

WAVESTONE

Interim Financial
Report
2024/25

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In the event of any discrepancies between the English version of this Interim Financial Report and its French translation, the English version shall prevail.

MANAGEMENT RESPONSIBILITY STATEMENT

I certify to the best of my knowledge:

- that the condensed half-year financial statements have been prepared in accordance with generally accepted accounting principles and with IAS 34 and give a true and fair view of the assets, liabilities, financial position and results of the company and of all the companies included in the scope of consolidation, and
- that the accompanying interim report gives a true and fair view of the significant events that have taken place over the first half of the year, their impact on the financial statements, the main related-party transactions, as well as a description of the main risks and uncertainties for the second half of the financial year.

Paris-La Défense, December 4, 2024

DocuSigned by:

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Pascal Imbert, CEO

INTERIM REPORT

1 Operating indicators definition

The **annual turnover** is the number of resignations during the last 12 months divided by the number of employees at the end of the period.

The **consultant utilization rate** is the ratio between the number of days actually billed to clients during the period and the number of billable worked days, excluding paid leaves.

The **average daily rate** is the average daily price of a consulting service sold to the client, calculated as follows:

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

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 and the number of future production days, based on the projected workforce, utilization rates and planned paid leave rates for the coming months.

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

2 Analysis of Wavestone's results

2.1 Analysis of the consolidated financial statements

Scopes of consolidation

Consolidated companies at 09/30/24	Consolidated companies at 03/31/24	Consolidated companies at 09/30/23
Initial perimeter Wavestone		
Wavestone SA	Wavestone SA	Wavestone SA
Wavestone Advisors UK Ltd.	Wavestone Advisors UK Ltd.	Wavestone Advisors UK Ltd.
Xceed Group (Holdings) Ltd.	Xceed Group (Holdings) Ltd.	Xceed Group (Holdings) Ltd.
Xceed Group Ltd.	Xceed Group Ltd.	Xceed Group Ltd.
Wavestone Consulting UK Ltd.	Wavestone Consulting UK Ltd.	Wavestone Consulting UK Ltd.
Wavestone Business Advisors UK Ltd.	PEN Partnership Ltd.	PEN Partnership Ltd.
PEN Partnership GmbH	PEN Partnership GmbH	PEN Partnership GmbH
Wavestone Digital Advisors UK Ltd.	Coeus Consulting Ltd.	Coeus Consulting Ltd.
Coeus Consulting international Ltd.	Coeus Consulting international Ltd.	Coeus Consulting international Ltd.
Wavestone Advisors Germany GmbH	Coeus Verwaltungs GmbH	Coeus Verwaltungs GmbH
Wavestone Advisors Germany GmbH & Co. KG	Coeus Consulting GmbH & Co. KG	Coeus Consulting GmbH & Co. KG
Wavestone Belgium SA	Wavestone Belgium SA	Wavestone Belgium SA
Wavestone Luxembourg SA	Wavestone Luxembourg SA	Wavestone Luxembourg SA
Wavestone Switzerland SA	Wavestone Switzerland SA	Wavestone Switzerland SA
Wavestone Advisors Maroc SARL	Wavestone Advisors Maroc SARL	Wavestone Advisors Maroc SARL

Wavestone US Inc.	Wavestone US Inc.	Wavestone US Inc.
Wavestone HK Ltd.	Wavestone HK Ltd.	Wavestone HK Ltd.
why innovation! Ltd. <i>(merged into Wavestone HK Ltd. On April 8, 2024)</i>	why innovation! Ltd.	why innovation! Ltd.
why innovation! Pte Ltd.	why innovation! Pte Ltd.	why innovation! Pte Ltd.
why academy! Pte Ltd.	why academy! Pte Ltd.	why academy! Pte Ltd.
Companies resulting from the combination with Q_Perior (consolidated from 12/01/23)		
Wavestone Germany Holding AG	Q_Perior Holding AG	
Wavestone Germany AG	Q_Perior AG (Germany)	
	Q_Perior Energy GmbH <i>(merged into Wavestone Germany AG with accounting effect on April 1, 2024)</i>	
	Q_Vertion GmbH <i>(merged into Wavestone Germany AG with accounting effect on April 1, 2024)</i>	
Qdive GmbH	Qdive GmbH	
New Outcome GmbH	New Outcome GmbH	
ESPRIT Engineering GmbH	ESPRIT Engineering GmbH	
ESPRIT Engineering SRL	ESPRIT Engineering SRL	
Wavestone Consulting Romania SRL	Q_Perior SRL	
Wavestone Austria GmbH	Q_Perior GmbH	
Wavestone Consulting US Inc.	Q_Perior Inc. (Etats-Unis)	
Wavestone Canada Inc.	Q_Perior Inc. (Canada)	
Wavestone Consulting Spain S.L.U	Q_Perior España SL	
Wavestone Italy SRL	Q_Perior Italia SRL	
Wavestone Poland Sp. z.o.o	Q_Perior Sp. z.o.o	
Wavestone Management Advisors UK Ltd.	Q_Perior Ltd.	
Wavestone Consulting Switzerland AG (Suisse)	Q_Perior AG (Suisse)	
Companies resulting from the acquisition of Aspirant (consolidated from 02/01/24)		
Aspirant Consulting LLC	Aspirant Consulting LLC	
Aspirant Ltd.	Aspirant Ltd.	

The companies whose names are displayed in blue in the table above changed their names during H1 to adopt the Wavestone brand.

The financial statements on September 30, 2024, March 31, 2024, and September 30, 2023 were prepared based on the International Financial Reporting Standards (IFRS). The financial statements follow Recommendation 2020-01 of March 6, 2020, issued by the French accounting standards board (ANC). The interim management balances (under French GAAP) given in these financial statements and commented in this report are the ratios defined by the ANC.

Revenue and profitability

<i>in thousands of euros</i>	H1 2024/25	H1 2023/24	Change
Revenue	457,820	276,689	65%
Recurring Operating Profit	46,448	36,758	26%
<i>Recurring operating margin</i>	10.1%	13.3%	
Operating income	41,565	33,203	25%
Net income	27,286	22,975	19%
<i>Net margin</i>	6.0%	8.3%	
Group share of net income	27,238	22,975	19%
Income before taxes	38,237	32,174	19%

The first half consolidated revenue increased by 65% to €457,820k from €276,689k in the same period last year.

The Recurring Operating Profit (after employee profit sharing) increased by 26% to €46,448k compared to €36,758k for H1 2023/24. The recurring operating margin (calculated as recurring operating profit divided by revenue) is 10.1% compared to 13.3% in H1 2023/24.

The operating income was €41,565k up from €33,203k in the first half of the previous financial year and includes: (i) €(747)k of amortization of customer relationships related to the acquisition of Kurt Salmon's European business in January 2016; (ii) €(3,611)k of amortization of customer relationships related to the acquisition of Q_Perior; (iii) €(60)k of acquisition and disposal fees; (iv) €(501)k of net costs related to ongoing projects to change premises (mainly in Paris); (v) €35k of miscellaneous non-recurring subjects. At September 30, 2023, other operating income and expenses amounted to €(2,809)k and were essentially composed of acquisition expenses.

The net cost of debt was €(1,643)k over the period, compared with €(718)k for H1 2023/24. The net cost of debt for the period is primarily made up of interests on borrowings and investments, loan issuance costs as well utilization and non-utilization fees of credit lines. The increase of the net cost is mainly due to an increase in the nominal amount of loans (€34m new short-term loan and €20m borrowed for the acquisition of Aspirant).

Earnings before tax increased by 19% to €38,237k from €32,174k in H1 2023/24.

Net income for the period amounted to €27,286k, giving a net margin of 6.0% and including a tax expense of €(10,952)k. This represents an increase of 19% compared to the same period of last year (€22,975k, net margin of 8.3% after a tax expense of €(9,199k)).

There are minority interests due to the minority shareholders in Esprit Engineering GmbH. The group share of net income amounted to €27,238k (Non-controlling interests €(47)k) up by 19%, from €22,975k in H1 2023/24.

Financial structure and cash

<i>in thousands of euros</i>	30/09/2024	31/03/2024	Change
Non-current assets	633,673	633,705	0%
<i>incl. goodwill</i>	510,457	507,889	1%
Current assets (excl. Cash and cash equivalents)	263,904	266,555	-1%
Cash and cash equivalents	50,959	77,481	-34%
Equity group share	578,405	569,466	2%
Non-current liabilities	123,873	120,765	3%
<i>incl. financial liabilities</i>	48,796	52,231	-7%
Current liabilities	245,035	285,583	-14%
<i>incl. financial liabilities</i>	40,689	5,977	581%
Balance sheet total	948,536	977,741	-3%

Equity group share amounted to €578,405k at September 30, 2024 compared to €569,466k at March 31, 2024.

The net cash position was €(38,526)k at September 30, 2024, from €19,273k at March 31, 2024 and €13,265k at September 30, 2023.

Financial liabilities (excluding lease liabilities) amounted to €89,485k on September 30, 2024 vs. €58,208k on March 31, 2024. On September 30, 2024, these broke down into €89,329k of loans (mainly bank loans) and €156k of accrued interests outstanding.

2.2 Wavestone individual financial statements

Since the Group's operating model is fully integrated, synergies between companies (multi-company, multi-practice projects) have increased substantially, generating a constant rise in inter-company flows. As a result, monitoring of the financial statements of Wavestone SA (the Group's parent company) no longer reflects the reality of its specific activities. Consequently, the firm has decided to cease commenting on Wavestone SA's individual financial statements on a half-year basis.

3 Wavestone's interim activity

H1 in 2024/25: revenue up by 65%, equivalent to +2% organic growth

Over the whole of H1 2024/25, revenue amounted to €457.8m, an increase of +65% compared with H1 2023/24, of which +1% on a constant scope and forex basis.

As a reminder, Wavestone has consolidated Q_PERIOR, a German consulting firm, since December 1, 2023, and Aspirant Consulting, a US consulting firm, since February 1, 2024.

On a pro forma basis, calculated as if the acquisitions of Q_PERIOR and Aspirant Consulting had taken place on April 1, 2023, half-yearly revenue showed growth of +2% over the period. This change benefits from a favorable working day impact of +2%¹ over H1.

¹ taking into account the geographical distribution of Wavestone's workforce

Consultant utilization rate of 73%²; average daily rate of €937

In H1 2024/25, the consultant utilization rate held strong and stood at 73%. At constant scope, it amounted to 72%, versus 73% for the whole of the 2023/24 fiscal year.

Prices declined slightly during Summer. At the mid-point of the 2024/25 fiscal year, the average daily rate was €937 (as a reminder: €944 over Q1). At constant scope, the average sales price was €898.

With regard to business development, the order book stood at about 3.7 months of work on September 30, 2024 (including Q_PERIOR and Aspirant Consulting). At constant scope, it stood at 3.4 months versus 4.1 months on March 31, 2024, reflecting the traditional slowdown in order intake during the Summer but also the more conservative behavior of Wavestone's clients.

Staff turnover rate stable at 13%

On September 30, 2024, the staff turnover rate (including Q_PERIOR and Aspirant Consulting) stood at 13% on a rolling 12-month basis. At constant scope, staff turnover rate was 14% – a level equivalent to that of the 2023/24 fiscal year.

Wavestone had 5,875 employees on September 30, 2024, compared to 5,894 on March 31, 2024.

10.1% recurring operating margin in H1 2024/25

Recurring operating profit amounted to €46.4m in H1 2024/25, up by +26%.

The recurring operating margin stood at 10.1%, compared with 13.3% in H1 2023/24 (when neither Q_PERIOR nor Aspirant Consulting had been consolidated).

Profitability in H1 2024/25 has been impacted by the usual seasonal effect experienced by the firm and by the costs linked to the integration program between Wavestone and Q_PERIOR, notably the "Together as One" event organized in Paris in May 2024.

+19% increase in net income, representing a net margin of 6.0%

After taking into account the amortization of customer relationships (€4.4m, including €3.6m of amortization of Q_PERIOR's customer relationships), and other operating profit and expenses, operating income stood at €41.6m, an increase of +25%.

The cost of net financial debt amounted to -€1.6m in H1, compared to -€0.7m a year earlier, due to an increase in financial debt as a result of the recent acquisitions.

Other financial income and expenses totaled -€1.7m over the H1 2024/25, of which -€0.6m related to the unwinding of the discount effect of Q_PERIOR's earn-out paid in H1.

The tax expense amounted to €11.0m, an increase of +19% compared to H1 2023/24.

Net income stood at €27.3m in H1 2024/25, up +19% compared with the first half of the previous fiscal year and representing a net margin of 6.0%, compared to 8.3% a year earlier.

Earnings per share (fully diluted) came to €1.11 in H1, compared to €1.16 in H1 2023/24. As a reminder, 24,906,332 shares were outstanding in the first half of 2024/25, compared to 20,196,492 in H1 2023/24.

Self-financing capacity up by +38%; €2.5m of operating cash flow

On September 30, 2024, self-financing capacity amounted to €54.3m, an increase of +38%, compared with the same period a year earlier.

² Wavestone has deployed consolidated operating indicators across the whole firm since Q1 2024/25. It should be noted, however, that the calculation of the order book is still being finetuned. Pro forma operating indicators have not been established for 2023/24

Changes in the working capital requirement consumed €29.7m of cash in H1 2024/25, a variation linked to the usual reduction in employee-related liabilities in the first half of the fiscal year (paid leaves, payment of bonuses and profit sharing) and to an increase of 5% in DSO (Days Sales Outstanding).

After payment of taxes, €22.1m compared to €9.8m a year earlier, Wavestone generated an operating cash flow of €2.5m in H1 2024/25, compared to €9.3m in H1 of the previous year.

Investment operations consumed €37.8m in H1 2024/25, including €35.0m for the payment of Q_PERIOR's earn-out, and €2.2m in current investments.

Financing flows generated €8.6m, consisting of +€31.2m in loans received net of repayments, -€10.1m in dividends paid to shareholders for the 2023/24 fiscal year, -€6.4m in share buybacks to cover free share allocation plans to employees, and -€4.1m in lease liability repayments.

Net financial debt of €38.5m on September 30, 2024

On September 30, 2024, Wavestone's equity had increased to €579.6m.

Net financial debt (excluding IFRS 16 lease liabilities) stood at €38.5m. This compares with net cash and cash equivalents of €19.3m at the end of March 2024.

4 Post-closing events and outlook

Outlook for H2 2024/25

The 2024/25 fiscal year is showing weaker-than-expected demand for consulting services. Clients keep a wait-and-see attitude towards new investments and consulting expenditures and competition has become tougher.

Banking, industry – particularly the automotive industry, retail, and the French public sector remain under pressure. Since this Summer, luxury has also shown a slowdown in consulting demand.

However, several sectors remain resilient such as energy, transport, life sciences and insurance, as well as certain topics such as cybersecurity, the cloud, SAP, and artificial intelligence.

In this environment, business activity since September has been lower than anticipated. Moreover, the visibility on Q4 2024/25 remains particularly low, which could lead to a slow start to the 2025 calendar year. Indeed, in the absence of signs of economic recovery in Europe, budgets allocated to investments are likely to remain under pressure in the short term, despite the easing interest rates.

Price pressure is growing, as a result of the stronger competition but also from tougher rate negotiations with clients. However, in the context of easing tension on salaries, the impact on profitability will be limited over the fiscal year.

This overall context weighs on the firm's revenue. Profitability is also affected, although the effects are partly mitigated by the cost-saving plan implemented by the firm.

Nonetheless, Wavestone has decided to maintain its recruitment plan of 1.000 gross hires unchanged, targeting +3% growth in consultant headcount over the 2024/25 fiscal year.

Update of 2024/25 annual objectives

In view of these difficult market conditions and lack of visibility, Wavestone is adjusting its financial guidance and setting more cautious objectives for the 2024/25 fiscal year.

The firm is now aiming for stable annual revenue, in reference to pro forma revenue of €943.8m for the previous fiscal year. As a reminder, Wavestone initially targeted organic growth of +3% to +5%.

In terms of profitability, the firm is now targeting a recurring operating margin of 12.5%, instead of more than 13% initially.

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

5 Information on risks and uncertainties during the second half

Apart from the risks and uncertainties presented above, there have been no significant changes in the risk factors described in our universal registration document filed with the French financial markets authority (AMF) on July 11, 2024.

6 Main related-party transactions

Type of transaction	Transaction amount	Name of related-party	Type of relationship
Revenue			
Supply Chain IT diagnostic services for InterParfums	6	Marie-Ange Verdickt	Member of the Board of Directors
External expenses			
Recruitment fees for Michael Page France and PageGroup France	(265)	Marlène Ribeiro	Member of the Board of Directors
Brand Promotion fees for Publicis Live France	(2)	Véronique Beaumont	Member of the Board of Directors

The Board of Directors

December 4, 2024

CONSOLIDATED FINANCIAL STATEMENTS AT 09/30/24

Consolidated income statement

(in thousands of euros)	Note	09/30/24	03/31/24	09/30/23
Revenue	1	457,820	701,056	276,689
Subcontracting purchases	2	(74,994)	(67,798)	(13,298)
Personnel expenses	3	(289,522)	(465,469)	(199,414)
External expenses		(38,519)	(52,045)	(20,855)
Taxes and duties		(3,375)	(7,839)	(3,392)
Depreciation, amortization and provisions		(5,937)	(8,106)	(3,428)
Other current income and expenses		975	1,542	456
Recurring operating profit		46,448	101,341	36,758
Amortization of customer relationship	4	(4,357)	(3,808)	(747)
Other operating income and expenses	4	(526)	(11,750)	(2,809)
Operating profit		41,565	85,783	33,203
Financial income	5	361	759	314
Costs of gross financial debt	5	(2,003)	(2,376)	(1,031)
Costs of net financial debt		(1,643)	(1,617)	(718)
Other financial income and expenses	5	(1,685)	(2,902)	(311)
Net income before tax		38,237	81,264	32,174
Tax expense	6	(10,952)	(22,673)	(9,199)
Net income		27,286	58,591	22,975
Non-controlling interests		(47)	(391)	0
Net income - group share		27,238	58,199	22,975
Net income - group share, per share (in euros) ⁽¹⁾	7	1.11	2.71	1.16
Net income - group share, per share after dilution (in euros)	7	1.11	2.71	1.16

(1) Weighted number of shares over the period.

Consolidated balance sheet

(in thousands of euros)	Note	09/30/24	03/31/24
Goodwill	8	510,457	507,889
Intangible assets	9	70,226	74,565
Tangible assets	9	11,720	11,965
Right-of-use assets	10	25,972	23,887
Non-current financial assets	11	1,926	1,737
Other non-current assets	11	13,371	13,661
Non-current assets		633,673	633,705
Trade receivables and related accounts	12	239,341	245,900
Other receivables	12	24,563	20,656
Cash and cash equivalents	12	50,959	77,481
Current assets		314,863	344,036
Total assets		948,536	977,741
Capital	13	623	623
Additional paid-in-capital		265,432	265,432
Consolidated retained earnings and net income		310,879	300,059
Currency translation differences		1,472	3,352
Equity - group share		578,405	569,466
Non-controlling interests		1,223	1,926
Total equity		579,629	571,392
Long-term provisions	14 & 15	29,711	24,657
Non-current financial liabilities	16	48,796	52,231
Non-current lease liabilities	10	20,043	18,013
Other non-current liabilities	18	25,323	25,864
Non-current liabilities		123,873	120,765
Short-term provisions	14	5,533	5,205
Current financial liabilities	16	40,689	5,977
Current lease liabilities	10	8,433	8,174
Trade payables and related accounts	18	34,635	42,293
Tax and social liabilities	18	116,106	152,575
Other current liabilities	18	39,638	71,360
Current liabilities		245,035	285,583
Total liabilities		948,536	977,741

Consolidated cash flow statement

(in thousands of euros)	Note	09/30/24	03/31/24	09/30/23
Consolidated net income		27,286	58,591	22,975
Elimination of non-cash items				
Net depreciation, amortization and provisions ⁽¹⁾		10,939	12,991	4,886
Expenses / (income) related to share-based payemnts	13	2,599	4,420	2,075
Losses / gains on disposals, net of tax		(3)	27	(70)
Other calculated income and expenses		366	1,069	(467)
Costs of net financial debt (incl. Interest on lease liabilities)		2,167	2,036	798
Tax expense / (income)	6	10,952	22,673	9,199
Self-financing capacity before costs of net financial debt and tax		54,305	101,806	39,396
Tax paid		(22,117)	(21,650)	(9,792)
Change in working capital		(29,727)	2,935	(20,286)
Net operating cash flow		2,462	83,091	9,317
Purchase of tangible and intangible assets	9	(2,169)	(3,109)	(1,069)
Disposal of assets		24	66	24
Change in financial assets		(67)	14	(160)
Impact of changes in consolidation scope	8	(35,577)	(65,990)	(5,272)
Net investing cash flow		(37,789)	(69,018)	(6,477)
Sale / (purchase) of treasury shares ⁽²⁾		(6,415)	(5,914)	(5,983)
Dividends paid to parent company shareholders		(9,380)	(7,593)	(7,593)
Dividends paid to non-controlling interests		(750)	0	0
Loan subscriptions	16	40,000	19,700	(0)
Loan repayments	16	(8,821)	(5,646)	(2,821)
Repayments of lease liabilities	10	(4,065)	(6,199)	(2,638)
Net financial interest paid on loans		(1,521)	(1,317)	(587)
Net interest paid on lease liabilities	5	(452)	(425)	(84)
Other financing cash flows	16	9	(11)	0
Net financing cash flow		8,606	(7,406)	(19,705)
Net change in cash and cash equivalents		(26,721)	6,667	(16,864)
Impact of translation differences	16	212	104	295
Opening cash position	16	77,452	70,681	70,681
Closing cash position	16	50,943	77,452	54,112

(1) Including €4,159k in respect of the amortization of right-of-use assets at 09/30/24 (vs €2,138k at 09/30/23) and €4,357k in respect of the amortization of customer relationships at 09/30/24 (vs €747k at 09/30/23).

(2) For information, the company delivered treasury shares worth €4,559k during the semester.

Change in consolidated shareholders' equity

(In thousands of euros)	Capital	Premiums	Consolidated reserves	Profit for the year	Translation gain (loss)	Total share of the group	Share of minority interests	Total
Consolidated shareholders' equity of 03/31/23	505	11,218	235,246	50,068	2,013	299,050	0	299,050
Consolidated profit for the year	0	0	0	58,199	0	58,199	391	58,591
Change in fair value of hedging instruments	0	0	(425)	0	0	(425)	0	(425)
Translation gain (loss)	0	0	0	0	1,340	1,340	(0)	1,340
IAS 19 actuarial gain (loss)	0	0	159	0	0	159	0	159
Net comprehensive income	0	0	(266)	58,199	1,340	59,273	391	59,664
Appropriation of profit	0	0	50,068	(50,068)	0	0	0	0
Changes in equity of consolidating company	118	254,214	(33,911)	0	0	220,421	0	220,421
Dividends paid out	0	0	(7,593)	0	0	(7,593)	0	(7,593)
Treasury stock transactions	0	0	(5,964)	0	0	(5,964)	0	(5,964)
Share-based payments	0	0	4,280	0	0	4,280	0	4,280
Acquisition of Q_PERIOR shares	0	0	0	0	0	0	1,535	1,535
Consolidated shareholders' equity of 03/31/24	623	265,432	241,860	58,199	3,352	569,466	1,926	571,392
Consolidated profit for the year	0	0	0	27,238	0	27,238	47	27,286
Change in fair value of hedging instruments	0	0	(166)	0	0	(166)	0	(166)
Translation gain (loss)	0	0	0	0	(1,880)	(1,880)	(0)	(1,880)
IAS 19 actuarial gain (loss)	0	0	(3,093)	0	0	(3,093)	0	(3,093)
Net comprehensive income	0	0	(3,258)	27,238	(1,880)	22,099	47	22,147
Appropriation of profit	0	0	58,199	(58,199)	0	0	0	0
Changes in equity of consolidating company	0	0	0	0	0	0	0	0
Dividends paid out	0	0	(9,380)	0	0	(9,380)	(750)	(10,130)
Treasury stock transactions	0	0	(6,403)	0	0	(6,403)	0	(6,403)
Share-based payments	0	0	2,622	0	0	2,622	0	2,622
Acquisition of Q_PERIOR shares	0	0	0	0	0	0	0	0
Consolidated shareholders' equity at 09/30/24 ⁽¹⁾	623	265,432	283,641	27,238	1,472	578,405	1,223	579,629

(1) Shareholders' equity contains no taxable items. Cumulative deferred tax assets amounting to €(538)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 €9,380k.

Statement of net comprehensive income

(in thousands of euros)	Note	09/30/24	03/31/24	09/30/23
Net income		27,286	58,591	22,975
Items recyclable in the income statement:				
Change in fair value of hedging instruments	17	(166)	(425)	(205)
Translation gain (loss)		(1,880)	1,340	1,088
Items not recyclable in the income statement:				
IAS 19 actuarial gain (loss)	15	(3,093)	159	642
Total recognized as equity		(5,139)	1,074	1,525
Net comprehensive income		22,147	59,664	24,499
Non-controlling interests		(47)	(392)	0
Net comprehensive income attributable to owners of the parent		22,099	59,273	24,499

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 A 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 12/04/24.

All amounts presented in the notes are expressed in thousands of euros (€k).

Name or other identifier of the reporting entity	Wavestone
Explanation of changes in the name or other identification of the reporting entity since the end of the previous reporting period	No change in name
Headquarters	Tour Franklin, 100-101 Terrasse Boieldieu, 92042 La Défense Cedex, France
Country of incorporation	France
Address of the entity	Tour Franklin, 100-101 Terrasse Boieldieu, 92042 La Défense Cedex, France
Main office	France
Legal form	Limited company (<i>société anonyme</i>)
Description of the nature of the entity's operations and its mains activities	Wavestone is a consultancy firm focused on supporting companies and organizations in their strategic transformation in a constantly changing world, aiming to generate positive and sustainable impacts for all its stakeholders. The firm employs over 5,500 people in 17 countries across Europe, North America and Asia.
Name of the parent entity	Wavestone SA
Name of the head company	Wavestone SA

2 Significant events in the semester

Company name changes

The names of Group companies have been changed as follows:

Former name	New name
PEN Partnership Limited	Wavestone Business Advisors UK Ltd
Coeus Consulting Limited	Wavestone Digital Advisors UK Ltd
Coeus Verwaltungs GmbH	Wavestone Advisors Germany GmbH
Coeus Consulting GmbH & Co. KG	Wavestone Advisors Germany GmbH & Co. KG
Q_PERIOR AG	Wavestone Germany AG
Q-PERIOR AG	Wavestone Consulting Switzerland AG
Q-PERIOR GmbH	Wavestone Austria GmbH
Q-PERIOR Inc.	Wavestone Consulting US Inc.
Q-PERIOR Inc.	Wavestone Canada Inc.
Q-PERIOR Ltd.	Wavestone Management Advisors UK Ltd.
Q-PERIOR S.R.L.	Wavestone Consulting Romania S.R.L.
Q-PERIOR sp. z.o.o.	Wavestone Poland sp. z.o.o.
Q-PERIOR Italia S.R.L.	Wavestone Italy S.R.L.
Q-PERIOR ESPANA S.L.	Wavestone Consulting Spain S.L.U

Loan agreement: renegotiation of Corporate Social Responsibility (CSR) performance criteria

In the addendum to the loan agreement signed on 12/14/22, Wavestone committed to renegotiating CSR performance criteria. An addendum was signed on 05/15/24 to honor this commitment.

On the back of this renegotiation, the firm strengthened the link between its financing and CSR performance. Transitioning from a margin bonus system for achieving CSR criteria to a more restrictive bonus/penalty mechanism (“Sustainability-Linked Loan”).

As part of this renegotiation, the firm reviewed the indicators and associated targets for the 2024/25 fiscal year. In the 2024/25 fiscal year, note that these indicators will be calculated on the basis of the firm’s initial scope (excluding acquisitions made during the 2023/24 fiscal year).

The firm is also committed to redefining its CSR indicators and associated targets during the 2024/25 fiscal year, for use from the 2025/26 fiscal year onwards. These will be calculated on a scope that takes into account Q_PERIOR and Aspirant acquisitions made in the 2023/24 fiscal year.

Wavestone’s Sustainability Auditor is responsible for certifying the value of CSR indicators on an annual basis.

Impact of business combinations

On a like-for-like basis and constant forex basis, revenue came to €279,624k, ROP (as defined in 3.4) to €32,421k and net income (group share) to €21,310k at 09/30/24, compared with revenue of €276,689k, ROP of €36,758k and net income (group share) of €24,932k at 09/30/23.

On a like-for-like and current forex basis, revenue came in at €279,962k, ROP was €32,439k, and group share of net income stood at €21,290k at 09/30/24.

On a full-scope basis, revenue was €457,820k, ROP of €46,448k and group share of net income €27,238k at 09/30/24.

3 Accounting Principles and methods

3.1 Consolidation principles

3.1.1 Reporting framework

Since 04/01/05, Wavestone's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and EU regulation No. 1606/2002 dated 07/19/02. These standards consist of the IFRS and IAS, and their interpretations, which had been adopted by the EU at 03/31/24.

The accounting principles used to prepare Wavestone's consolidated financial statements are the same as those used to prepare its consolidated financial statements at 03/31/23.

3.1.2 Interim financial statements

The Wavestone Group's condensed interim financial statements for the six-month period ended September 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

As these are condensed financial statements, they do not include all the information required by IFRS for the preparation of annual financial statements and should therefore be read in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS as adopted by the European Union for the year ended March 31, 2024.

3.1.3 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 04/01/23 (available on the European Commission's website <https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=LEGISSUM%3A126040>) without any significant impacts on the presentation of the financial statements.

IFRS standards, IFRIC interpretations and amendments applied by the firm as of 04/01/24

Standards, amendments and interpretations	Date of adoption by the EU	Date of application ⁽¹⁾ : fiscal years beginning on or after
Amendments to IFRS 16 "Lease liabilities in a sale and leaseback"	11/20/23	01/01/24
Amendments to IAS 1 on classification of liabilities as current and non-current	12/19/23	01/01/24
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	05/15/24	01/01/24

(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 09/30/24.

Standards, amendments and interpretations	Date published by the IAS	Date of application: fiscal years beginning on or after
Amendments to IAS 28 and IFRS 10 “Sale or contribution of assets between companies and joint ventures”	09/11/14	Undetermined
Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”	08/15/23	01/01/25
IFRS 18 “Presentation and Disclosure in Financial Statements”	04/09/24	01/01/27
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	05/09/24	01/01/27

3.1.4 Comparability of financial statements

The financial statements for the semester ended 09/30/24 and 03/31/24 are comparable except for changes in the scope of consolidation. Those variations cover business combination of Q_PERIOR since 12/05/23 and Aspirant since 01/16/24. The pro-forma financial information, including the full perimeter, and the consolidated financial statements at March 2024 were disclosed in the Universal Registration Document 2023/24.

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 ad hoc entity.

The financial statements of the consolidated companies are, if necessary, restated to ensure the uniform application of accounting and measurement rules.

The financial statements of the consolidated companies were all prepared as of 09/30/24.

As at 09/30/24, the consolidated financial statements include all the firm’s companies over a 6-month period.

3.3 Currency translation methods

Translation of financial statements denominated in foreign currency

The balance sheets of foreign companies are translated into euros at the prevailing exchange rate at the reporting date. 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 “Currency translation difference”.

Currency		Closing rate		Average rate	
		09/30/24	03/31/24	09/30/24	03/31/24
Canadian dollar	CAD	0.660808	0.681570	0.672668	0.683118
Swiss Franc	CHF	1.059434	1.023961	1.041179	1.040763
Pound sterling	GBP	1.196988	1.169454	1.182210	1.158902
Hong Kong dollar	HKD	0.115031	0.118212	0.117595	0.117870
Moroccan dirham	MAD	0.092181	0.091872	0.092824	0.091617
Zloty	PLN	0.233710	0.231895	0.233126	0.225756
Romanian Leu	RON	0.200993	0.201066	0.200959	0.201523
Singapore dollar	SGD	0.697253	0.685542	0.689314	0.685483
US dollar	USD	0.893176	0.924984	0.917628	0.922445

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.

Recognition of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros at the exchange rate on the transaction date.

3.4 Alternative Performance Measures

Recurring operating profit

An aggregate entitled “Recurring operating profit” is presented before “Operating profit.” This is an alternative performance indicator used by Management, resulting from the deduction of operating expenses from revenue to assess the performance of day-to-day activities. This indicator corresponds to “Operating profit” restated for:

- “Amortization of customer relationships”;
- “Other operating income and expenses” as defined below.

Recurring operating profit replaces current operating income but is calculated in the same way. Recurring operating profit and current operating income are therefore directly comparable.

“Other operating income and expenses” correspond to a small number of clearly identified, non-recurring and material items of income and expenses with respect to consolidated performance. They are presented separately to ensure a better understanding of the performance of day-to-day activities. In particular, “other operating income and expenses” refer to:

- acquisition costs of companies or business assets acquired by the group;
- disposal costs and related capital gains and losses on companies or business assets sold by the group;
- income and expenses for premises that are or will no longer be used towards operations in the near future.

3.5 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 regarding:

- duration of asset amortization;
- 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;
- assessment of customer relationships and their amortization periods;
- probable termination date of commercial leases.

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.

3.6 Seasonality of interim financial statements

The main effects of seasonality result from the concentration of leave taken in certain months of the year. These are the months of July and August, as well as May. The impact of these months of significant employee leave therefore concerns the first half of Wavestone's financial year (April – September). This phenomenon has no substantial impact on Wavestone's business, especially as its effect is relatively predictable (comparable impact from one year to the next).

3.7 Change in method

None.

3.8 Contingent liabilities and contingent assets

On 07/24/24, Wavestone signed a lease in future state of completion for new premises in Paris, scheduled for delivery on 12/31/26. At the same time, the company undertook to renegotiate its ongoing leases to align their termination dates. These leases include a clause for the restoration of the premises, the costs of which constitute a contingent liability.

Based on past restoration operations, it is not possible to estimate the costs to be accrued for. It is even possible that the new lessor will take over the premises, but it is not possible to quantify it.

4 Scope of consolidation

Wavestone's consolidated financial statements include the accounts of the following companies:

Companies	Head Office	Company registration number	Holding (%)	Nationality	Number of months consolidated
Wavestone SA	Tour Franklin 100-101 Terrasse Boieldieu 92042 La Défense Cedex	37755024900041	Company parent	France	6
Wavestone Advisors UK Ltd.	Warnford Court 29-30 (1st Floor) Cornhill London, EC3V 3NF	05896422	100%	United Kingdom	6
Wavestone Switzerland SA	1 Place de Pont-Rouge 1212 Grand-Lancy, Genève	CHE-109.688.302	100%	Switzerland	6
Wavestone US Inc.	600 North Second Street, Suite 401, Harrisburg, PA 17101	5905389	100%	United-States	6
Wavestone Luxembourg SA	10 rue du Château d'Eau 3364 Leudelange	B114630	100%	Luxembourg	6
Wavestone Belgium SA/NV	6 Avenue des arts Immeuble The Artist 1210 Bruxelles	0879.426.546	100%	Belgium	6
Wavestone Advisors Maroc SARL	Capital Tower Angle Main Street et Bd Moulay Abdellah Bencherif 20100 Casablanca	219375	100%	Morocco	6
Wavestone HK Limited	21/F, On Building, 162 Queen's Road Central Central, Hong Kong	2403871	100%	Hong-Kong	6
Xceed Group (Holdings) Limited	Warnford Court 29-30 (1st Floor) Cornhill London, EC3V 3NF	10468064	100%	United Kingdom	6
Xceed Group Limited	Warnford Court 29-30 (1st Floor) Cornhill London, EC3V 3NF	06526750	100%	United Kingdom	6
Wavestone Consulting UK Ltd.	Warnford Court 29-30 (1st Floor) Cornhill London, EC3V 3NF	04965100	100%	United Kingdom	6
why innovation! Pte Ltd.	380 Jalan Besar #08-06/07 ARC 380 209000, Singapore	201113021K	100%	Singapore	6
why academy! Pte Ltd.	380 Jalan Besar #08-06/07 ARC 380 209000, Singapore	201932428N	100%	Singapore	6

Companies	Head Office	Company registration number	Holding (%)	Nationality	Number of months consolidated
why innovation! Limited	21/F, On Building, 162 Queen's Road Central Central, Hong Kong	2124014	100%	Hong-Kong	0
Wavestone Business Advisors UK Ltd	Camburg House 27 New Dover Road Canterbury Kent United Kingdom CT1 3DN	10618417	100%	United Kingdom	6
PEN Partnership GmbH	Untermuli 3, 6300 Zug	CHE-267.105.509	100%	Switzerland	6
Wavestone Digital Advisors UK Ltd	29-30 Cornhill London, EC3V 3NF	08360921	100%	United Kingdom	6
Coeus Consulting International Limited	29-30 Cornhill London, EC3V 3NF	11692719	100%	United Kingdom	6
Wavestone Advisors Germany GmbH	Bleichstraße 8-10, c/o RWP Rechtsanwälte, 40211 Dusseldorf	HRB 85619	100%	Germany	6
Wavestone Advisors Germany GmbH & Co. KG	Bleichstraße 8-10, c/o RWP Rechtsanwälte, 40211 Dusseldorf	HRA 25293	100%	Germany	6
Wavestone Germany Holding AG	Leopoldstraße 28a, 80802 München	HRB 190228	100%	Germany	6
Wavestone Germany AG	Leopoldstraße 28a, 80802 München	HRB 140669	100%	Germany	6
Wavestone Consulting Switzerland AG	Weltpoststraße 5, 3015 Berne	CHE-105.068.069	100%	Switzerland	6
Wavestone Austria GmbH	Josefstädter Straße 43-45/1/2, 1080 Wien	FN 325336 k	100%	Austria	6
Wavestone Consulting US Inc.	Corporation Service Company 251 Little Falls Drive, Wilmington, DE 19808	87-0737588	100%	United States	6
Wavestone Canada Inc.	44 Chipman Hill, Suite 1000, Saint John NB, E2L 2A9	620893	100%	Canada	6
ESPRiT Engineering GmbH	Leopoldstraße 254, 80807 München	HRB 171232	75%	Germany	6
ESPRiT Engineering S.R.L.	Cluj Business Campus Strada Henri Barbusse, 44-46, Imobil CBC2, Etaj 1 Cluj-Napoca 400616	J12/3744/2021	75%	Romania	6

Companies	Head Office	Company registration number	Holding (%)	Nationality	Number of months consolidated
Wavestone Management Advisors UK Ltd.	73 Cornhill, London EC3V 3QQ	10118556	100%	United Kingdom	6
Q-PERIOR Energy GmbH	Leopoldstraße 28a, 80802 München	HRB 230773	100%	Germany	0
Q-VERTION GmbH	Leopoldstraße 28a, 80802 München	HRB 247328	100%	Germany	0
qdive GmbH	Leopoldstraße 28a, 80802 München	HRB 248679	100%	Germany	6
Wavestone Consulting Romania S.R.L.	Cluj Business Campus Strada Henri Barbusse, Nr.44-46, Imobil CBC2, Etaj 1 Cluj-Napoca 400616	J12/2899/2013	100%	Romania	6
New Outcome GmbH	Leopoldstraße 28a, 80802 München	HRB 261209	100%	Germany	6
Wavestone Poland sp. z.o.o.	Bojkowska 37C, 44-101 Gliwice	0000130970	100%	Poland	6
Wavestone Italy S.R.L.	Via Boroggna 2, 20122 Milan	MI-2657992	100%	Italy	6
Wavestone Consulting Spain S.L.U	Paseo de la Castellana, 18, 7 ^a 28046 Madrid	B10700235	100%	Spain	6
Aspirant Consulting LLC	1, Allegheny Square Suite 502 Pittsburgh, PA 15212	0013504393	100%	United States	6
Aspirant Ltd.	Herschel House, 58 Herschel Street, Slough, Berkshire, SL1 1PG	07530670	100%	United Kingdom	6

All these companies have been fully consolidated.

Merger of Q_PERIOR Energy GmbH and Q_VERTION GmbH into Wavestone Germany AG

The mergers of Q_PERIOR Energy GmbH and Q_VERTION GmbH into Wavestone Germany AG have been carried out with an effective date of 04/01/24.

These two transactions have no impact on the consolidated financial statements.

Merger of why innovation! Ltd into Wavestone Hong Kong

The merger of why innovation! Ltd into Wavestone Hong Kong has been carried out with an effective date of 04/08/24.

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 the business.

Consolidated revenue by region breaks down as follows:

Revenue	09/30/24	09/30/23
France	231,804	211,762
Germany	118,658	0
Switzerland	40,734	6,992
United-States - Canada	35,062	17,980
United Kingdom	20,016	28,967
Other	11,545	10,988
Total	457,820	276,689

Revenue is 47% made up of fixed-price contracts, and 53% time-based services contracts.

The order book represents 3.7 months of business as of 09/30/24.

Average workforce by region breaks down as follows:

Average headcount	09/30/24	09/30/23
France	3,770	3,639
Germany	935	2
Switzerland	272	76
United-States - Canada	226	129
United Kingdom	264	245
Other	346	164
Total	5,813	4,256

Note 2. Subcontracting purchases

The increase in this item is mainly due to the merger with Q_PERIOR which currently uses more subcontractors than the rest of the firm.

Note 3. Personnel expenses

Personnel expenses	09/30/24	09/30/23
Wages and salaries	(221,327)	(146,293)
Payroll expenses	(68,195)	(53,121)
Total	(289,522)	(199,414)

The following table shows the average FTE headcount:

Average headcount FTE	09/30/24	09/30/23
Engineers and managers	5,518	4,188
Employees	295	68
Total	5,813	4,256

Note 4. Other operating income and expenses

As a reminder, the amortization of customer relationships is recognized as non-current given the non-recurring nature and the scale of the Kurt Salmon and Q_PERIOR transactions. This amortization expense amounted to €(747)k and €(3,611)k for Kurt Salmon and Q_PERIOR respectively.

	09/30/24	09/30/23
Various	333	0
Other operating income	333	0
Securities and goodwill acquisition costs	(60)	(2,641)
Various	(800)	(168)
Other operating expenses	(859)	(2,809)
Net total	(526)	(2,809)

Other miscellaneous operating expenses principally include, as of 09/30/24, €(394)k in fees related to the project to change Paris premises and €(116)k of accelerated amortization of furniture and fixtures of the current premises of Tour Franklin. This item also contains €(268)k of restructuring costs related to the integration of Aspirant, which are compensated by a symmetrical operating income, as they are supported *in fine* by Aspirant sellers as agreed by the parties.

Note 5. Financial profit (loss)

	09/30/24	09/30/23
Net income from cash and cash equivalents	361	314
Interest on loans	(2,003)	(1,031)
Cost of net debt	(1,643)	(718)
Other financial income and expenses	(1,685)	(311)
Financial profit (loss)	(3,327)	(1,029)

Interest on borrowings mainly comprises interest on the Refinancing, Revolving Credit and External Growth loans amounting to €(1,719)k, including the effect of interest-rate hedging contracts, and non-utilization fees on the External Growth Loan amounting to €(174)k.

Other financial income and expenses include the unwinding of the discount effect of earn-out liabilities for €(714)k and pension provisions for €(290)k (see note 15).

In March 24, the group decided to present the unwinding of the discount effect of pension provisions in financial profit (loss), consistent with the principle of free choice afforded by IAS 19. Previously, these items were detailed in the "Personnel expenses" line. This amount of €(290)k at 09/30/24, should be compared with €(236)k at 09/30/23. As a result, the "Other financial income and expenses" caption would have totaled €(547)k as of 09/30/23.

Other financial income and expenses also include the cost of hedging instruments for €(375)k at 09/30/24 and for €(417)k at 09/30/23.

Note 6. Tax expense

Net impact of taxes on income:

	09/30/24	09/30/23
Current tax	(11,247)	(8,304)
Deferred tax	295	(896)
Total	(10,952)	(9,199)

In accordance with the French Accounting Board (CNC) circular of January 14, 2010, Wavestone opted to record the Company Added-Value Contribution (CVAE) under income tax as of 2010. The CVAE booked under “Tax charge” totaled €(632)k.

Note 7. Earnings per share

Earnings per share	09/30/24	09/30/23	03/31/24
Net profit from companies attributable to owners of the parent	27,238	22,975	58,199
Weighted average number of shares outstanding ⁽¹⁾	24,569,928	19,869,150	21,445,744
Net undiluted income - group share, per share (in euros)	1.11	1.16	2.71
Weighted average number of shares outstanding ⁽¹⁾	24,569,928	19,869,150	21,445,744
Average number of potentially dilutive shares	0	0	0
Weighted average number of issued and potential shares	24,569,928	19,869,150	21,445,744
Net diluted income - group share, per share (in euros)	1.11	1.16	2.71

⁽¹⁾ Excluding treasury shares.

Note 8. Goodwill

The integrated operating model enables 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.

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 03/31/24	Decrease in the period	Increase in the period	Translation diff.	Net value at 09/30/24
Goodwill	507,889	(158)	2,846	(120)	510,457
incl:					
Q_PERIOR		(158)			
Aspirant Consulting		0	2,846		

The provisional goodwill of Q_PERIOR have been adjusted in consideration of a foreign exchange difference.

The provisional goodwill of Aspirant Consulting has been adjusted in consideration of an earn-out increased by €1.8m and a price adjustment of €1.046m.

Impact of changes in scope on the firm’s cash position

The table below presents the impacts on the cash position of additions to the scope of consolidation over the half-year as well as payments carried out or received linked to transactions from the prior year.

	Q_PERIOR	Pen Partnership Ltd	Wavestone India (sale)	Total
Acquisition price	0	0	0	0
Price adjustment (nominal amount)	0	(618)	0	(618)
Price supplement (nominal amount)	(35,000)	0	0	(35,000)
Total payments (A)	(35,000)	(618)	0	(35,618)
Cash and cash equivalents of entities acquired (B)	0	0	0	0
Payment from entities sold (C)	0	0	41	41
Net payments (A+B+C)	(35,000)	(618)	41	(35,577)

Impairment test

In accordance with IAS 36, in the absence of any indication of impairment, no impairment test was performed as of September 30, 2024.

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 suitable 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

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;
- group-wide target for 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;
- group-wide deployment of the firm's management tools within the new entity.

Note 9. Intangible and tangible assets

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

Gross value	03/31/24	Increase	Decrease	Translation diff.	09/30/24
Software	3,252	21	0	2	3,275
Clients	92,246	0	0	0	92,246
Total intangible Assets	95,498	21	0	2	95,521
Land	333	0	0	3	335
Buildings	843	0	0	7	850
Other tangible assets	24,691	3,758	(703)	59	27,804
Tangible assets in progress	2,106	153	(2,229)	23	53
Total tangible Assets	27,973	3,910	(2,932)	91	29,043
Amortization	03/31/24	Increase	Decrease	Translation diff.	09/30/24
Software	3,212	2	0	2	3,216
Clients	17,711	4,357	0	0	22,068
Total intangible Assets	20,923	4,360	0	2	25,285
Buildings	213	12	0	2	226
Other tangible assets	15,658	2,015	(694)	12	16,990
Total tangible Assets	15,871	2,026	(694)	14	17,216
Impairment	03/31/24	Increase	Decrease	Translation diff.	09/30/24
Intangible Assets	10	0	0	0	10
Total intangible Assets	10	0	0	0	10
Other tangible assets	137	(31)	0	0	106
Total tangible Assets	137	(31)	0	0	106
Total net Intangible Assets	74,565	(4,339)	0	0	70,226
Total net Tangible Assets	11,965	1,915	(2,237)	78	11,720

None of Wavestone's tangible and intangible assets are subject to ownership restrictions.

The decreases in tangible assets in progress primarily stem from the activation of the corresponding assets.

The change in “Payables on fixed assets” was €(466)k at 09/30/24, compared with €833k at 03/31/24.

Note 10. Leases

On 07/24/24, Wavestone signed a lease in future state of completion for new premises in Paris, scheduled for delivery on 12/31/26. This commitment will be reflected in the balance sheet at commencement date 12/31/26. The corresponding firm commitment will amount to around €92,546k, presented as such in note 19.

At the same time, the company undertook to renegotiate its ongoing leases to align their termination dates. Three of them have a firm termination date of 06/30/25. In the absence of a notice of termination or a request for renewal, these leases are tacitly extended. They constitute renewable contracts within the meaning of the IFRS Interpretations Committee (IFRS IC) decision of November 2019.

Management has therefore re-estimated the term of the leases so that it corresponds to the period during which it is reasonably certain that the company will remain in the premises, even in the absence of a formal agreement with the lessor. As a result of this re-estimation, the date of 12/31/26 has been adopted as the most likely end of the commitment.

Rights of use

Gross value	03/31/24	Increase	Decrease	Translation diff.	09/30/24
Operating lease	41,905	6,341	(3,570)	266	44,942
Real estate lease	41,905	6,341	(3,570)	266	44,942
Credit lease	3,484	531	(35)	4	3,983
IT and office equipment	1,127	0	0	0	1,127
Transport equipment	2,357	531	(35)	4	2,856
Total rights of use	45,388	6,872	(3,605)	270	48,925

Amortization	03/31/24	Increase	Decrease	Translation diff.	09/30/24
Operating lease	19,941	3,534	(2,766)	55	20,764
Real estate lease	19,941	3,534	(2,766)	55	20,764
Credit lease	1,560	625	0	3	2,188
IT and office equipment	1,127	0	0	0	1,127
Transport equipment	433	625	0	3	1,061
Total rights of use	21,501	4,159	(2,766)	58	22,952

Impairment	03/31/24	Increase	Decrease	Translation diff.	09/30/24
Operating lease	0	0	0	0	0
Real estate lease	0	0	0	0	0
Credit lease	0	0	0	0	0
IT and office equipment	0	0	0	0	0
Transport equipment	0	0	0	0	0
Total rights of use	0	0	0	0	0
Total Net rights of use	23,887	2,713	(839)	212	25,972

Assets financed by a finance lease contract are subject to an ownership restriction.

Lease liabilities

	03/31/24	Change	Translation diff.	09/30/24
Debt > 5 years	5,038	90	122	5,250
Lease liabilities from one to five years	12,975	1,706	112	14,793
Total non-current lease liabilities	18,013	1,796	234	20,043
Total current lease liabilities (including credit leases)	8,174	257	2	8,433
Total leases liabilities	26,187	2,054	235	28,476

Breakdown of lease contractual payment by maturity:

	Total amount 09/30/24	< 1 year	1 > 5 years	> 5 years
Future lease contractual payments	31,652	9,517	16,495	5,640

Guarantees pledged as collateral against these lease liabilities are described in note 19 below.

Note 11. Other assets

Financial assets consist mainly of deposits and guarantees.

Other non-current assets mainly comprise deferred tax assets of €13,371k (€13,661k at 03/31/24).

Note 12. Current assets

Trade receivables and related accounts	03/31/24	Change	Translation diff.	09/30/24
Client receivables	185,763	(16,208)	156	169,711
Invoices to be issued	60,710	9,263	132	70,104
Gross value	246,473	(6,945)	287	239,815
Impairment	(573)	99	0	(474)
Net book value	245,900	(6,847)	288	239,341

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. Expected credit losses remain at a particularly low level, and consequently the impairment of trade receivables has not been adjusted.

Past due trade receivables

At 09/30/24	Book value	Not yet due	Less than 30 days	From 31 to 90 days	More than 90 days
Client receivables	169,711	121,480	29,734	12,596	5,900
As a percentage of accounts receivable	100%	72%	18%	7%	3%

At 03/31/24	Book value	Not yet due	Less than 30 days	From 31 to 90 days	More than 90 days
Client receivables	185,763	144,036	26,061	12,210	3,456
As a percentage of accounts receivable	100%	78%	14%	7%	2%

Other current assets

Other receivables	03/31/24	Change	Translation diff.	09/30/24
Advance and down-payments	2,162	(1,865)	3	300
Tax receivables	11,101	3,571	50	14,722
Other debtors	2,358	211	(3)	2,565
Prepaid expenses	5,071	1,917	12	7,000
Gross value	20,693	3,833	62	24,587
Impairment of other receivables	(37)	13	0	(24)
Impairment	(37)	13	0	(24)
Net book value	20,656	3,846	62	24,563

Cash and Cash equivalents	03/31/24	Change	Translation diff.	09/30/24
Marketable securities	0	195	(1)	193
Liquid Assets	77,481	(26,928)	214	50,766
Gross value	77,481	(26,734)	212	50,959
Impairment	0	0	0	0
Net book value	77,481	(26,734)	212	50,959

Note 13. Capital

At 09/30/24, the capital of the Wavestone parent company comprised 24,906,332 fully paid-up shares at €0.025 per unit.

At the same date, the company owned 336,404 Wavestone shares.

Free share allotment plans.

At 09/30/24, Wavestone had several free share plans. Beneficiaries must remain employees of the firm until the final allotment date.

Recognition of the respective benefits awarded within the context of these plans was booked as a provision of €2,599k in the personnel expenses, compared to €2,075k for the previous semester. The counterpart of this provision is presented in shareholders' equity in the financial statements at 09/30/24.

Details of the free share allotment plans are set out below:

Name of plan	Initial allocation date	Vesting date	Initial quantity of shares	Initial number of beneficiaries	Fair value of shares allocated
Key People Plan n°16	07/06/22	07/06/25	57,135	15	2,363
Employee Plan n°17	07/05/23	07/05/25	57,234	1,596	2,381
International Plan for everyone n°3	07/05/23	07/05/25	9,033	104	376
Key People Plan n°17	07/05/23	07/05/26	53,856	16	2,520
Employee Plan n°18	07/04/24	07/04/26	76,308	2,004	3,199
International Plan for everyone n°4	07/04/24	07/04/26	9,873	121	414
Special Catch-up Plan 2024	07/04/24	07/04/26	1,212	10	51
Key People Plan n°18	07/04/24	07/04/27	53,227	17	2,678

During the semester, Wavestone granted the following free shares as detailed below.

Final allotment under the 07/06/21 plan: (“Plan Key People No. 15”)

On 07/06/21, a free share allocation plan (“Plan Key People No. 15”) was set up as part of the firm’s employee savings plan. “Plan Key People No. 15” is for key Wavestone employees designated by the Board of Directors at the recommendation of the Compensation and Nomination Committee.

This plan had a vesting period of thirty-six (36) months and expired on 07/06/24.

The initial allotment was up to 55,499 shares. In accordance with the conditions of the plan, 49,657 shares were fully acquired by 17 employees at the end of the vesting period.

The shares delivered under the “Plan Key People No.15” are existing shares previously acquired by the company during a share buy-back plan.

Final allotment under the 07/06/22 plan: (“Employee Plan No. 16”)

On 07/06/22, a free share allocation plan (“Employee Plan No. 16”) was set up as part of the firm’s employee savings plan. “Employee Plan No. 16” is for Wavestone’s employees, depending on the employee savings plan option they have selected.

This plan had a vesting period of twenty-four (24) months and expired on 07/06/24.

The initial allotment was up to 60,322 shares. In accordance with the conditions of the plan, 44,530 shares were fully acquired by 1,077 employees at the end of the vesting period.

The shares delivered under the “Employee Plan No. 16” are existing shares previously acquired by the company during a share buy-back plan.

Final allotment under the 07/06/22 plan (“International Plan for Everyone No. 2”)

On 07/06/22, a free share allocation plan (“International Plan for Everyone No. 2”) was set up as part of the firm’s employee savings scheme. “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 2023 international employee shareholding plan.

The vesting period of “International Plan for Everyone No. 2”, which was twenty-four (24) months, expired on 07/06/24.

The initial allotment was up to 9,036 shares. In accordance with the conditions of the plan, 8,084 shares were fully acquired by 82 employees at the end of the vesting period.

The shares delivered under the “International Plan for Everyone No. 2” are existing shares previously acquired by the company during a specific share buy-back program.

Furthermore, upon authorization of the Annual General Meeting, the Board of Directors decided, at its meeting on 06/03/24, to implement the plans presented hereafter.

Initial allotment under the 07/04/24 plan (“Employee Plan No. 18”)

“Employee Plan No. 18” is for Wavestone’s employees, depending on the employee savings plan option they have selected.

At initial allotment, the number of beneficiaries was 2,004 and the number of Wavestone shares available (to people meeting the plan’s conditions by the end of the 24-month vesting period) was 76,308 or 0.31% of Wavestone equity at 07/04/24.

Initial allotment under the 07/04/24 plan (“International Plan for Everyone No. 4”)

“International Plan for Everyone No. 4” is for the employees of Wavestone’s foreign subsidiaries who signed up to the Wavestone Shares FCPE (collective employee shareholding fund) or for registered Wavestone shares as part of the 2024 international employee shareholding program.

At initial allotment, the number of beneficiaries was 121 and the number of Wavestone shares available (to people meeting the plan’s conditions by the end of the 24-month vesting period) was 9,873 or 0.04% of Wavestone equity at 07/04/24.

Initial allotment under the 07/04/24 plan (“Special Catch-up Plan 2024”)

“Special Catch-up Plan 2024” is for several Wavestone’s employees.

At initial allotment, the number of beneficiaries was 10 and the number of Wavestone shares available (to people meeting the plan’s conditions by the end of the 24-month vesting period) was 1,212 or 0.005% of Wavestone equity at 07/04/24.

Initial allotment under the 07/04/24 plan (“Key People Plan No. 18”)

“Key People Plan No. 18” is for key Wavestone employees designated by the Board of Directors at the recommendation of the Compensation and Nomination Committee.

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 recurring operating profit.

At initial allotment, the number of beneficiaries was 17 and the number of Wavestone shares available (to people meeting the plan’s conditions by the end of the 36-month vesting period) was 53,227 or 0.21% of Wavestone equity at 07/04/24.

Note 14. Provisions

Most of the provisions relate to retirement benefits, which were measured by independent actuaries (see note 15) proceedings before the labor courts, measured based on legal counsel’s estimates of the most probable risk; and, if applicable, provisions for trade disputes.

	03/31/24	Reclassi- fication	Increase	Reversal		Translation diff.	09/30/24
				Used	Unused		
Provisions for retirement benefits	24,657	0	4,841	(231)	0	443	29,711
Total long-term provisions	24,657	0	4,841	(231)	0	443	29,711
Provisions for risks and charges	5,205	260	477	(317)	(136)	43	5,533
Total short-term provisions	5,205	260	477	(317)	(136)	43	5,533
Total provisions	29,862	260	5,319	(548)	(136)	486	35,243

Changes in provisions for the fiscal year had a €(425)k impact on recurring operating profit, a €1k impact other operating income and expenses and a €(290)k impact on financial profit (loss).

A liability of €260k covering a customer risk has been reclassified as a provision for risks.

Provision for annual paid leave (Paid Time Off - PTO) in France, in the event of non-occupational illness

Based on the three-year statute of limitations that applies to salaries for employees who left the company, Wavestone adjusted the likely outflow of resources with the number of days of recoverable annual paid leave capped at 40 days per employee. This resulted in a provision of €569k as of 09/30/24 versus €704k as of 03/31/24.

Note 15. Provisions for retirement benefits

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.

As required under the 06/16/11 amendment of IAS 19 (Employee benefits), Wavestone recognizes all actuarial gains and losses directly in equity.

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.

	France	Switzerland	Total
Provision at 03/31/24	13,614	11,043	24,657
Change in scope	0	0	0
Cost of services rendered	455	1,785	2,240
Interest expense	224	66	290
Benefits provided	(231)	0	(231)
Employer contributions	0	(1,610)	(1,610)
Booked net expense	449	241	690
Actuarial losses (gains)	732	3,188	3,920
Translation gain (loss)	0	443	443
Provision at 09/30/24	14,796	14,915	29,711

Actuarial differences result from assumption changes (discount rate, staff turnover rate, etc.) when applicable and as presented below by country, and from experience adjustments.

France

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 03/31/24;
- 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% versus 2.20% as of 03/31/24;
- discount rate: 3.30% versus 3.30% as of 03/31/24;
- retirement age: 66, versus 66 as of 03/31/24;
- voluntary departure.

Switzerland

Retirement benefits for Wavestone Consulting Switzerland are based on the following assumptions:

- BVG2020 mortality table;
- salary increases: 1.75%, i.e. the same assumption as 03/31/24;
- discount rate: 1.15% versus 1.50% as of 03/31/24;
- retirement age: 65.

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 Consulting Switzerland is affiliated with the Profond collective pension foundation.

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.

Regarding Wavestone Switzerland, as the impact would not be significant, the calculation for the semester was only based on the budget assumptions excluding any change in parameters.

Hedging assets, gross commitments, as well as net commitments are presented below:

	03/31/24	Other changes	Translation diff.	09/30/24
Hedging assets (A)	51,509	(724)	1,772	52,557
Gross commitments (B)	62,553	2,705	2,214	67,472
Net commitments (B-A)	11,043	3,429	443	14,915

Sensitivity tests

Test of sensitivity on the discount rate were performed on the provision for retirement benefits.

A 0.25% increase in the discount rate would represent a €3,098k decrease in actuarial differences (recognized in shareholders' equity) while a 0.25% decrease in the discount rate would represent a €3,318k increase in actuarial differences.

Note 16. 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.

	03/31/24	Change	Translation diff.	09/30/24
Bank borrowings	57,702	31,288	0	88,991
Borrowings and other financial liabilities	329	9	0	338
Accrued interest outstanding	148	(8)	0	140
Total financial liabilities excluding current bank overdrafts	58,180	31,289	0	89,468
Bank overdrafts	29	(12)	0	16
Total financial liabilities	58,208	31,277	0	89,485

Breakdown of financial liabilities by maturity:

	Total amount 09/30/24	< 1 year	1 > 5 years	> 5 years
Bank borrowings	88,991	40,533	38,617	9,841
Borrowings and other financial liabilities	338	0	338	0
Bank overdrafts	16	16	0	0
Accrued interest outstanding	140	140	0	0
Total financial liabilities	89,485	40,689	38,955	9,841

	Total Amount 03/31/24	< 1 year	1 > 5 years	> 5 years
Bank borrowings	57,702	5,471	41,227	11,004
Borrowings and other financial liabilities	329	329	0	0
Bank overdrafts	29	29	0	0
Accrued interest outstanding	148	148	0	0
Total financial liabilities	58,208	5,977	41,227	11,004

The breakdown of future contractual borrowing repayments, requested by IFRS 7, is not presented as the difference between debt at amortized cost and nominal debt amount is not material, €(571)k in total.

	03/31/24	Subscription	Repayment	Other	Translation diff.	09/30/24
Bank borrowings	57,702	40,000	(8,821)	109	0	88,991
Total	57,702	40,000	(8,821)	109	0	88,991

In July 2024, Wavestone drew down €40m under the Revolving Credit facility to meet short-term cash needs, of which €6m was reimbursed on 09/26/24.

Rate	03/31/24		09/30/24	
	fixed	variable	fixed	variable
Non-current financial liabilities	0	52,231	24	48,771
Current financial liabilities	24	5,953	0	40,689
Total financial liabilities	24	58,184	24	89,460

The group did not default on any of its debt repayment obligations during the period.

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 19.

The agreement also provides for an unconfirmed loan of up to €70,000k specifically for acquisitions.

Other credit facilities

Wavestone has a contract with US bank for a \$15 million “all uses” bilateral facility.

Covenant

Credit agreements require compliance with a Leverage Ratio which represents the ratio of Net Financial Debt to consolidated EBITDA. The commitment to maintain the Leverage Ratio below 2.5 was respected over the period.

Cash and cash equivalents	03/31/24	Change	Translation diff.	09/30/24
Marketable securities at historical value	0	193	(1)	191
Liquid assets	77,481	(26,928)	214	50,766
Bank overdrafts	(29)	12	0	(16)
Total cash net of overdrafts	77,452	(26,723)	212	50,941
Fair value adjustment of cash equivalents	0	2	0	2
Consolidated cash	77,452	(26,721)	212	50,943
Total financial liabilities excluding bank overdrafts	(58,180)	(30,973)	0	(89,468)
Net financial cash / (debt)	19,272	(57,694)	212	(38,526)

Interest rate risk: sensitivity analysis

As at 09/30/24, the group's variable-rate financial liabilities amount to €89,460k. In line with its commitments under the Credit Agreement, the group has taken out one interest-rate hedging contract (2.13% to 3.40% collar for a notional amount of €17,940k). This hedge expires in December 2028.

Factoring in the maturity of interest-rate hedging instruments, the firm's sensitivity to a +/-1% change in interest rates is estimated at approximately +/-€700k.

Note 17. Financial instruments

The firm has entered into currency futures contracts and cross-currency swaps to hedge its foreign-currency loans and current accounts. The firm has also entered into interest rate hedges (caps) to cover the risk of an increase in the interest rate on the loans taken out.

As regards Cash-Flow Hedges, the gain or loss resulting from the fair value measurement of hedging instruments is booked under "Other comprehensive income" (OCI). Unrealized gains and losses realized are written to the income statement when the hedged item is realized. Held For Trading instruments are measured at fair value through profit or loss under "Other financial income and expenses".

At the end of the semester, Wavestone's financial instrument portfolio was made up of:

- treasury stock;
- cross-currency swaps;
- interest rate hedges (caps and collar).
- marketable securities

Accounting classification and fair value of financial assets and liabilities

In accordance with IFRS 13 "Fair Value Measurement", financial assets and liabilities are classified according to the following three fair value levels:

- level 1: price listed on an active market;
- level 2: in-house model with parameters observable;
- level 3: in-house model with parameters non-observable.

	Net balance sheet value by instrument category				Fair value	
	Derivatives	Fair value by result	Fair value by shareholders' equity	Amortized cost	Level	Fair value
	with hedging					
At 09/30/24						
Non-consolidated equity investments	0	30	0	0	Level 3	30
Guarantee deposits and financial receivables	0	0	0	2,029	Level 2	2,029
Trade receivables and related accounts	0	0	0	239,341	Level 2	239,341
Derivative instrument assets	69	0	0	0	Level 2	69
Marketable securities	0	193	0	0	Level 1	193
Liquid Assets	0	50,766	0	0	Level 1	50,766
Total assets	69	50,989	0	241,370		292,428
Bank loans	0	0	0	89,130	Level 2	89,130
Lease liabilities	0	0	0	28,476	Level 2	28,476
Trade payables and related accounts	0	0	0	34,635	Level 2	34,635
Payables on acquisition of investments	0	0	0	8,009	Level 2	8,009
Bank overdrafts	0	16	0	0	Level 1	16
Derivative instrument liabilities	1,890	0	0	0	Level 2	1,890
Total liabilities	1,890	16	0	160,251		162,157

	Net balance sheet value by instrument category				Fair value	
	Derivatives	Fair value by result	Fair value by shareholders' equity	Amortized cost	Level	Fair value
	with hedging					
At 03/31/24						
Non-consolidated equity investments	0	30	0	0	Level 3	30
Guarantee deposits and financial receivables	0	0	0	1,939	Level 2	1,939
Trade receivables and related accounts	0	0	0	245,900	Level 2	245,900
Derivative instrument assets	196	0	0	0	Level 2	196
Marketable securities	0	0	0	0	Level 1	0
Liquid Assets	0	77,481	0	0	Level 1	77,481
Total assets	196	77,511	0	247,839		325,545
Bank loans	0	0	0	57,851	Level 2	57,851
Lease liabilities	0	0	0	26,187	Level 2	26,187
Trade payables and related accounts	0	0	0	42,293	Level 2	42,293
Payables on acquisition of investments	0	0	0	40,280	Level 2	40,280
Bank overdrafts	0	29	0	0	Level 1	29
Derivative instrument liabilities	930	0	0	0	Level 2	930
Total liabilities	930	29	0	166,610		167,569

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 17% of revenue at 03/31/24.

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. During the 2023/24 fiscal year, Wavestone therefore entered forward currency sales. 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 18. Other liabilities

	03/31/24	Reclassification	Change	Translation diff.	09/30/24
Other non-current liabilities					
Tax and social liabilities	958	0	98	7	1,063
<i>o/w tax liabilities</i>	236	0	502	0	738
<i>o/w social liabilities</i>	722	0	(403)	7	325
Payables on acquisition of investments	0	0	0	0	0
Other debt ⁽¹⁾	24,906	0	(646)	0	24,260
Total	25,864	0	(548)	7	25,323
Current liabilities					
Trade payables and related accounts	42,293	0	(7,821)	164	34,635
Tax and social liabilities	152,575	0	(36,735)	266	116,106
<i>o/w tax liabilities</i>	58,193	0	(12,118)	151	46,226
<i>o/w social liabilities</i>	94,382	0	(24,617)	115	69,880
Other current liabilities	71,360	(260)	(31,331)	(131)	39,638
<i>o/w suppliers of fixed assets</i>	1,118	0	(438)	7	687
<i>o/w payables on acquisition of investments</i>	40,280	0	(32,058)	(213)	8,009
<i>o/w other debt</i>	15,732	(260)	3,624	91	19,187
<i>o/w deferred income</i>	14,230	0	(2,459)	(15)	11,756
Total	266,228	(260)	(75,887)	299	190,380
Total other liabilities	292,091	(260)	(76,435)	307	215,703

(1) including € (22 558)k in deferred tax liabilities in respect of the customer relationship of Q_PERIOR at 09/30/24.

A liability of €260k covering a customer risk has been reclassified as a provision for risks.

The decrease in "Debt on payables on acquisition of investments" can be explained notably:

- by the recognition of a price and earn-out adjustments reasonably estimated on the basis of information available at the closing date, relative to the acquisition of Aspirant Consulting for an amount of €2,846k;
- and the payment of the earn-out relating to the Q_PERIOR business combination carried out during the semester for an amount of €(35,000)k.

At 09/30/24, the only remaining earn-out payable amounts to \$8m related to Aspirant acquisition.

Note 19. Off-balance sheet commitments

	Total amount at 09/30/24	< 1 year	1 > 5 years	> 5 years
Commitments given				
Guarantees and sureties	2,015	193	1,366	456
Pledges	0	0	0	0
Operating lease commitments	99,820	2,384	33,168	64,268
Total	101,835	2,577	34,534	64,724
Commitments received				
Guarantees and sureties	161	55	0	106
Undrawn credit lines	104,698	0	104,698	0
Liability guarantees ⁽¹⁾	108,301	7,666	77,718	22,917
Total	213,160	7,721	182,416	23,023

(1) including escrow accounts for €4,329k, insurance of €11,970k relative to the Coeus acquisition and the specific guarantees relative to the Q_PERIOR acquisition described below.

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 leases in the United Kingdom are covered by an unlimited guarantee from Wavestone SA which would substitute for Wavestone Advisors UK should it fail to meet its commitments to its lessors;
- 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 €144k bank rental guarantee maturing in 2030.

For France, the off-balance sheet commitment related to the signed lease in future state of completion for an amount of €92,546k (see note 10), is covered by a bank guarantee of €19,148k granted to Wavestone SA, maturing in 2027. The other lease commitments mainly correspond to IT equipment lease obligations.

The liability guarantees were received in connection with the acquisitions of companies carried out during the 2018/19, 2021/22, 2022/23 and 2023/24 fiscal years.

Q_PERIOR assets and liabilities guarantee facility

The assets and liabilities guarantee granted by all of the shareholders of Q_PERIOR amounts to €30,000k until the second anniversary of the date of completion of the transaction. It then declines until the fourth anniversary of the date of completion of the transaction.

As a counter-guarantee for the commitments made by all Q_PERIOR shareholders under the assets and liabilities guarantee, group 7B (the seven main Q_PERIOR shareholders) agreed to establish a trust with IQ-EQ Management (the trustee) which will benefit Wavestone and transfer the following on the date the acquisition is completed:

- €15,000k in cash and;
- €15,000k in cash transferred to the trust in July 2024 to replace all the 1,388,889 Wavestone shares, as agreed by the parties.

The trust will have a term of four years from the date of completion of the acquisition (increased, where applicable, by the term of any outstanding claims, up to a maximum of fifteen (15) years from the date of completion of the transaction).

The trustee will release to group 7B, over subsequent years, a proportion of the cash held in the trust, as agreed by the parties, in correlation with the cap on the guarantee facility.

In addition to the guarantee facility, Wavestone took out an assets and liabilities guarantee insurance policy for €35,000k.

	Total amount at 03/31/24	< 1 year	1 > 5 years	> 5 years
Commitments given				
Guarantees and sureties	4,031	2,188	1,389	455
Pledges	0	0	0	0
Operating lease commitments	7,396	4,437	2,959	0
Total	11,428	6,625	4,347	455
Commitments received				
Guarantees and sureties	158	55	0	102
Undrawn credit lines	139,175	0	139,175	0
Liability guarantees ⁽¹⁾	114,574	6,898	38,486	69,190
Total	253,906	6,953	177,661	69,292

(1) including escrow accounts for €7,493k, insurance of €11,696k relative to the Coeus acquisition and the specific guarantees relative to the Q_PERIOR acquisition described above.

Note 20. Related-party transactions

Type of transaction	Transaction amount	Name of related-party	Type of relationship
Revenue			
Supply Chain IT diagnostic services for InterParfums	6	Marie-Ange Verdickt	Member of the Board of Directors
External expenses			
Recruitment fees for Michael Page France and PageGroup France	(265)	Marlène Ribeiro	Member of the Board of Directors
Brand Promotion fees for Publicis Live France	(2)	Véronique Beaumont	Member of the Board of Directors

Note 21. Subsequent events

None.

Note 22. Financial risk related to climate change

Wavestone is exclusively active in the provision of intellectual services. At this stage, the firm estimates that not paying attention to the effects of climate change on its operation and consulting practices could, to a certain extent, be detrimental to its ability to develop and maintain attractiveness towards clients, staff members, candidates and shareholders. This could eventually generate negative impacts on revenue and operations. To mitigate this potential risk, Wavestone is committed to decarbonizing its own operations as well as gradually integrating sustainability considerations in its consulting services.

AUDITOR'S REPORT

To the Shareholders,

In compliance with the assignment entrusted to us by the general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code "Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Wavestone, for the period from April 1, 2024, to September 30, 2024, as appended to the present report;
- the verification of information presented in the half-year management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of inquiries with the management personnel responsible for financial and accounting matters and applying analytical and other review procedures. A limited review is lesser in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, a limited review provides only limited assurance that the financial statements taken as a whole are free from material misstatements, as opposed to the higher level of assurance provided by an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS adopted by the European Union applicable to interim financial information.

Specific verification

We also verified the disclosures provided in the interim management report commenting on the condensed interim financial statements that were the focus of our limited review.

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

The Statutory Auditors,

Paris and Paris-La Défense, 9 December 2024

Aca Nexia
represented by
Sandrine Gimat

Frovis Mazars
represented by
Bruno Pouget