions, impairment and transfer of expenses	3,449	4,376
Other operating income	22,976	23,828
<b>Total operating income</b>	<b>448,140</b>	<b>405,931</b>
Purchases consumed	98,927	105,173
Personnel expenses	228,458	193,591
Other operating expenses	52,341	42,494
Levies and taxes	7,698	7,105
Depreciation allowances, impairment and provisions	5,571	4,474
<b>Total operating expenses</b>	<b>392,995</b>	<b>352,838</b>
<b>Operating profit</b>	<b>55,144</b>	<b>53,093</b>
Financial income	3,627	2,524
Financial expenses	4,670	1,608
<b>Financial profit (loss)</b>	<b>(1,043)</b>	<b>916</b>
<b>Profit from continuing operations</b>	<b>54,101</b>	<b>54,009</b>
Non-recurring profit (loss)	642	1,636
<b>Company profit</b>	<b>54,743</b>	<b>55,645</b>
Equity interests	8,006	5,799
Income tax	14,350	9,958
<b>Net income</b>	<b>32,387</b>	<b>39,888</b>

## Wavestone balance sheet

### Assets

(in thousands of euros)	Gross	Depreciation/ Impairment	03/31/23	03/31/22
			Net	Net
Intangible assets	115,477	23,014	92,464	51,012
Tangible assets	16,536	9,240	7,296	5,464
Financial assets	127,274	22	127,252	164,621
<b>Fixed assets</b>	<b>259,288</b>	<b>32,276</b>	<b>227,012</b>	<b>221,097</b>
Trade receivables and related accounts	154,444	672	153,772	129,099
Other receivables and accruals	17,642	246	17,395	20,504
Trading securities	10,081	151	9,930	5,436
Liquid assets	53,136	0	53,136	69,282
<b>Current assets</b>	<b>235,303</b>	<b>1,069</b>	<b>234,233</b>	<b>224,321</b>
<b>Total assets</b>	<b>494,590</b>	<b>33,345</b>	<b>461,245</b>	<b>445,419</b>

### Liabilities

(in thousands of euros)	03/31/23	03/31/22
Capital	505	505
Additional paid-in capital	11,365	11,365
Reserves and retained earnings	226,468	194,192
Profit	32,387	39,888
<b>Shareholders' equity</b>	<b>270,725</b>	<b>245,950</b>
<b>Provisions</b>	<b>7,219</b>	<b>3,302</b>
Bank borrowings	44,565	48,467
Trade receivables and related accounts	21,859	49,295
Other debts and accruals	116,877	98,405
<b>Debt</b>	<b>183,301</b>	<b>196,166</b>
<b>Total liabilities</b>	<b>461,245</b>	<b>445,419</b>

# Notes to the Company financial statements

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## 1. Overview

The fiscal year covers the 12-month period from 04/01/22 to 03/31/23.

These annual financial statements were approved by the Board of Directors on 05/31/23.

The financial statements are presented in thousands of euros.

The following notes and tables form an integral part of the annual financial statements.

## 2. Significant events in the fiscal year

### Acquisition of Nomadéis

On 04/05/22, Wavestone acquired the entire share capital of Nomadéis.

Founded in 2002 and based in Paris, Nomadéis is a consultancy firm that specializes in the environment and social responsibility.

In its 2021/22 fiscal year, Nomadéis generated estimated revenue of €1.8 million, representing growth of 27%. On the acquisition date, the firm had 22 employees.

This acquisition was financed entirely in cash, out of Wavestone's own funds.

### Change in Wavestone governance

At the General Meeting held on 07/28/22, the decision to change the firm's governance structure from a Management Board and Supervisory Board to a Board of Directors was made.

The Members of the Supervisory Board became members of the Board of Directors for the remainder of their term of office. Pascal Imbert and Patrick Hirigoyen joined the board as Chairman-Chief Executive Officer and Chief Operating Officer, respectively.

In addition, in order to comply with best governance practices, Marie-Ange Verdickt was appointed Lead Director.

### Transfer of all Wavestone Advisors' and Nomadéis's assets and liabilities to Wavestone SA

The transfers of all the assets and liabilities of Wavestone Advisors and Nomadéis (both wholly owned subsidiaries of Wavestone SA) to Wavestone SA were approved by a resolution of their sole shareholder dated 11/18/22. They were completed at the end of the creditors' objection period on 12/31/22 with retroactive effect to 04/01/22 for tax purposes. For accounting purposes, these two companies contribute to Wavestone's earnings in the final quarter of the fiscal year.

## Financing transactions

On 12/14/22, Wavestone renegotiated its financing contract with partner banks to extend the availability of the various credit facilities and increase the maximum amounts under these credit facilities.

Under this contract, the initial structure of which has generally been maintained, Wavestone has:

- a "Refinancing" credit facility, with €44.3 million outstanding at 03/31/23;
- two "Acquisition" credit facilities, comprising a confirmed facility of €105 million and an unconfirmed facility of €70 million; and
- a €40 million facility to fund the firm's working capital requirements.

On 03/31/23, Wavestone entered into an agreement with a US bank for a \$15 million "all uses" bilateral facility.

## Ukrainian conflict

The other point of attention for the year is the change in the economic environment in a context that remains uncertain, notably due to the conflict in Ukraine. In sales terms and despite the geopolitical environment, the consultancy market has remained buoyant since the beginning of 2022. The firm is particularly vigilant concerning the risk of a slowdown in demand and has decided, for all intents and purposes, to maintain an intense pace of commercial prospecting to better counter this risk. Note that Wavestone has no presence in either Russia or Ukraine.

## 3. Accounting rules and methods

### 3.1. Accounting standards

The financial statements at 03/31/23 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 another-than-temporary impairment, a provision is written for loss in value.

This item also includes merger losses (*mali de fusión*), which represent the negative goodwill (or “badwill”) between the net assets received from the subsidiary whose assets 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. If necessary, the five-year horizon may be shortened, but only if that simplification has no impact on the outcome of the impairment test.

These tests are based on the following key assumptions:

- a perpetual growth rate of 2%, a level deemed reasonable in light of past performances observed in the management and IT services consulting sector;
- a discount rate of 10.6% 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 plans.

### 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. Foreign currency transactions

#### Revenue

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 3.8).

#### Trade payables and receivables, and cash and cash equivalents

Payables, receivables, and cash and cash equivalents denominated in foreign currencies are translated at the end of the fiscal year at their closing exchange rate.

Translation differences resulting from the remeasurement of receivables and payables in foreign currencies at the closing exchange rate are recorded under “Translation adjustments” on the assets side of the balance sheet when there is an unrealized loss, and under “Translation adjustments” on the liabilities side of the balance sheet when there is an unrealized gain. A provision equal to the unhedged risk is booked for

translation adjustments recorded on the assets side of the balance sheet.

Translation adjustments resulting from the remeasurement of cash and cash equivalents are carried on the income statement, unless the cash and cash equivalents are part of a hedging relationship (hedged item or hedging item). If that is the case, the translation adjustments are recorded on the balance sheet and follow hedge accounting principles (see 3.8).

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.

### 3.6. 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%, i.e. the same as the assumption applied at 03/31/22;
- tghf 2005 mortality table;
- salary increases: 2.20%, compared with 2.00% at 03/31/22;
- payroll tax rate: 45%;
- discount rate: 3.60% versus 1.75% as of 03/31/22;
- retirement age: 65;
- voluntary departure.

The changes have been made to the regime as a result of the order of 04/05/23 extending amendments to the Syntec collective bargaining agreement, published in the Official Journal on 04/28/23. This amendment relates to the calculation of the provision for termination benefits, with the elements of compensation taken into account now identical to those used in calculating severance pay, as provided for by the amendment agreement dated 03/31/22. As a result, the calculation base now includes bonuses.

### 3.7. Regulated provisions

None.

## 3.8. 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 3.5);
- 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.

### 3.9. Revenue recognition and partially completed transactions at the end of the fiscal year

Revenue is recognized according to the type of contract entered into with the client:

#### 3.9.1. Time-based services contracts

The revenue from these services is recognized as 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.

#### 3.9.2. Fixed-price services contracts

Revenue generated on fixed-price services contracts is 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.



**3.9.3. Subscription services**

Revenue from subscription services is 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.

**3.10. Change in method**

None.

**4. Notes relative to certain income statement and balance sheet items**

**Note 1. Breakdown of revenue**

Wavestone specializes in the specific market segment of management and information systems consulting. Since all these services are subject to the same risks and generate similar levels of profitability, Company revenue is not broken down by business line.

The majority of Wavestone’s revenue is generated in France.

**Note 2. Average workforce**

	<b>Salaried employees</b>
Managers	2,608
Employees, technicians and supervisors	57
<b>Total</b>	<b>2,665</b>

The average workforce is calculated on a full-time equivalent (FTE) basis.

**Note 3. Compensation paid to management and supervisory bodies**

<b>Compensation paid to management</b>	<b>03/31/23</b>	<b>03/31/22</b>
Compensation of members of the Board of Directors	571	-
Compensation of Management Board members	351	618
Compensation of Supervisory Board members	185	342
<b>Total</b>	<b>1,108</b>	<b>960</b>

The changes to the governance structure are described in the “Significant events in the fiscal year” section.

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 Board of Directors.



#### Note 4. Non-recurring expenses and income

Non-recurring expenses	Value
Shortfall on treasury share buybacks	2,000
Other non-recurring expenses	290
<b>Total</b>	<b>2,290</b>

Non-recurring income	Value
Gains on treasury share buybacks	270
Other non-recurring income	861
Transfer to personnel expenses of the cost of bonus share grants	1,802
<b>Total</b>	<b>2,932</b>

Other miscellaneous operating expenses primarily include the costs of unoccupied premises, and costs related to ongoing projects aimed at returning premises to their owners for an amount of €286k.

Other miscellaneous operating income consists mainly of refunds of tax credits, and social contributions of €658k, and reversals of provisions for unoccupied premises of €42k.

#### Note 5. Breakdown of taxes

	Profit before	tax	Profit after tax
Current tax, after profit-sharing	46,095	(16,349)	29,747
Non-recurring			
• o/w short-term	642	(5)	637
• o/w long-term	-	-	-
Tax credits		2,004	2,004
<b>Net income</b>			<b>32,387</b>

Tax credits mainly concern the research tax credit for 2022 in the amount of €392k.

#### Note 6. Goodwill

Goodwill	Gross value	Net value
Items received in contribution / merger	110,745	90,573
Items acquired	1,860	1,860
<b>Total</b>	<b>112,605</b>	<b>92,434</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.

The increase in goodwill can essentially be attributed to the transfer of all Wavestone Advisors' assets and liabilities, described in the "Significant events in the fiscal year" section.

**Note 7. Fixed assets**

	Gross value at start of fiscal year	Increases			Decreases,	Gross value at end of fiscal year
		Mergers/ contributions	Acquisitions			
<b>Intangible assets</b>						
Goodwill	70,570	42,035	-	-	-	112,605
Licenses and software	2,792	80	-	-	-	2,872
Intangible assets in progress	-	-	-	-	-	-
<b>Total</b>	<b>73,362</b>	<b>42,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,477</b>
<b>Tangible assets</b>						
Fixtures and fittings	10,925	13	2,165	265	-	12,838
Office and computer equipment, furniture	2,258	94	1,385	71	-	3,666
Tangible assets in progress	12	-	1,113	1,092	-	32
<b>Total</b>	<b>13,194</b>	<b>108</b>	<b>4,663</b>	<b>1,429</b>	<b>-</b>	<b>16,536</b>
<b>Financial assets</b>						
Other investments	136,938	(90,434)	3,060	575	-	48,989
Receivables from controlled entities	25,662	-	56,818	6,520	-	75,959
Other long-term securities	802	-	5,769	5,718	-	853
Loans and other financial assets	1,245	16	348	136	-	1,473
<b>Total</b>	<b>164,647</b>	<b>(90,418)</b>	<b>65,995</b>	<b>12,949</b>	<b>-</b>	<b>127,274</b>
<b>Total fixed assets</b>	<b>251,203</b>	<b>(48,195)</b>	<b>70,658</b>	<b>14,378</b>	<b>-</b>	<b>259,287</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.

Equity investments, monitored as a whole, are subject to an impairment test conducted on the basis of the discounted future cash flow method. The impairment test carried out confirmed no impairment over the period.

**Note 8. Depreciation and amortization**

	Value at start of fiscal year	Increase		Decrease Write-backs	Value at end of fiscal year
		Mergers/ contributions	Dotations		
<b>Intangible assets</b>					
Goodwill	3,174	430	-	-	3,603
Licenses and software	2,598	50	184	-	2,832
<b>Total</b>	<b>5,772</b>	<b>479</b>	<b>184</b>	<b>-</b>	<b>6,435</b>
<b>Tangible assets</b>					
Fixtures and fittings	6,297	13	1,279	203	7,386
Office and computer equipment, furniture	1,434	82	393	55	1,854
<b>Total</b>	<b>7,730</b>	<b>96</b>	<b>1,672</b>	<b>258</b>	<b>9,240</b>
<b>Total amortization</b>	<b>13,502</b>	<b>575</b>	<b>1,856</b>	<b>258</b>	<b>15,675</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 stock	186,620	250,331	123,972	68,096	244,883

(1) O/w free allocation for 68,096 shares.

The gross value of treasury stock held at 03/31/23 was €10,935k. This breaks down into treasury shares held for:

- external growth: €0k;
- liquidity transactions: €853k;
- free share allocation: €10,081k.

The net value of treasury stock at 03/31/23 was €10,762k.

**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	77,432	-	77,432
<b>Of current assets</b>			
Trade receivables and related accounts	154,444	154,444	-
Social security receivables	396	396	-
Tax receivables	6,284	6,037	247
firm and associates	2,998	-	2,998
Other debtors	715	715	-
Prepaid expenses	3,386	3,386	-
<b>Total</b>	<b>245,655</b>	<b>164,978</b>	<b>80,677</b>

<b>Debt</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 borrowings < 1 year when contracted <sup>(1)</sup>	167	167	-	-
Emprunts et dettes auprès des établissements	44,423	5,740	22,568	16,115
Bank borrowings > 1 year when contracted <sup>(1)</sup>	-	-	-	-
Other borrowings and financial debt <sup>(1)</sup>	-	-	-	-
Trade receivables and related account	21,859	21,859	-	-
Social security debt	54,700	54,700	-	-
Tax liabilities	35,863	35,465	398	-
Debts on assets and related accounts	476	476	-	-
Firm and associates	143	-	-	143
Other debt	8,284	8,284	-	-
Deferred income	12,448	12,448	-	-
<b>Total</b>	<b>178,364</b>	<b>139,140</b>	<b>22,966</b>	<b>16,258</b>

(1) Of which borrowings contracted during the fiscal year: €0k.  
Of which borrowings repaid during the fiscal year: €4,135k.

**Note 11. Accrued income**

<b>Accrued income included in the following financial position statement items</b>	<b>03/31/23</b>	<b>03/31/22</b>
Receivables from controlled entities	140	20
Trade receivables and related accounts	55,120	49,444
Other receivables	677	455
Liquid assets	72	6
<b>Total</b>	<b>56,009</b>	<b>49,925</b>

## Note 12. Accrued expenses

Accrued expenses included in the following financial position statement items	03/31/23	03/31/22
Bank borrowings and debt	240	7
Trade payables and related accounts	13,944	23,026
Tax and social security liabilities	46,084	35,604
Other debt	7,387	6,679
<b>Total</b>	<b>67,655</b>	<b>65,317</b>

## Note 13. Deferred income and prepaid expenses

The €12,448k in deferred income relates solely to operating income, and the €3,386k in prepaid expenses relates exclusively to operating expenses.

## Note 14. Measurement differences of marketable securities

None.

## Note 15. Breakdown of share capital

Ordinary shares	Number of shares	(in euros)	
		At 03/31/22	Share capital
At 03/31/22	20,196,492	0.025	504,912.30
At 03/31/23	20,196,492	0.025	504,912.30

There were no stock option plans in place at 03/31/23.

## Note 16. Change in shareholders' equity

	Capital share	Premiums	Reserves and retained earnings	Profit for the fiscal year	Total
At 03/31/22	505	11,365	194,192	39,888	245,950
Appropriation of profit	-	-	32,284	(32,284)	-
Dividends	-	-	(9)	(7,604)	(7,612)
Profit for the fiscal year	-	-	-	32,387	32,387
At 03/31/23	505	11,365	226,468	32,387	270,725

**Note 17. Provisions and impairment**

	Value at start of fiscal year	Increase		Decrease Write-backs	Value at end of fiscal year
		Mergers/ contributions	Provisions		
<b>Regulated provisions</b>	-	-	-	-	-
<b>Provisions <sup>(1)</sup></b>					
Disputes	403	2,592	18	378	2,634
Fines and penalties	-	-	-	-	-
Other provisions <sup>(2)</sup>	2,900	206	3,847	2,368	4,585
<b>Total</b>	<b>3,302</b>	<b>2,798</b>	<b>3,865</b>	<b>2,747</b>	<b>7,219</b>
<b>Depreciation</b>					
Intangible assets	16,579	-	-	-	16,579
Tangible assets	-	-	-	-	-
Equity investments	-	-	-	-	-
Other financial assets	26	-	22	26	22
Trade receivables	557	66	52	4	672
Other depreciation	265	14	128	9	397
<b>Total</b>	<b>17,427</b>	<b>80</b>	<b>201</b>	<b>39</b>	<b>17,670</b>
<b>Grand total</b>	<b>20,729</b>	<b>2,879</b>	<b>4,066</b>	<b>2,785</b>	<b>24,889</b>
O/w appropriations and write-backs					
• operating			3,715	2,657	
• financial			351	86	
• non-recurring			-	42	

(1) Write-back of €2,520k provision for risk and liabilities.

(2) Mainly concerning a provision for free share allocation and a provision for unoccupied premises.

**Free share allotment plans**

At 03/31/23, the Wavestone Group had several free share plans.

Beneficiaries must remain employees of the firm until the final allotment date.

Details of the free share allotment plans are set out below:

Name of plan	Initial allocation date	Final acquisition date	Initial quantity of shares	Initial number of beneficiaries	Fair value of shares allocated
Plan Tous no. 15	06/07/21	06/07/23	30,815	1,254	1,319
Plan Key People no. 15	06/07/21	06/07/24	55,499	19	2,138
Plan International no. 1	15/10/21	15/10/23	6,052	96	229
Plan Tous no. 16	06/07/22	06/07/24	60,322	1,521	2,217
Plan Key People no. 16	06/07/22	06/07/25	57,135	15	2,363
Plan International no. 2	06/07/22	06/07/24	9,036	98	332



During the past fiscal year, Wavestone granted the following free shares:

**Final allotment under the 07/02/19 program (“Key People Program no.14”)**

On 07/02/19, a free share allotment program (the “Key People Program no.14”), was introduced for 15 key Wavestone employees designated by the Management Board following consultation with the Remuneration Committee.

The thirty-six (36) month vesting period of Key People Program no.14 expired on 07/02/22.

The initial allotment was up to 72,960 shares. In accordance with the conditions of the program, 72,960 shares were fully acquired by 15 employees at the end of the vesting period.

The shares delivered under “Key People Program no.14” are existing shares previously acquired by the Company during a share buyback program.

**Initial allotment under the 07/06/22 program (“Employee Program no.16”)**

At its 07/06/22 meeting, the Management Board introduced “Employee Program no.16” for the allotment of free shares as part of the firm’s employee savings program. Employee Program no.16 is for Wavestone employees, depending on the employee savings program option they have selected.

At initial allotment, the number of beneficiaries was 1,521, and the number of Wavestone shares available (to people meeting program conditions by the end of the 24-month vesting period) was 60,322 or 0.30% of Wavestone equity at 07/06/22.

**Initial allotment under the 07/06/22 program (“Key People Program no.16”)**

At its 07/06/22 meeting, the Management Board introduced “Key People Program no.16” for the allotment of free shares. This “Key People Program no.16” is for key Wavestone employees designated by the Management Board at the recommendation of the Remuneration Committee.

At initial allotment, the number of beneficiaries was 15, and the number of Wavestone shares available (to people meeting program conditions by the end of the 36-month vesting period) was 57,135 or 0.28% of Wavestone equity at 07/06/22.

**Initial allotment under the 07/06/22 program (“International Program no.2”)**

At its 07/06/22 meeting the Management Board introduced “International Plan for Everyone no.2” for the allotment of free shares. This “International Plan for Everyone no.2” is for the employees of Wavestone’s foreign subsidiaries who have signed up to the “Wavestone Shares” FCPE (collective employee shareholding fund) or for registered Wavestone shares as part of the 2022 international employee shareholding program.

At initial allotment, the number of beneficiaries was 98, and the number of Wavestone shares available (to people meeting program conditions by the end of the 24-month vesting period) was 9,036 or 0.04% of Wavestone equity at 07/06/22.

**Note 18. Increases and decreases in future tax liabilities**

<b>Increase in future tax liabilities</b>	<b>Value (base)</b>
Regulated provisions	-
Other	3,229
<b>Total</b>	<b>3,229</b>
<b>Relief on future tax liabilities</b>	<b>Value (base)</b>
<b>Provisions not deductible in the year recognized</b>	
Employee profit-sharing	9,269
Social welfare contributions	170
<b>Other</b>	
Subsidiary acquisition costs	248
Provisions for risks and charges	230
Impairment of fixed assets	-
Impairment of receivables	7
Unrealized gains on marketable securities	-
Translation gains or losses on liabilities	3,108
<b>Total</b>	<b>13,033</b>
Deferred losses	386
Long-term capital losses	-

## Note 19. Hedging instruments

### Interest rate hedges

Bank borrowings in the amount of €95,000k on the guarantee date are hedged by two rate caps.

	Maturity	03/31/23	
		Nominal value	Market value
<b>Bank loans</b>			
Interest rate option	26/06/23	12,500	89
Interest rate option	26/06/24	15,000	625
<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 \$28,430k loan granted to Wavestone US is fully hedged by two cross-currency swaps and one currency swap.

GBP 40,000k of the GBP 43,675k loan granted to Wavestone Advisors UK is hedged by three cross-currency swaps.

	Currency	Maturity	03/31/23	
			Nominal value	Market value
<b>Business operations</b>				
None				
<b>Subsidiaries' current accounts</b>				
Forward sales	USD / EUR	06/20/23	2,299	35
Forward sales	HKD / EUR	06/20/23	340	7
<b>Subsidiaries' loans</b>				
Forward sales	USD / EUR	06/20/23	7,183	109
Cross-currency swap	USD / EUR	06/22/26	18,283	185
Cross-currency swap	GBP / EUR	09/20/27	46,264	150
<b>Subsidiaries' securities</b>				
None				

At 03/31/23, Wavestone did not hold any derivatives not designated as hedges (no open positions).

**Note 20. 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	1,367	297	1,041	28
Pledges	-	-	-	-
Pension commitments	12,897	-	-	12,897
Lease commitments	-	-	-	-
Financial lease agreements <sup>(1)</sup>	22,297	7,961	13,624	711
<b>Total</b>	<b>36,560</b>	<b>8,259</b>	<b>14,666</b>	<b>13,636</b>
<b>Commitments received</b>				
Guarantees and sureties	304	4	-	300
Undrawn credit lines <sup>(2)</sup>	158,793	-	158,793	-
Liability guarantees <sup>(3)</sup>	8,087	44	8,043	-
<b>Total</b>	<b>167,185</b>	<b>48</b>	<b>166,836</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.

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.

(2) Loan agreements also enabled Wavestone to request an unconfirmed credit facility for a maximum amount of €70,000k for external growth transactions.

(3) The liability guarantees were received in connection with the acquisitions of companies carried out during the 2018/19, 2021/22 and 2022/23 fiscal years. They consisted of escrow accounts totaling €944k.

Commitments related to hedging instruments are disclosed in [note 19](#).

**Note 21. 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 UK</b> 29-30 (1 <sup>st</sup> floor) Cornhill EC3V 3NF. Londres. United Kingdom	100	4	11062	37
<b>Wavestone Switzerland</b> 1 place de Pont Rouge 1212 Grand-Lancy. Switzerland	100	100	2304	727
<b>Wavestone US</b> 130 West 42 <sup>nd</sup> Street NY10036 New York	100	0	18390	(156)
<b>Wavestone Luxembourg</b> 10 rue du Château d'Eau 3364 Leudelange	100	31	2022	858
<b>Wavestone Belgium</b> 6 avenue des Arts 1210 Brussels	100	62	560	207
<b>Wavestone Advisors Maroc</b> Tour Capital Tower Angle Main street et Boulevard Moulay Abdellah Bencherif Casablanca. Morocco	100	198	595	130
<b>Wavestone Hong Kong</b> 21/F. On Hing Building 1 On Hing Terrace Central. Hong Kong	100	70	1082	(747)
<b>why innovation! Pte. Ltd.</b> 380 Jalan Besar #08-06/07 ARC 380 209000. Singapore	100	429	1382	(40)
<b>why academy! Pte. Ltd.</b> 380 Jalan Besar #08-06/07 ARC 380 209000. Singapore	100	0	16	(20)
<b>Participations</b>				
Néant				

<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	0	0	0	0
Foreign	48,959	48,959	78,904	0
<b>Equity interests</b>				
None				

(1) Including advances made to subsidiaries within the context of the Company's centralized cash-management system.

**Note 22. Related-party transactions**

<b>Type of transaction</b>	<b>Transaction amount</b>	<b>Name of related party</b>	<b>Type of relationship</b>
Recruitment fees for Michael Page France and Page Personnel	67	Marlène Ribeiro	Member of the Board of Directors

**Note 23. 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 03/31/23 amount to €7,582k, or €0.38 per share.

# Statutory Auditors' report on the financial statements - Year ended 03/31/23

*This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Wavestone Shareholders' Meeting,

## Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Wavestone for the year ended March 31, 2023.

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, 2023, 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 of rules required by provided in the French Commercial Code and the French Code of ethics for Statutory Auditors for the period from April 1, 2022, 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

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" and section 3.2 "Tangibles and intangibles assets" in section 3 to the Company financial statements, "Rules and accounting methods", note 6 "Goodwill" and note 7 "Fixed assets" in section 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. Universal asset transfers of acquired companies were implemented.

As described in note 3.3 and 7 in section 4 to the Company financial statements, equity investments and receivables from controlled entities recorded in assets for a net book value of €125 million represent 27% of total assets as of March 31, 2023. They are initially recognized at acquisition cost, less any expenses relating to the acquisition.

The commercial goodwill booked as assets at a net book value of €92 million represented 20% of the balance sheet total at March 31, 2023. They include merger losses, which represent the negative difference between the net assets received from subsidiaries involved in a universal transfer of assets and liabilities, and the book value of the investments. Due to the legal and operational reorganization of the various practices over the last few years, merger losses and the commercial goodwill can only be tracked globally, and have been grouped together on a single line. They are considered to have an indefinite life.

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.

Goodwill is tested for impairment using the discounted cash flow method.

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 as well as commercial goodwill 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 3.9 “Revenue recognition and partially completed transactions at the end of the fiscal year” in section 3 to the Company financial statements “Rules and accounting methods” and note 1 “Breakdown of revenues” in section 4 to the Company financial statements “Notes relatives to certain income statement and balance sheet items”)

**Risk identified:** As described in notes 3.9 and 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 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 the professional standards applicable in France relating to the audit of the annual and consolidated financial statements presented in accordance with the European electronic reporting format, we have also verified that the annual financial statements, which are to be included in the annual financial report referred to in I of article L.451-1-2 of the French Monetary and Financial Code and prepared under the responsibility of the Chairman and Chief Executive Officer, comply with this format as defined by European Delegated Regulation no. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements for inclusion in the annual financial report complies in all material respects with the Single European Electronic Reporting Format.

We are not responsible for verifying that the financial statements actually included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

### 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 11, 2014, for Mazars.

As of March 31, 2023, Aca Nexia was in the 4<sup>th</sup> year of total uninterrupted engagement, and Mazars was in the 9<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;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Report to the Audit Committee**

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the

key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) no.537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code 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 and Paris La Défense, June 2, 2023

**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, 2023

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. 225-31 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.225-31 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 and entered into during the year

In accordance with article L.225-40 of the French Commercial Code, we have been advised of the following agreements entered into during the year, which were authorized by your Board of Directors.

### Rights resulting from the employment contract of Mr. Patrick Hirigoyen

- Person concerned: Mr. Patrick Hirigoyen
- Terms and conditions: Mr. Patrick Hirigoyen's employment contract was suspended on April 1, 2017, and he was remunerated in respect of his corporate office as a member of the Management Board until July 28, 2022, and then as Chief Operating Officer and member of the Board of Directors from that date. In this context, it was agreed between the Company and Patrick Hirigoyen that the period during which he exercised his new office as Chief Operating Officer would be taken into account in calculating his rights under his employment contract.

### Agreements previously approved by the shareholders' meeting

#### Agreements approved in previous financial years with continuing effect during the year

Pursuant to article R. 225-30 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: Mr. Patrick Hirigoyen's employment contract was suspended on April 1, 2017, and he was remunerated for his duties as a member of the Management Board until July 28, 2022. In this context, it was agreed between the Company and Patrick Hirigoyen that the period during which he held his office as a member of the Executive Board - Chief Executive Officer - would be taken into account in calculating his rights under his employment contract.

The Statutory Auditors

Paris La Défense, June 2, 2023

**Mazars**  
Bruno Pouget  
Partner

**Aca Nexia**  
Sandrine Gimat  
Partner

# LEGAL INFORMATION

# 04

**284** GENERAL INFORMATION ON WAVESTONE AND OUR SHARE CAPITAL

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**299** EXCEPTIONAL EVENTS AND DISPUTES

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# General information on Wavestone and our 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 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 in 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.

Takeover of why innovation! in October 2021.

Takeover of NewVantage Partners in December 2021.

Launch of the *Impact* strategic plan.

#### 2022

Takeover of Nomadéis in April 2022.

Wavestone SA transitions from a Management and Supervisory Board to a Board of Directors in July 2022.

Takeover of Pen Partnership in August 2022.

Takeover of Coeus Consulting in September 2022.

Disposal of Wavestone India activities in December 2022.

## 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 Board of Directors, 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 04/02/1990.

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:

- consulting and support for companies, individuals, local authorities and other public or private bodies, advice on strategy, organization, management, information systems, human resources, marketing and communication, from design to implementation, personalized coaching, training services;
- the provision of IT services for third parties using custom-developed and standard programs, 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;
- the creation, implementation and management of networks and/or groups with a view to developing the Company's proprietary concepts and transferring expertise;
- the development, ownership, management, leasing, and sale of patents and/or trademarks and the granting of licenses;
- the 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 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.377 550 249

## 1.7. Fiscal year

Wavestone's fiscal year runs from April 1 of every year to March 31 of the following year (article 31 of the Articles of Association). Its duration is 12 months.

## 1.8. Specific clauses in the Articles of Association

### Allocation and distribution of earnings (article 33 of the Articles of Association)

If the financial statements for the year approved by the Annual General 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 the shareholders in proportion to the number of shares they hold. The Annual General 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 in the event of 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 General 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 General Meeting, any losses are carried forward against future earnings until they are fully offset.

#### **Notice and Meeting of Annual General Meetings (article 22 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 24 of the Articles of Association)**

1. All holders of ordinary shares are entitled to attend the Annual General Meeting, regardless of the number of 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 General 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 Board of Directors may, if it sees fit, issue shareholders with personal admission cards.

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 Board of Directors so 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 30 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. The nature of these documents and the manner in which they are sent or made available to shareholders are determined by law.

#### **Quorum - Vote (article 26 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 Board of Directors 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 General Meeting (article 27 of the Articles of Association)**

Ordinary General Meetings make all decisions which do not amend the Articles of Association.

Ordinary General 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 General Meetings may only validly conduct business, on first convening, if the shareholders present, represented by proxy or voting by post hold at least one quarter 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 General Meeting  
(article 28 of the Articles of Association)**

Extraordinary General Meetings (EGMs) 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 EGM may delegate the power to amend the Company's Articles of Association to comply with laws and regulations to the Board of Directors, subject to ratification of such amendments by the next Extraordinary General Meeting.

Subject to legal derogations, EGMs 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. Where the latter quorum is not constituted, the EGM 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 EGMs 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 attaching 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 General 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 General 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 and the *Autorité des Marchés Financiers* of the total number of shares held, within four trading days of exceeding the statutory threshold of the total number of shares and voting rights owned.

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 12 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 Board of Directors 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 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 share;
- 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 General 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.

#### **Powers of the Board of Directors (article 15 of the Articles of Association)**

The Board of Directors determines the direction of the Company's business and ensures that it is implemented in accordance with its corporate interest, taking into account the social and environmental challenges of the Company's business.

Subject to the powers expressly attributed to shareholders' Meetings and within the limits of the Company's purpose, the Board of Directors deals with all matters relating to the proper operation of the Company and settles, through its deliberations, matters that concern it. The Board of Directors may conduct as many audits and controls as it deems necessary.

The Chairman of the Board of Directors or the Chief Executive Officer of the Company is required to provide each director with all the documents necessary for the performance of his or her duties.

The provision of security, as well as sureties and guarantees by the Company to guarantee third-party commitments, is authorized by the Board of Directors pursuant to conditions established by current law.

The Board of Directors may set up committees made up of its own members, to examine and give its opinion on issues submitted by itself or its Chairman for review. The Board determines the composition and powers of these committees, which conduct their business under its responsibility.

#### **1.9. Share buybacks**

Please see the "Board of Directors Report - General Report" (Chapter 1 herein) for information on the share buyback program in effect during the fiscal year ended 03/31/23. Please refer to Chapter 5 herein for details of the share buyback program submitted to the Combined General Meeting on 07/27/23.

## 2. General information on Wavestone's share capital

### 2.1. Share capital

The Company's capital totaled €504,912.30 at 03/31/23. This is divided into 20,196,492 fully paid-up shares of the same class (article 6 of the Articles of Association).

For information on past capital increases, please refer to the paragraph 3.2 in 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.

As such, 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 Combined General Meeting on 07/28/22, remain valid. More details on these authorizations are given in the Chapter 2 of this report.

### 2.4. Pledges, guarantees and sureties

#### Current pledges of issuer shares held in direct registered accounts at 03/31/23

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

#### Securities on the issuer's assets current at 03/31/23 (intangible, tangible and financial assets)

Type of surety	Surety start date	Surety expiry date	Amount of pledged/assigned asset (a) (in millions of euros)	Balance sheet total (b) (in millions of euros)	(a)/(b)	Release conditions
On intangible assets	None	None	None	92.5	n/a	None
On tangible assets	None	None	None	7.3	n/a	None
On financial assets	None	None	None	127.3	n/a	None
<b>Total</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>227</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 gives a snapshot of Wavestone shareholders at 03/31/23. The presentation of the table has been simplified compared with the table published last year:

shareholders	Shares	% capital	Theoretical voting rights <sup>(3)</sup>	% theoretical voting rights	Exercisable voting rights <sup>(4)</sup>	% exercisable voting rights
Imbert family <sup>(1)</sup>	5,789,136	28.66%	11,578,272	35.61%	11,578,272	35.88%
Dancoisne - Chavelas family <sup>(2)</sup>	5,211,088	25.80%	10,422,176	32.06%	10,422,176	32.30%
<b>Sub-total Imbert/Dancoisne - Chavelas</b>	<b>11,000,224</b>	<b>54.47%</b>	<b>22,000,448</b>	<b>67.67%</b>	<b>22,000,448</b>	<b>68.18%</b>
Patrick Hirigoyen	71,089	0.35%	130,322	0.40%	130,322	0.40%
Other directors	34,610	0.17%	67,969	0.21%	67,969	0.21%
Employees <sup>(5)</sup>	1,573,603	7.79%	2,479,479	7.63%	2,479,479	7.68%
Treasury stock	244,883	1.21%	244,883	0.75%	0	0.00%
<b>Free float</b>	<b>7,272,083</b>	<b>36.01%</b>	<b>7,589,032</b>	<b>23.34%</b>	<b>7,589,032</b>	<b>23.52%</b>
<b>Total</b>	<b>20,196,492</b>	<b>100.00%</b>	<b>32,512,133</b>	<b>100.00%</b>	<b>32,267,250</b>	<b>100.00%</b>

(1) P. Imbert directly holds 941,978 shares. FIH, the family holding company over which he exercises exclusive control, holds 4,847,158 shares.

(2) M. Dancoisne directly holds 1,195,179 shares. FDCH, the family holding company over which he exercises exclusive control, holds 2,827,509 shares. D. Chavelas, his daughter, controls 1,188,400 shares.

(3) In accordance with article 11 of Wavestone'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.

(4) In accordance with AMF position-recommendation no. 2014-14, the total number of voting rights exercisable at General Meetings is calculated on the basis of the total number of shares with exercisable voting rights, but does not include those without voting rights.

(5) The method used to calculate employee share ownership has been modified from that used in previous years, to take into account only those ownership situations specifically mentioned in article L.225-102 of the French Commercial Code. Wavestone shares held by the Wavestone Actions FCPE are included in the calculation, as are shares issued under stock option plans (free share allocation plans, stock options) still held in registered form by their current or former beneficiaries. The other securities held by employees, resulting, for example, from acquisitions on the market, are no longer included in this calculation and are now included in the "Public" category. They are no longer able to be identified with certainty. Last year, these securities represented around 0.27% of the capital.

##### Theoretical and exercisable voting rights

	Shares	Theoretical voting rights	Exercisable voting rights	
Registered shares with single voting rights	176,106	176,106	176,106	A
Registered shares with double voting rights	12,315,641	24,631,282	24,631,282	B
Treasury registered shares	226,727	226,727	-	C
<b>Registered shares</b>	<b>12,718,474</b>	<b>25,034,115</b>	<b>24,807,388</b>	<b>D=A+B+C</b>
Bearer shares with single voting rights	7,459,862	7,459,862	7,459,862	E
Treasury bearer shares	18,156	18,156	-	F
<b>Bearer shares</b>	<b>7,478,018</b>	<b>7,478,018</b>	<b>7,459,862</b>	<b>G=E+F</b>
<b>Total</b>	<b>20,196,492</b>	<b>32,512,133</b>	<b>32,267,250</b>	<b>H=D+G</b>



Wavestone is 28.66%-owned directly and indirectly by Pascal Imbert, Chairman and CEO, and 25.80%-owned by the Dancoisne-Chavelas family. Michel Dancoisne sits on the Board of Directors as the permanent representative of FDCH. Acting in concert, these shareholders jointly own 54.47% of the Company's capital and 68.18% of the exercisable voting rights at 03/31/23.

No other shareholder owns 5% or more of Wavestone's share capital and/or voting rights.

Patrick Hirigoyen is a member of the Board of Directors and Chief Operating Officer of Wavestone.

"Other directors" covers the shares and voting rights of Pierre Allard, Christophe Aulnette, Véronique Beaumont, Benjamin Clément, Sarah Lamigeon, Marlène Ribeiro, Emilie Salas, Marie-Ange Verdickt and Rafaël Vivier.

According to a review of identifiable registered and bearer shares on 03/31/23, approximately 70% of the shares were held by institutional French and international funds and 30% by private shareholders on that date.

Wavestone is therefore controlled by its two founders and their families. We are committed to strict corporate governance principles. The presence of independent directors on the Board of Directors ensures that the Board carries out its purpose and represents all the Company's shareholders.

### 3.2. Wavestone share capital: five-year overview

For the record, in 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:

- an initial capital increase was decided by the Management Board at its Meeting on 06/26/18, increasing the share capital by €7,120.80, by issuing 284,832 shares;
- a second capital increase was decided by the Management Board at its Meeting on 07/20/18, increasing the share capital by €1,103.30, by issuing 44,132 shares.

The previous capital transaction dates back to 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	Ownership structure at 03/31/23				Ownership structure at 03/31/22 - proforma <sup>(1)</sup>				Ownership structure at 03/31/21 - proforma <sup>(1)</sup>			
	Shares	% capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% capital	% of theoretical voting rights	% of exercisable voting rights	Shares	% capital	% of theoretical voting rights	% of exercisable voting rights
Imbert family	5,789,136	28.66%	35.61%	35.88%	5,789,136	28.66%	35.59%	35.80%	5,789,136	28.66%	28.60%	28.90%
Dancoisne - Chavelas family	5,211,088	25.80%	32.06%	32.30%	5,211,088	25.80%	32.04%	32.22%	5,244,349	25.97%	28.29%	28.59%
<b>Sub-total Imbert / Dancoisne - Chavelas</b>	<b>11,000,224</b>	<b>54.47%</b>	<b>67.67%</b>	<b>68.18%</b>	<b>11,000,224</b>	<b>54.47%</b>	<b>67.63%</b>	<b>68.02%</b>	<b>11,033,485</b>	<b>54.63%</b>	<b>56.89%</b>	<b>57.49%</b>
Patrick Hirigoyen	71,089	0.35%	0.40%	0.40%	80,289	0.40%	0.46%	0.46%	75,953	0.38%	0.62%	0.62%
Other directors	34,610	0.17%	0.21%	0.21%	35,324	0.17%	0.21%	0.21%	34,746	0.17%	0.28%	0.29%
Employees <sup>(1)</sup>	1,573,603	7.79%	7.63%	7.68%	1,596,228	7.90%	7.68%	7.73%	1,560,545	7.73%	10.38%	10.49%
Treasury stock	244,883	1.21%	0.75%	0.00%	186,620	0.92%	0.57%	0.00%	257,699	1.28%	1.05%	0.00%
Free float	7,272,083	36.01%	23.34%	23.52%	7,297,807	36.13%	23.44%	23.58%	7,234,064	35.82%	30.78%	31.11%
<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) To ensure comparability, the figures at 03/31/22 and 03/31/21 have been recalculated on a proforma basis, taking into account the change in the method of calculating employee shareholding mentioned above (note 5 of the Wavestone shareholding table at 03/31/23). For this reason, the figures published in this table differ from those presented in previous years for fiscal years 2020/21 and 2021/22.

Executive shareholders did not significantly reduce their shareholdings during the 2022/23 financial year.

As a reminder, on 03/29/21 and 04/01/21, FIH, included in the “Imbert family” line, acquired double voting rights in respect of the 4,847,158 Wavestone shares it holds. FDCH, included in the “Dancoisne - Chavelas family” line, acquired double

voting rights on 10/12/21 in respect of the 2,827,509 shares it holds.

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.

<b>Executive directors</b>	<b>Transaction date</b>	<b>Type of transaction</b>	<b>Number of shares</b>	<b>Transaction share price</b>
Mr. Patrick Hirigoyen	04/04/22	Cession	1,500	€45.9765
Mr. Patrick Hirigoyen	07/29/22	Cession	1 000	€50.6672
Mr. Rafaël Vivier	08/04/22	Cession	1 000	€51.8180
Mr. Pierre Allard	11/04/22	Acquisition	237	€41.8500
Mr. Patrick Hirigoyen	11/08/22	Cession	1,500	€42.4448
Mr. Patrick Hirigoyen	12/20/22	Cession	1 000	€41.7050
Mr. Patrick Hirigoyen	02/06/23	Cession	1,700	€48.0722
Mr. Patrick Hirigoyen	02/07/23	Cession	1,500	€48.6261
Mr. Pierre Allard	02/07/23	Sale	470	€49.9500

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

None.

#### 4. Issuer as a member of a group

Wavestone does not belong to any group.

#### 5. Dividends

##### 5.1. Statute of limitations

Unclaimed dividends expire after five years and are paid to the French government, in accordance with the law.

##### 5.2. Dividend distribution

Wavestone has paid a dividend since the fiscal year ended 03/31/95.

Dividends paid in the past three fiscal years:

<b>Fiscal year</b>	<b>Number of shares for dividend payment <sup>(1)</sup></b>	<b>Dividend per share <sup>(2)</sup></b>	<b>Portion of the dividend eligible for the 40% relief <sup>(3)</sup></b>
03/31/22	20,032,695	€0.38	100%
03/31/21	20,053,458	€0.23	100%
03/31/20	n/a	n/a	n/a

(1) The Company's treasury shares are not eligible for the dividend.

(2) Before deduction of taxes and social charges.

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

### **5.3. Dividend payout in respect of the fiscal year ended 03/31/23**

Wavestone is a growth company which reinvests the bulk of its earnings to fund further development. Wavestone's policy is, in principle, to pay out 15% of the group's 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.

The Board of Directors proposes to the shareholders at the General Meeting of 07/27/23, that a dividend of €0.38 per share be paid in respect of the 2022/23 fiscal year. This dividend equates to a payout ratio of 15% of the Group's share of net income.

### **5.4. Future dividend policy**

The Company's dividend policy is explained in the Board of Directors Report - General Report (see Chapter 1).

## 6. Market for the Wavestone share

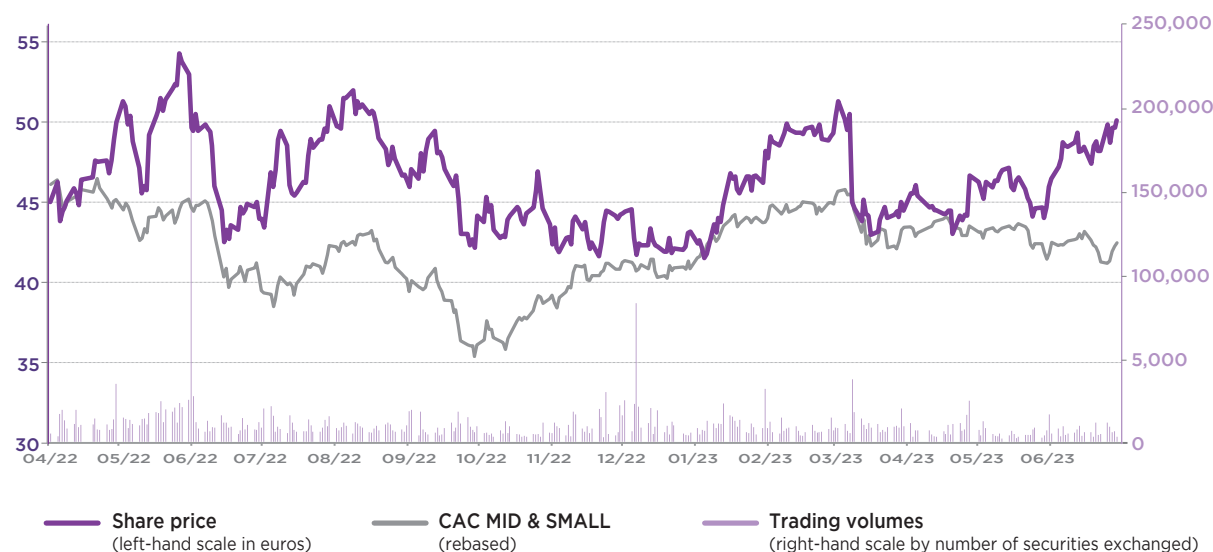
The Company is listed in compartment B of Euronext Paris.

### Trend in the Wavestone share price from 04/01/20 to 06/30/23

Date	Lowest price	Highest price	Last listed price	Total volume	Monthly average
04/22	43.80 €	50.00 €	50.00 €	233,682	10,904,972 €
05/22	45.55 €	54.30 €	49.65 €	570,700	28,780,889 €
06/22	42.50 €	50.50 €	43.95 €	231,896	10,721,776 €
07/22	43.40 €	51.00 €	51.00 €	226,725	10,690,518 €
08/22	46.35 €	52.00 €	46.35 €	200,224	9,948,576 €
09/22	42.15 €	49.45 €	44.15 €	215,800	9,900,681 €
10/22	42.75 €	46.90 €	43.60 €	117,245	5,183,051 €
11/22	41.60 €	44.45 €	44.20 €	232,679	10,052,788 €
12/22	41.70 €	44.55 €	43.15 €	317,700	13,549,149 €
01/23	41.50 €	48.20 €	48.20 €	251,322	11,356,221 €
02/23	47.75 €	49.90 €	49.10 €	158,126	7,782,755 €
03/23	42.95 €	51.30 €	44.45 €	255,751	11,640,227 €
04/23	43.00 €	46.65 €	46.65 €	152,286	6,816,043 €
05/23	44.00 €	47.15 €	44.65 €	113,799	5,183,489 €
06/23	45.95 €	50.10 €	50.10 €	151,671	7,296,625 €

Source: Euronext.

### Trends in the Wavestone share price from 04/01/22 to 06/30/23



Source: Euronext.

## 7. Legal organization chart at 03/31/23

At 03/31/23, Wavestone was comprised of the parent company, Wavestone SA, and nine direct subsidiaries:

- Wavestone Advisors Maroc Sarl, wholly owned
- Wavestone Advisors UK Ltd., wholly owned
- Wavestone Switzerland SA, wholly owned
- Wavestone Luxembourg SA, wholly owned
- Wavestone Belgium SA/NV, wholly owned
- Wavestone US Inc., wholly owned
- Wavestone HK Ltd., wholly owned
- why innovation! Pte. Ltd., wholly owned
- why academy! Pte. Ltd., wholly owned

Wavestone SA also had indirect stakes in 10 subsidiaries at 03/31/23:

- why innovation! Ltd., wholly owned by Wavestone HK Ltd.
- Xceed Group (Holdings) Ltd., wholly owned by Wavestone Advisors UK Limited
- 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.
- PEN Partnership Limited, wholly owned by Wavestone Advisors UK Ltd.
- PEN Partnership GmbH, wholly owned by PEN Partnership Limited
- Coeus Consulting Ltd., wholly owned by Wavestone Advisors UK Ltd.
- Coeus Consulting International Ltd., wholly owned by Coeus Consulting Ltd.
- Coeus Verwaltungs GmbH, wholly owned by Coeus Consulting Ltd.
- Coeus Consulting GmbH & Co. KG, owned 99.9% by Coeus Consulting Ltd. and 0.1% by Coeus Verwaltungs GmbH

For more information on the key figures in each subsidiary's income statement at 03/31/23, see the Board of Directors report in Chapter 1 of this registration document.

The Wavestone parent company holds most of the assets required for the firm's operations. Wavestone subsidiaries pay royalties to the parent company for the right to use its assets (premises and technical resources). In addition, while subsidiaries may own some assets considered necessary for them to carry out their own operations, they do not hold any assets that are strategic for the Company.

We have formed a number of partnerships to create synergies between Company subsidiaries, for the most part to run joint operations involving several Wavestone companies which are carried out by way of internal subcontracting agreements. The breakdown of the Group's internal invoicing for the fiscal year ended 03/31/23, is given in the table below.

	Suppliers																							
	Wavestone SA	Wavestone Advisors UK Ltd.	Wavestone Advisors Switzerland SA	Wavestone Advisors (SAS) <sup>(1)</sup>	Wavestone US Inc.	Wavestone Luxembourg SA	Wavestone Belgium SA/NV	Wavestone Advisors Maroc (SARL)	Wavestone HK Ltd.	Xceed Group (Holding) Limited	Xceed Group Limited	Wavestone Consulting UK	why innovation! Pte. Limited	why academy! Pte. Limited	why innovation! Limited	NewVantage Partners <sup>(2)</sup>	Nomadéis <sup>(1)</sup>	PEN Partnership Ltd.	PEN Partnership GmbH	Coeus Consulting Ltd.	Coeus Consulting Int. Ltd.	Coeus Verwaltungs GmbH	Coeus Consulting GmbH	
<b>Clients</b>																								
Wavestone SA		4 217	1 591	76 131	2 048	4 035	727	522	317				121	16	145						60			
Wavestone Advisors UK Ltd.	820		18		356				18									158		1 047			74	
Wavestone Advisors Switzerland SA	122	2		72			4																	
Wavestone Advisors (SAS) <sup>(1)</sup>	12 478	24	14			515	71					4												
Wavestone US Inc.	630	208		3			10								495					83				
Wavestone Luxembourg SA	561		3	255																				
Wavestone Belgium SA/NV	35		120	1		15																		
Wavestone Advisors Maroc (SARL)	80		2			15																		
Wavestone HK Ltd.	19												116	85										
Xceed Group (Holding) Limited																								
Xceed Group Limited																								
Wavestone Consulting UK																								
why innovation! Pte. Limited															99									
why academy! Pte. Limited													52											
why innovation! Limited												32												
NewVantage Partners <sup>(2)</sup>					524																			
Nomadéis <sup>(1)</sup>	97			15																				
PEN Partnership Ltd.					166																			
PEN Partnership GmbH																		57						
Coeus Consulting Ltd.		45																						340
Coeus Consulting Int. Ltd.																								
Coeus Verwaltungs GmbH																								
Coeus Consulting GmbH																						6 998		

(1) Wavestone Advisors and Nomadéis were merged into Wavestone SA on 12/31/22.

(2) NewVantage Partners was merged into Wavestone US Inc. on 03/31/22.

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

Owing to 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 the fittings required by the firm to carry out its day-to-day operations.

These transactions are booked either 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> <b>(in thousands of euros)</b>	<b>03/31/21</b>	<b>03/31/22</b>	<b>03/31/23</b>
Tangible and intangible assets	137	(8,435)	2,932
<i>of which in finance leases</i>	13	6.8	-



## 9. Offices

### Registered office:

Tour Franklin  
100-101 terrasse Boieldieu  
92042 Paris La Défense Cedex  
France

### Wholly-owned subsidiaries:

#### Belgium

Avenue des Arts, 61210 Brussels

#### United States

130 West - 42<sup>nd</sup> Street,  
New York, NY 10036

630 Freedom Business Drive  
3rd floor, Office 62  
King of Prussia, PA, 19406<sup>(1)</sup>

2001 Ross Avenue  
7th floor  
Dallas, TX 75201

#### France

81, boulevard de Stalingrad  
Immeuble Park Avenue - CS 30235  
69100 Villeurbanne Cedex

Immeuble Le Virage - Bâtiment C  
3 allée Marcel Leclerc  
13008 Marseille

Immeuble Yleo  
6 rue Nathalie Sarraute  
44200 Nantes

#### Hong Kong

21/F. On Building,  
162 Queen's Road Central,  
Central, Hong Kong

#### Luxembourg

12, rue du Château d'Eau  
L-3364 Leudelange

#### Morocco

Tour Capital Tower 10<sup>th</sup> floor, Office 39.  
Angle Main Street et boulevard Moulay Abdellah Bencherif  
Casa-Anfa, Casablanca

#### United Kingdom

29-30, Cornhill  
London  
EC3V 3NF

#### Switzerland

Place de Pont-Rouge 1  
1212 Grand-Lancy  
Geneva

#### Singapore

380 Jalan Besar #08-06/07 ARC 380  
Singapore 209000

All the office premises occupied by the firm and its subsidiaries are rented from independent owners.

(1) Up to 06/30/23.

## Exceptional events and disputes

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 the normal course of the Group's business, Wavestone has not been subject to any government, legal or arbitration proceedings in the last twelve months.

# **2023 COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING**

# 05

**302** DESCRIPTION OF THE SHARE BUYBACK PROGRAM

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**304** RESOLUTIONS TO BE PROPOSED

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# Description of the share buyback program to be submitted to the Combined General Meeting of Shareholders on 07/27/23

This description of the share buyback program has been prepared in accordance with articles 241-1 to 241-5 of the General Regulations of the *Autorité des Marchés Financiers* (“AMF”) and with European Regulation no. 596/2014 of the European Parliament and of the Council of 04/16/14. The purpose of this document is to describe the objectives and terms of the share buyback program to be submitted for authorization to the Combined General Meeting of Shareholders on 07/27/23.

This new program cancels and replaces the program authorized by the shareholders on 07/28/22.

## 1. Date of the Annual General Meeting convened to authorize the share buyback program

The buyback program described below will be proposed to the Combined General Meeting on 07/27/23.

## 2. Breakdown by objective of the equity securities held by Wavestone at April 30, 2023

At 04/30/23, Wavestone owned 244,950 shares, equivalent to 1.21% of the Company’s share capital. These shares were distributed in the following manner:

- 18,223 shares were allocated 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. Note 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”);
- 226,727 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 General Meeting on 07/27/23, for the following purposes:

- to promote the market for the Company’s share, notably to 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 covering 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 proposed to the Combined General Meeting of 07/27/23, the Board of Directors would be authorized to buy back shares in Wavestone up to a maximum of 10% of the share capital, corresponding to 20,196,492 shares at 04/30/23. Given the shares held in treasury at 04/30/23, Wavestone would be able to buy back a total of 1,774,699 shares, equivalent to around 8.79% of the shares making up the Company’s share capital at that date.

It is specified that the 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%.

The securities eligible for repurchase are ordinary shares all of the same category and listed on Euronext Paris, compartment B (ISIN: FRO013357621).

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

The maximum purchase price is capped at:

- €126 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
- €94 per share (excluding acquisition costs) for all other authorizations granted to the Board of Directors under resolution 16.

For capital transactions, in particular share splits, reverse share splits or free share grants, the amounts referred to above will be adjusted in the same proportions.

The maximum under the program is:

- €223,612,074 (1,774,699 shares x €126) for purchases to promote the market for the Company's share, notably to boost liquidity, under a liquidity contract with an independent investment services provider;
- €166,821,706 (1,774,699 shares x €94) for all other authorizations granted to the Board of Directors under resolution 16.

Shares may be purchased on one or more occasions and whenever the Board of Directors 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, through an over-the-counter block purchase, or through 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 General Meeting on 07/27/23, the Board of Directors would be authorized to buy back Company shares for a period of eighteen months following the Combined General Meeting on 07/27/23. This authorization cancels the authorization granted to the Board of Directors by the Combined General Meeting on 07/28/22.

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 Annual General Meeting of 07/27/23

## 1. Competence of the ordinary General Meeting

### Resolution 1

**Approval of the annual reports and financial statements for the fiscal year ended March 31, 2023**

#### Summary of resolution 1:

**Purpose:**

*Approve the Company's individual financial statements at March 31, 2023, showing net income of €32,387,440.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the annual financial statements for the fiscal year ended March 31, 2023, showing net income of €32,387,440, 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 the aforementioned Code, which amounted to €7,037, as well as the theoretical tax for these expenses and charges, for a total of €1,818.

### Resolution 2

**Approval of the consolidated annual reports and financial statements for the fiscal year ended March 31, 2023**

#### Summary of resolution 2:

**Purpose:**

*Approve the Company's consolidated financial statements at March 31, 2023.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended March 31, 2023, 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, 2023, setting the dividend and the dividend payment date**

#### Summary of resolution 3:

**Purpose:**

*Allocate income amounting to €32,387,440 and pay a dividend of €7,581,611, or €0.38 per share to eligible shareholders.*

*Ex-dividend date: 08/02/2023.*

*Dividend payment date: 08/04/2023.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, on a proposal of the Board of Directors,

Net profit for the fiscal year:	€32,387,440
Allocation to the legal reserve <sup>(1)</sup> :	—
Retained earnings account:	€208,454,230
Distributable profit:	€240,841,670
Dividends:	€7,581,611

**Balance appropriated to retained earnings account: €233,260,059**

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

As a result, the dividend per eligible share amounts to €0.38 (please note: as at March 31, 2023, the Company held 244,883 treasury shares).

If, on the dividend payment date, the number of shares eligible for the dividend differs from the 20,196,492 shares comprising the share capital on March 31, 2023, 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, 2023, and dividends will be paid two days later, on August 4, 2023.

Dividends paid to French tax residents who are natural persons are automatically subject to the single flat-rate withholding tax (PFU) at a global rate of 30% (12.8% for income tax and 17.2% for social security contributions) in accordance with article 200 A of the French General Tax Code. However, at the express and irrevocable choice of the taxpayer, the dividend may be subject to the progressive



income tax scale and will thus be eligible for the 40% deduction provided for in article 158, 3.2 of the French General Tax Code. This option must be exercised each year when filing the income tax return and is global. It therefore covers all income falling within the scope of the PFU. This dividend will remain subject to social security contributions at the rate of 17.2% and, if the taxpayer opts for the application of the progressive scale, they can deduct from their overall income a proportion of the CSG applied to dividends (up to 6.8%).

Finally, taxpayers whose taxable income exceeds certain thresholds will also be subject to the exceptional contribution on high incomes at a rate of 3% or 4%, depending on the case, in accordance with article 223 sexies of the French General Tax Code. This regime does not apply to legal entities and non-resident shareholders, who remain taxed under the specific conditions applicable to them according to their own situation.

The following table gives the dividends paid for the last three fiscal years, as required by law:

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>
03/31/22	20,032,695	€0.38	100%
03/31/21	20,053,458	€0.23	100%
03/31/20	n/a	n/a	n/a

(1) The Company's treasury shares are not eligible for the dividend.

(2) Before deduction of taxes and social charges.

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

#### Resolution 4

##### Approval of related-party agreements

###### Summary of resolution 4:

**Purpose:**

*Approval of related party agreement authorized during the year ending March 31, 2023.*

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.225-38 of the French Commercial Code, approves the related party agreement concluded and authorized during the year ending March 31, 2023, pursuant to which the suspension of the term of the work contract of Mr. Patrick Hirigoyen during his term as Chief Operating Officer of the Company shall be taken into account in the calculation of the seniority acquired by the latter pursuant to his work contract.

#### Resolution 5

##### Approval of the information mentioned in I of article L.22-10-9 of the French Commercial code for the year ending March 31, 2023

###### Summary of resolution 5:

**Purpose:**

*Approval of information relative to the remuneration paid or allocated during the year ended March 31, 2023, to each corporate officer and presented in the corporate governance report, pursuant to 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 corporate governance report of the Board of Directors, approves pursuant to article L. 22-10-34 I. of the French Commercial Code, the information relative to the compensation of corporate officers mentioned in I of article L. 22-10-9 of the French Commercial Code, as presented in the above-mentioned report.

#### **Resolution 6**

**Approval of the fixed, variable and exceptional components of compensation and all benefits of any kind paid during the year ended March 31, 2023, or allocated in respect of the same year to Mr. Pascal Imbert in his role as Chairman of the Management Board until July 28, 2022, and his role as Chief Executive Officer from that date**

##### **Summary of resolution 6:**

**Purpose:**

*Approval of the fixed, variable and exceptional components of compensation and all benefits of any kind paid during the year ended March 31, 2023, or allocated in respect of the same year to Mr. Pascal Imbert in his role as Chairman of the Management Board until July 28, 2022, and his role as Chief Executive Officer from that date.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' corporate governance report, approves, pursuant to article L. 22-10-34 I. of the French Commercial Code, the components of compensation and all benefits of any kind paid or allocated in respect of the year ended March 31, 2023, to Mr. Pascal Imbert, in respect of his role as Chairman of the Management Board until July 28, 2022, and his role as Chairman-Chief Executive Officer from that date, as presented in the above-mentioned report.

#### **Resolution 7**

**Approval of the fixed, variable and exceptional components of compensation and all benefits of any kind paid during the year ended March 31, 2023, or allocated in respect of the same year to Mr. Patrick Hirigoyen in his role as member of the Management Board - General Director until July 28, 2022, and his role as Chief Operating Officer from that date**

##### **Summary of resolution 7:**

**Purpose:**

*Approval of the fixed, variable and exceptional components of compensation and all benefits of any kind paid during the year ended March 31, 2023, or allocated in respect of the same year to Mr. Patrick Hirigoyen in his role as member of the Management Board - General Director until July 28, 2022, and his role as Chief Operating Officer from that date.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' corporate governance report, approves, pursuant to article L. 22-10-34 II. of the French Commercial Code, the components of compensation and all benefits of any kind paid or allocated in respect of the year ended March 31, 2023, to Mr. Patrick Hirigoyen, in respect of his role as member of the Management Board - Chairman until July 28, 2022, and his role as Chief Operating Officer from that date, as presented in the above-mentioned report.

**Resolution 8**

**Approval of the fixed, variable and exceptional components of compensation and all benefits of any kind paid during the year ended March 31, 2023, or allocated in respect of the same year to Mr. Michel Dancoisne in his role as Chairman of the Supervisory Board until July 28, 2022**

**Summary of resolution 8:**

**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 until July 28, 2022, in respect of the fiscal year ended March 31, 2023.*

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 II of the French Commercial Code, the components of compensation and benefits of any kind paid or allocated in respect of the fiscal year ended March 31, 2023, to Mr. Michel Dancoisne, in his role as Chairman of the Supervisory Board until July 28, 2022, as presented in the above-mentioned report.

**Resolution 9**

**Appointment of Ms. Florence Didier-Noaro as Director**

**Summary of resolution 9:**

**Purpose:**

*Appointment of Ms. Florence Didier-Noaro as Director. Term of office: 4 years, i.e. until the close of the Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2027.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors, appoints Ms. Florence Didier-Noaro as Director, for a period of four years, i.e. until the close of the Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2027.

Ms. Florence Didier-Noaro declared that she accepts this appointment, that she does not hold any office and that she is not subject to any measure likely to prohibit her from doing so.

**Resolution 10**

**Reappointment of Mr. Rafaël Vivier as Director**

**Summary of resolution 10:**

**Purpose:**

*Reappointment of Mr. Rafaël Vivier as Director. 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, 2027.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, renews Mr. Rafaël Vivier's appointment as Director 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, 2027.

Mr. Rafaël Vivier has declared that he accepts this appointment, that he does not hold any office and that he is not subject to any measure likely to prohibit him from doing so.

**Resolution 11**  
**Reappointment of Mr. Christophe Aulnette as Director**

**Summary of resolution 11:**

**Purpose:**

*Reappointment of Mr. Christophe Aulnette as Director.  
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, 2027.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, renews Mr. Christophe Aulnette's appointment as Director 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, 2027.

Mr. Christophe Aulnette has declared that he accepts this appointment, that he does not hold any office and that he is not subject to any measure likely to prohibit him from doing so.

**Resolution 12**  
**Determination of the fixed annual sum allocated to Directors**

**Summary of resolution 12:**

**Purpose:**

*Determination of the overall annual amounts allocated to Directors from the year starting April 1, 2023, at €294,000; in its previous decision, the General Meeting had set the overall annual amount at €271,000.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the report of the Board of Directors on corporate governance, decided to set, from the fiscal year starting on April 1, 2023, the overall amount that the Company allocates to Directors in compensations for their activities, at €294,000, as presented in the above-mentioned report, and until decided otherwise by the Shareholders' Meeting.

**Resolution 13**  
**Approval of the compensation policy for Directors in respect of the fiscal year starting on April 1, 2023**

**Summary of resolution 13:**

**Purpose:**

*Approval of the components of the compensation policy for Directors in respect of the fiscal year starting on April 1, 2023.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for the Company's Directors in respect of the fiscal year starting on April 1, 2023, as presented in the above-mentioned report.

**Resolution 14**  
**Approval of the compensation policy for Mr. Pascal Imbert in his role as Chairman-Chief Executive Officer in respect of the fiscal year starting on April 1, 2023**

**Summary of resolution 14:**

**Purpose:**

*Approval of the components of the compensation policy for Mr. Pascal Imbert in his role as Chairman-Chief Executive Officer in respect of the fiscal year starting on April 1, 2023.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for Mr. Pascal Imbert in his role as Chairman-Chief Executive Officer of the Company officers in respect of the fiscal year starting on April 1, 2023, as presented in the above-mentioned report.

**Resolution 15**

**Approval of the compensation policy for Mr. Patrick Hirigoyen in his role as Chief Operating Officer in respect of the fiscal year starting on April 1, 2023**

**Summary of resolution 15:**

**Purpose:**

*Approve the compensation policy for Mr. Patrick Hirigoyen in his role as Chief Operating Officer in respect of the fiscal year starting on April 1, 2023.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report on corporate governance, approves the compensation policy for Mr. Patrick Hirigoyen in his role as Chief Operating Officer of the Company officers in respect of the fiscal year starting on April 1, 2023, as presented in the above-mentioned report.

**Resolution 16**

**Authorization delegating power to the Board of Directors to trade in the Company's shares**

**Summary of resolution 16:**

**Purpose:**

*Authorize your Board of Directors, to have the Company purchase its own shares, except during a public offering period. The maximum purchase price, established using the same formula as in previous fiscal years, is set at €126 (excluding fees) in the context of stimulating the market in Wavestone shares to promote liquidity and €94 (excluding expenses) in other cases. The maximum number of purchases is limited to 10% of the share capital, after deduction of shares already held, including 5% in the context of commitments made in favor of employees and/or corporate officers (free share allocation plans).*

*The Company may buy back its shares:*

- *for cancellation by way of a share capital reduction;*
- *to honor obligations related to the issue of shares and other securities giving access to the Company's share capital;*
- *to transfer or sell them as part of transactions for employee shareholdings and transactions on behalf of Directors of the Company and its group;*
- *to make a market in the Company's share 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.*

*Purchases, sales or transfers of these shares may take place, except during periods of a public offering, 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 block purchase, sale or transfer. These means include, as appropriate, using derivatives and any other financial instruments.*

*This authorization is valid for a period of 18 months as of the Annual General Meeting on July 27, 2023.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, grants authorization to the Board of Directors, 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 April 16, 2014, and the market practices accepted by the AMF.

This authorization may be used by the Board of Directors for the following purposes:

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

The Annual General Meeting hereby decides that:

- the purchase, sale, exchange or transfer of shares may be done by any means, on a stock exchange or over the counter, in the form of a block purchase or sale, without limiting the portion of the buyback program that may be executed by such means, or, if necessary, by way of any form of derivative instrument or option transaction provided that these do not contribute in a significant way to increasing the volatility of the share price (it being specified that block share purchases can only be carried out with a reference shareholder if the latter offers one or more forms of compensation such as a discount to the value of the purchased shares). These transactions may take place at any time, other than during periods of public offerings on the Company's shares (unless such transactions are carried out to satisfy share delivery commitments, for example to cover employee share allocation programs);

- 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 Ordinary 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, established using the same formula as in previous fiscal years, is (i) €126 (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) €94 (excluding expenses) for all other authorizations granted to the Board of Directors. 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 €254,475,799 subject to available reserves;
- this authorization cancels the authorization granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on July 28, 2022. It is valid for eighteen (18) months as of this date.

The Annual General Meeting grants all powers to the Board of Directors, 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. Competence of the Extraordinary General Meeting

### Resolution 17

**Delegation of the power to amend the Company's Articles of Association to comply with laws and regulations to the Board of Directors, subject to ratification of such amendments by the next Extraordinary General Meeting**

#### Summary of resolution 17:

**Purpose:**

*Delegate the power to amend the Company's Articles of Association to comply with laws and regulations to the Board of Directors, subject to ratification of such amendments by the next Extraordinary General Meeting.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Extraordinary Shareholders' Meetings, having reviewed the reports of the Board of Directors, delegates to the Board of Directors all powers to amend the Company's Articles of Association to comply with laws and regulations, subject to ratification of such amendments by the next Extraordinary General Meeting.

## 3. Competence of the Ordinary General Meeting

### Resolution 18

**Powers to carry out formalities**

#### Summary of resolution 18:

**Purpose:**

*This resolution is proposed to grant the powers to carry out the formalities required following the General Meeting.*

The Annual Shareholders' Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, grants full powers to the bearer of the original or copy of the minutes of this Meeting to carry out all filings and other formalities as required.



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## Documents available to the public

The Universal Registration Document is available at the Company's registered office:

Tour Franklin  
100/101, terrasse Boieldieu  
92042 Paris La Défense Cedex  
France

Tel.: +33 (0)1 49 03 20 00

And on the Wavestone 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 the reports, mail 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 financial years preceding the publication of the Universal Registration Document.

# Persons responsible

## Person responsible for the Annual Financial Report

Pascal Imbert, CEO of Wavestone.

### Statement by the person responsible for the Annual Financial Report

*"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 62 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, 07/13/23  
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, CEO

### Wavestone

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E-mail: [action@Wavestone.com](mailto:action@Wavestone.com)

# Universal Registration Document cross-reference table

In compliance with Annex 1 of European Commission Regulation (EC) no. 809/2004

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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 03/31/22, as presented on pages 234 to 270 of the Annual Report filed with the AMF on 07/13/22 under number D.22-0645.
- The corporate financial statements for Wavestone and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 03/31/23, as presented on pages 271 to 293 of the Annual Report filed with the AMF on 07/13/22 under number D.22-0645.
- The review of the Company's financial situation and its results for the fiscal year ended 03/31/22, as presented on pages 72 to 82 of the Annual Report filed with the AMF on 07/13/22 under number D.22-0645.
- The Group consolidated financial statements and the Statutory Auditors' Report on consolidated financial statements for the fiscal year ended 03/31/21, as presented on pages 200 to 233 of the Annual Report filed with the AMF on 07/15/21 under number D.21-0702.
- The corporate financial statements for Wavestone and the Statutory Auditors' Report on these annual financial statements for the fiscal year ended 03/31/21, as presented on pages 234 to 255 of the Annual Report filed with the AMF on 07/15/21 under number D.21-0702.
- The review of the Company's financial situation and its results for the fiscal year ended 03/31/21, as presented on pages 68 to 78 of the Annual Report filed with the AMF on 07/15/21 under number D.21-0702.

## 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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## 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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