

## COMBINED GENERAL MEETING

December 5, 2023

**COMBINATION BETWEEN  
WAVESTONE AND Q\_PERIOR:  
THE CREATION OF A EUROPEAN  
GLOBAL CONSULTING CHAMPION**

All the information is available on our website, in the "Investors section", under "General Meeting"

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Dear Shareholders,

We are delighted to invite you to Wavestone's Combined General Meeting, to be held on December 5, 2023 at 10 a.m. (CET), at the Pavillon Gabriel, 5 avenue Gabriel, 75008 Paris.

This General Meeting marks the final stage in the completion of the project to bring together Wavestone and Q\_PERIOR, with the aim of creating a European consulting champion. As a Wavestone shareholder, it is now up to you to vote on the completion of this combination at this Meeting.

We will be holding this General Meeting in person. This means that shareholders who want to will be able to attend physically, and vote on-site via an electronic voting terminal.

For shareholders who do not want to or can not attend in person, the meeting will be broadcast live via a link available on the Wavestone website. They will then have the opportunity to ask questions in writing to the firm's management. They will be able to vote in advance, either by post or via the Internet on the VOTACCESS secure voting platform, and also to vote live remotely.

To give you a clearer idea of the strategic nature of this combination, you will find in this newsletter interviews with Pascal Imbert and Karsten Höppner, CEOs of Wavestone and Q\_PERIOR, explaining the relevance of this project and their shared vision for the new entity, as well as the viewpoint of Nicolas Thorez, financial analyst with the brokerage firm Oddo BHF, on this transaction.

Please note that the meeting notice, as well as all the information and documents you need to exercise your rights as a shareholder, are available on our website, in the "Investors" section, under "General Meeting". Please consult it regularly. We invite you to read it carefully, and to send us any questions you may have by e-mail to [assemblee-generale@wavestone.com](mailto:assemblee-generale@wavestone.com).

We look forward to seeing you soon. Please accept, Madam, Sir, dear shareholders, our sincerest regards.



## Pascal Imbert

Co-Founder  
& CEO of Wavestone



## Karsten Höppner

Co-Founder  
& CEO of Q\_PERIOR

### Why do you want to create a European consulting champion now?

Pandemics, digital acceleration and technological breakthroughs, the energy crisis, climate and environmental emergencies: major companies have been confronted with significant economic and social disruptions in recent years. These profound challenges are driving transformations that are broader, more complex and more global than ever. And our clients need partners with the critical mass and international coverage to support them.

### What would be the new group's key strengths?

This combination is above all based on the complementary aspects of our two firms: geographical complementarity, with a solid presence in three of continental Europe's main markets (France, Germany and Switzerland), but also complementarity in our expertise, both technological and sectoral.

Beyond these synergies, the combination of Q\_PERIOR and Wavestone would bring together the skills of over 5,500 employees, mainly based in Europe, but also in North America and Asia. This would give us a unique position in the European market, and a real alternative to the UK-based players.

### What would be the growth model for the new entity? To achieve which objectives?

Our plan is to pursue the development of the new entity at a sustained pace of growth.

By 2025, we aim to achieve a revenue of around €1 billion<sup>1</sup>, excluding new acquisitions, with an EBIT of at least €130 million, an increase of over 70%<sup>2</sup>. In the longer term, we intend to grow at an average annual rate of 15%<sup>3</sup>, targeting a normative EBIT margin of around 15%.

In terms of external growth, priority would be given to two geographical areas, the UK and the US, before considering strengthening existing positions in Asia.

Our new firm would finally aim to be at the forefront of social, societal, and environmental responsibility issues, aiming for the top 5% of companies with the best CSR performance.

### Q\_PERIOR and Wavestone are business partners since 2019. How did the idea of joining forces arise?

Indeed, our two firms have been collaborating commercially since 2019. The aim of this partnership was to develop commercial synergies by leveraging our complementary geographic coverage, sectoral presence, and expertise. Given the success of this collaboration, the many values shared over the years, and the proximity that has developed between our respective teams, we have been building this new project over the last few months.

### So why did you choose Wavestone?

As Pascal mentioned, the strategic and global challenges faced by major organizations require partners with a truly international DNA. While Q\_PERIOR still generates over 90% of its business in Germany and Switzerland, we needed to accelerate our international expansion. Wavestone was undoubtedly the best partner to embark on such a project, given our proven collaboration and proximity.

That's the essence of this combination project: to build a new global player, one of Europe's leading consulting firms from day one.

### How do Q\_PERIOR's teams feel about the combination? And your clients?

Given the proximity developed through our partnership, this project was seen as a perfectly natural evolution by Q\_PERIOR's teams, and we are now looking forward to enjoying the tremendous growth potential of the new entity.

In addition, this project brings together two recognized employers in each of their respective markets, creating a real "best place to work" with values in line with the aspirations and requirements of young talent.

Our clients have been very enthusiastic. The new firm's range of skills will enable us to provide comprehensive and seamless responses to the most critical challenges in their future transformations.

<sup>1</sup> As of March 31, 2023, the new entity would have annual revenue of €818.4m, based on the combined 12-month IFRS figures at March 31, 2023 for Wavestone (audited) and at December 31, 2022 for Q\_PERIOR (unaudited).

<sup>2</sup> Compared with Wavestone's EBIT in 2022/23 of €77.0m.

<sup>3</sup> Combined organic and inorganic.

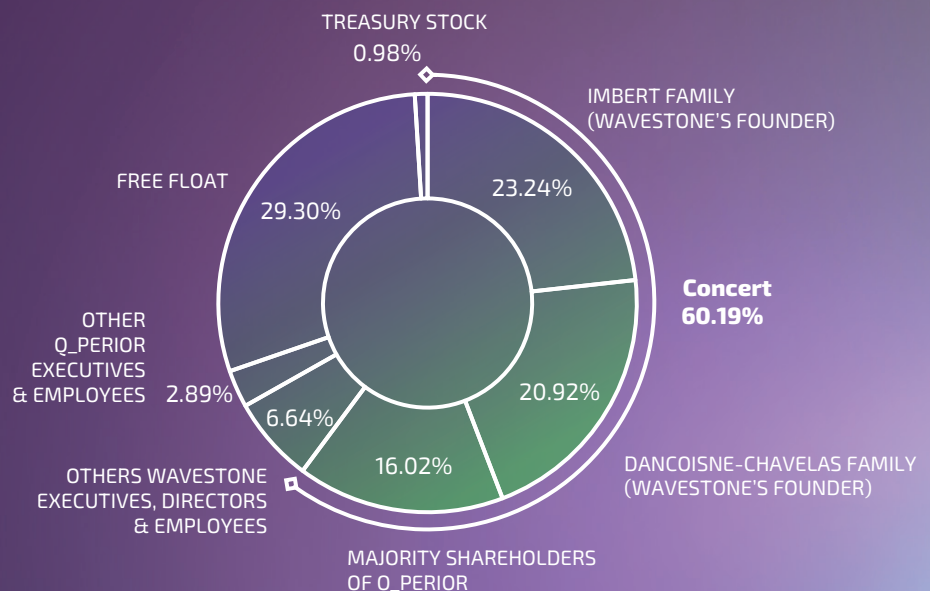
**KEY FIGURES  
& MAIN TERMS  
OF THE PLANNED  
COMBINATION**

## Profile of the new consulting firm (combined 12-month IFRS figures at March 31, 2023<sup>4</sup>)

- ◇ **+ 5,500** employees
- ◇ **€818.4m** combined revenue
- ◇ **12.4%** EBIT margin
- ◇ **Revenue by geography:** France (52%), Germany (23%), Switzerland (11%), UK (5%) North America (5%), Others (4%)
- ◇ **Revenue by sector:** Banking (21%), Insurance (18%), Energy (14%), Transportation, travel & logistics (13%), Automotive & industry (13%), Public sector & international institutions (10%) Consumer goods, retail & luxury (6%), Others (5%)
- ◇ **Main clients:** BMW, BSH, Crédit Agricole, Deutsche Bahn, EDF, EnBW, L'Oréal, LVMH, SNCF, Société Générale, Swiss RE ou TotalEnergies<sup>5</sup>

## Main terms of the combination

- ◇ The transaction would result in Wavestone acquiring 100% of the share capital of Q\_PERIOR, based on a base price of €321.9m<sup>6</sup> and an adjusted net debt of €8.1m<sup>7</sup>.
- ◇ An earn-out of up to €35.0m is conditioned by the EBIT of Q\_PERIOR at March 31, 2024.
- ◇ This operation would be financed as followed:
  - 79.0% of the base price by the issuance of new Wavestone shares on the basis of a reference price of €54 per new share, i.e., a total of 4,709,840 new shares representing €254.3m;
  - the remaining balance of the base price, i.e. €67.6m, and if applicable the earn-out up to a maximum of €35.0m, in cash from Wavestone's available funds;
- ◇ Extended and strengthened governance: appointment of two new members to the Board of Directors submitted to the vote of shareholders at the General Meeting on December 5 with a significant proportion of independent Directors remaining on the Board;
- ◇ Following the transaction, the breakdown of Wavestone's share capital would be as follows:



<sup>4</sup> Based on the combined 12-month IFRS figures at March 31, 2023 for Wavestone (audited) and at December 31, 2022 for Q\_PERIOR (unaudited).

<sup>5</sup> listed in alphabetical order.

<sup>6</sup> Excluding any potential earn-out.

<sup>7</sup> Including financial net debt, debt-like items, and approximately €8m corresponding to the value of some minority stakes owned by managers involved in the development of some Q\_PERIOR's subsidiaries.



## Nicolas Thorez

Financial analyst, Oddo BHF

### How did you react to the combination project between Q\_PERIOR and Wavestone?

This is a highly structuring operation between two players who know each other very well and whose profiles are highly complementary. This combination therefore seems quite logical, particularly given the number of factors that suggest it will be a success: it's a strategic and genuinely proactive operation, with a strong business argument and an integration risk that appears to be under control.

With Q\_PERIOR, Wavestone will reach a new milestone in its development, entering the Top 3 independent consulting firms in Europe and the Top 20 worldwide. It perfectly responds to two areas of improvement expected by investors: increasing the firm's size in the consulting market and evolving its positioning, which is still very focused on the domestic market. These criteria are all the more important in a consulting market that is moving towards larger projects, requiring a more global approach and multi-disciplinary services.

On the commercial front, the new entity should be able to generate numerous business opportunities, given its complementary client portfolios. For instance, Q\_PERIOR holds a strong position in the insurance, manufacturing, and automotive sectors, where Wavestone is comparatively underrepresented.

To sum up, the new entity will benefit from a more balanced geographical, sectoral, and technological profile. This combination makes sense and will create an "Airbus" of consulting in the two main economies of the Euro zone.

### Is the German market different from the French one?

The consulting market in Germany has many similarities with the French one, but also some specific characteristics, particularly in terms of sectors, with a strong representation of the manufacturing sector.

While the DACH region (Germany, Austria, Switzerland) is Europe's largest market, ranking ahead of France and the UK, it's a fairly fragmented market with many small consultancies dominated by the Big4 and a few local players. So, it's important to have a local footprint, and joining forces with one of Germany's leading independent players will help Wavestone to expand in this area. Two major sectors dominate the German market: the financial services sector (mainly insurance), and manufacturing. Demand for consulting services is driven by the restructuring of the supply chain and the digitalization of German industry. In the automotive sector, demand is also high, driven by product development cycles and the many challenges faced by the sector's major players. It is also interesting to note that both sectors are relatively resilient in the current environment.

Finally, it should be added that large German companies use consulting services in a different way to their French peers. Unlike French groups, which are more inclined to segment their projects, German companies carry out their projects in blocks. These are more global and larger in size.

### What is your opinion of the financial aspects of this operation?

#### What about the deal's capital structure?

The financial aspect is also one of the positive factors in this combination project. Two criteria are important in assessing the relevance and attractiveness of a merger: accretion for the shareholder and return on investment.

With an immediate accretion of around 10% on earnings per share from 2024/25, and a return on capital invested exceeding the cost of financing from the following year, the operation is highly value-creating for shareholders. In addition, the share exchange component, which represents almost 80% of the financing of the operation, will enable the new entity to preserve a financial flexibility to pursue other external growth operations. Moreover, the share exchange parity appears to me to be based on reasonable valuation ratios that will support value creation.

Lastly, the commitment of Q\_PERIOR's key management, who will become significant Wavestone shareholders through the operation, is a positive signal for the future and ensures a good alignment of interests with Wavestone's historical shareholders.

### What are the main strengths of this combination? Have you identified any weak points?

In my opinion, this project combines all the key success factors: the critical size, a shared culture between the teams, independence of offerings and intimacy with clients, agility in terms of development and strong credibility in the consulting market, and last but not least, a true ethical dimension. The new entity boasts a best-in-class growth and profitability profile unrivalled in the sector.

The main challenge will be to rapidly bring Q\_PERIOR's margins into line with Wavestone's profitability levels, while maintaining the company's sustained growth momentum. In my opinion, it's a question of time, because the drivers seem fairly mechanical and perfectly identified.

The other point of attention will be the two firms' ability to execute and integrate in Europe's uncertain macroeconomic environment. While this type of operation is likely to generate some short-term turbulence and operational disturbances, Wavestone's experience in this area, the history of cooperation between the two companies, and the structure of the operation—with the strong alignment of interests—provide reassurance regarding the potential integration risks. These risks appear to be more moderate and more under control than during the structuring acquisition of Kurt Salmon's European activities in 2016.



# AGENDA OF THE COMBINED GENERAL MEETING

OF DECEMBER 5,  
2023

**Wavestone is convening a Combined General Meeting of Shareholders on December 5, 2023 to deliberate on the following topics:**

## **Competence of the Extraordinary General Meeting**

- ◇ Approval of the capital contribution in kind of 1,128,195 shares in Q\_PERIOR Holding AG to the Company, its valuation and its compensation (resolution 1);
- ◇ Approval and acknowledgment of the completed capital increase subsequent to the contribution to the Company of 1,128,195 shares in Q\_PERIOR Holding AG, totaling 117,746 euros and validation of the provisions on the contribution premium and its allocation – Resulting issue of 4,709,840 ordinary shares (resolution 2);
- ◇ Amendment to Article 6 «Share capital» in the Company's Articles of Association as a result of the completed capital increase, subsequent to the contribution (resolution 3).

## **Competence of the Ordinary General Meeting**

- ◇ Appointment of Mr. Karsten Höppner as Director (resolution 4);
- ◇ Appointment of Ms. Astrid Blechschmidt as Director (resolution 5);
- ◇ Approval of the compensation policy for Mr. Karsten Höppner in respect of the fiscal year starting on April 1, 2023 (resolution 6);
- ◇ Powers to carry out formalities (resolution 7).

It is specified that with regard to the first and second resolutions concerning the approval of the Contribution and its remuneration, the voting rights of the majority shareholders, comprising Mr. Pascal Imbert, Mr. Michel Dancoisne and his daughter Mrs. Delphine Chavelas, and their family holdings, will be neutralized so that they do not influence the direction of the vote and leave the other shareholders to express their own views on this operation, which will lead to the implementation of a new balanced governance structure between the current majority shareholders of Wavestone and those of Q\_PERIOR.

## PARTICIPATE AND VOTE AT THE GENERAL MEETING

You are legally entitled to attend the Meeting if you own Wavestone shares, whether registered or bearer.

Shareholders may choose one of the following three ways of participation:

- attend the General Meeting in person, either physically or remotely;
- vote by internet or by post;
- give a proxy to the Chairman of the Meeting or to any other individual or legal person of their choice.



### Option 1: Attend the General Meeting physically

Shareholders wishing to attend the Meeting physically may request an admission card. You will then be able to exercise your right to ask questions and vote in the meeting room via an electronic box.

If you are a registered shareholder, you must request for an admission card:

- by post to Uptevia – Service Assemblées Générales - Coeur Défense, 90-110 Esplanade du Général de Gaulle, 92931 Paris La Défense Cedex ;
- electronically on the secure VOTACCESS platform accessible via the Espace Actionnaire of Uptevia at the following address: [www.investor.uptevia.com](http://www.investor.uptevia.com);
- or go directly to the special desk on the day of the Meeting with an ID card.

If you are a holder of bearer shares, you must provide proof of ownership with a certificate of participation issued by your financial intermediary. If the institution holding your account is connected to the VOTACCESS site, you can identify yourself on the Internet portal of your account-holding institution and follow the instructions to request an admission card.



### Option 2: Participate remotely

If you do not wish or are unable to attend the General Meeting physically, you can follow the entire meeting live via the **AGD™** platform <https://agd.dmiart.com/wavestone> (link also available on the Wavestone website). You can also vote live and remotely.

Prior to the General Meeting, shareholders are invited to consult the online voting procedures available at:

<https://www.wavestone.com/en/investors/general-assembly/how-to-participate-to-the-general-annual-meeting>

For any connection problems, shareholders are invited to contact DMI/MMA at call center +33 1 86 47 13 99 (toll-free).



### Option 3: Vote or give a proxy by internet

If you are a registered shareholder, you can access the VOTACCESS site using the Espace Actionnaire of Uptevia's website at the following address: [www.investor.uptevia.com](http://www.investor.uptevia.com).

If you are a holder of bearer shares, you must find out whether or not your financial intermediary is connected to the VOTACCESS site:

- if your financial intermediary is connected to the VOTACCESS site, you must identify yourself on their Internet portal and follow the instructions on the screen in order to access the VOTACCESS site;
- if your financial intermediary is not connected to the VOTACCESS site, you may send notifications of appointments or revocations of proxies to the following address [ct-mandataires-assemblees@uptevia.com](mailto:ct-mandataires-assemblees@uptevia.com), and ask your financial intermediary to send a written confirmation to Uptevia (see address below).

The VOTACCESS site will be open from November 14, 2023, at 10:00 am (CET).

The chance to vote by Internet before the General Meeting will end on the day before the meeting, i.e. on December 4, 2023 at 3:00 pm (CET).

However, in order to avoid any overloading of the VOTACCESS site, we advise you not to wait until the day before the General Meeting to vote.



### Option 4: Vote or give a proxy by post

If you are a registered shareholder, send back the postal vote/proxy form that you have received along with the meeting notice to Uptevia (see address below).

You are a holder of bearer shares, ask your financial intermediary for a postal vote/proxy form as of the date of the meeting notice of General Meeting, and at latest six days before the General Meeting. Once you have filled it in, send the form to the financial intermediary, who will add an ownership certificate and send them together to Uptevia (see address below).

### Uptevia contact information

Uptevia  
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Coeur Défense, 90-110, Esplanade  
du Général de Gaulle  
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[ct-contact@uptevia.com](mailto:ct-contact@uptevia.com)

## WAVESTONE

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