

Management Solutions, Making things happen

Management Solutions is an international consulting Firm whose core mission is to deliver business, risk, financial, organizational and process-related advisory services, targeting both functional aspects and the implementation of related technologies.



MS^o
ManagementSolutions
Making things happen

STRATEGIC FOUNDATIONS
PRINCIPLES AND VALUES

The key is a strong corporate culture that unites us and differentiates us: at MS, "what we do and how we do it" matters

- Commitment and dedication to service
- Humility, integrity
- Unity, solidarity, generosity
- Critical thinking, meritocracy, results-oriented
- Passion and determination to achieve goals
- Entrepreneurial spirit
- Constant pursuit of excellence (talent, effort and training)

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Strategic principles

We create value propositions for our clients and commit to their effective implementation



Today, Management Solutions is a leader in business consulting services to regulated industries. This leadership results in more than three million annual consulting hours, a global team of more than 2,400 professionals, 31 fully operational offices in the Americas, Europe and Asia, recurrent activity in Africa, more than 1,000 clients –all leaders in their respective industries–, and more than 1,800 projects of varying nature and scale. The key to our Firm’s success lies in our strategic principles, shared by all professionals at Management Solutions.

Positioning

Our positioning is based on a single concept: leadership. A leadership that shows on a day-to-day basis in all our areas of activity, in the services we provide and in the markets in which we are present as we take on our clients’ challenges. This leadership is made possible by a global, multidisciplinary, young and responsible team that is able to provide the best solutions to the challenges our clients face.

Mission

Our motto is a perfect summary of our mission as an organization: Making things happen. At Management Solutions, we create value propositions for our clients and commit to their effective implementation. We focus far beyond the standard provision of advisory services to partner with our clients in the pursuit of their objectives.

Objectives

Our main goal is to exceed the expectations of our clients and to become their trusted partners. This can only be achieved by implementing concepts such as responsibility, rigor, high standards, preparation and training. Ensuring that our clients feel our Firm as their own, involving them in the definition of our own strategic challenges.

Commitment to excellence...

...in the relationship with clients and in our level of service and performance, by giving our best in each project...

...in the development of our professionals’ skills, by providing the best possible environment to foster potential and retain talent...

...in our support of society’s progress and the environment in which we operate.

Culture and values

Commitment to excellence, client focus, teamwork and organizational flexibility are cornerstones of our corporate culture, a culture that sets standards in the industry and is governed by strict ethical principles.

Making things happen requires a strong corporate culture that is results-oriented, merit based, and constantly dedicated to service - a culture and values shared by all our professionals that has been particularly evident during the management of the COVID-19 pandemic.

The exceptional circumstances experienced during the pandemic have led to a situation of fragility and uncertainty in all economic and business activity, threatening the continuity of operations in companies. At Management Solutions, we have focused all our efforts on building trust in our environment through the design and implementation of solutions adapted to the new context and through generating value for our clients.

Commitment to our clients

Our commitment to our clients goes beyond the standard threshold for advisory services by partnering with their goals, which we take on as our own and strive to achieve through our work and commitment. We are well aware that we have come this far because our clients have made it possible.

It is for this reason that at Management Solutions we feel our clients' challenges as if they were our own and provide them with the best path towards meeting those challenges.

Management of the pandemic

Given the relevance of the circumstances surrounding the management of the health crisis caused by COVID-19, Management Solutions has undertaken a number of initiatives that aim to minimize the impacts of the pandemic on society at large, and on its employees and clients in particular, which can be grouped into three sections:

- ▶ Guarantee of robustness and effectiveness of Management Solutions procedures in the continuity of its operations towards its clients, suppliers and professionals, through certification of our Business Continuity Management System by AENOR under the UNE-EN ISO 22301 Citizen Protection and Security standard obtained in July 2020, which took account of our successful internal management during the lockdown and restrictions of the first wave of the pandemic in the first half of 2020.
- ▶ Commitment to the dissemination and sharing of recommendations and best practices for our stakeholders, mainly clients, on the management by

organizations of the different implications arising from the pandemic, through the release of three publicly accessible white papers: "COVID-19: proposals to ensure the continuity of operations", "Measures to mitigate the impact of COVID-19 on the financial sector" (both in March 2020) and "COVID-19: reactivation plan" (May 2020), as well as participation in various seminars such as the "Evaluation of COVID-19 Risk Scenarios" webinar, organized both in Brazil and the Dominican Republic in June 2020.

- ▶ Design and implementation of concrete solutions for our clients through the various projects in which we have participated in 2020 from almost all of our offices.
- ▶ Establishment of strict medical protocols, exceeding the requirements set by the health authorities of the countries in which we conduct our activity, to protect the health of our professionals, clients and suppliers, and to contribute to the containment of the pandemic.

Commitment to our professionals

Management Solutions provides its professionals with a clearly defined career plan based on results, which allows them to develop and enhance their abilities.

These results translate into personal achievements, but getting there involves overcoming barriers. Our professionals are, however, not alone in this journey, as they have the backing of the entire organization. For this reason, the values of generosity and pride in belonging develop naturally, as it becomes clear that the team adds more value than the sum of its parts. At Management Solutions the client is first, followed by the team and the individual.

Commitment to society and the environment

Management Solutions has a commitment to society and the environment in which it conducts its business activities. This commitment takes the form of job creation for young people, contributing to their comprehensive training and promoting their integration at work.

The Firm also organizes other initiatives which are carried out by the Social Action Committee, such as sponsorship and patronage activities as well as internal environmentally-friendly policies.

Ethical principles in our code of conduct

Principles that govern the conduct of all our professionals



Exercising our profession while staying true to sound principles and values is one of the things that defines who we are. At Management Solutions, we do not only care about what we do, but also how we do it.

Commitment and dedication to service, integrity, humility, solidarity and generosity, critical thinking, meritocracy and focus on results, perseverance in the pursuit of our objectives, an entrepreneurial spirit, passion for a job well done, and the constant search for excellence are principles and values that inspire our code of conduct.

We believe our business culture is essential to achieve a profitable and sustainable business model in the long term. This is why, as soon as they join Management Solutions, all our professionals receive training on the Firm's code of conduct with the aim of ensuring they know and understand it. In addition, training in principles and values accompanies Management Solutions professionals throughout their professional careers.

Integrity and honesty

We commit ourselves to acting with integrity and honesty at all times, consistently applying the highest ethical standards.

Integrity and honesty are the values underlying the trust we share with our clients and others within our firm.

Our performance is based on ethical behavior, achieving the highest levels of quality, excellence in the provision of our services and long-term development of relationships based on trust and mutual respect.

Dedication to excellence

We have an ongoing commitment to our clients, our colleagues and society as a whole to deliver excellence in all aspects of our professional performance.

We give our best effort in client relationship management and the provision of services to clients in order to deliver high quality projects.

We commit to developing and strengthening the abilities of our professionals by providing the best working environment in order to foster potential and retain talent.

Commitment

We take on our clients' challenges as our own while focusing on excellence and results, supported by a strong culture of commitment. This commitment is evident in our management approach, service provided to our clients, and in our ongoing effort to deliver the best consulting services on the market.

We meet our clients' highest demands, going beyond their expectations in an environment of trust and close cooperation between the client and Management Solutions' professionals.

Management Solutions' management takes on the commitment to create opportunities for all professionals and it is their duty and responsibility to transmit the Firm's values and corporate culture.

Professionalism

Each employee stands out for their high level of professionalism. We aim to get the best results by cooperating with other teams and staff members, while taking care of our own training and that of our colleagues. We make an effort to convey an unrivaled image of correctness and professionalism in all situations.

We comply with all legal requirements, taking the professional standards and rules established in each case as our guide, while avoiding any situation which could compromise the reputation of the Firm.

Emphasis on the human factor

Beyond what is required for an acceptable working relationship, we realize that both employees and clients are people, and therefore deserve to be treated as such. This involves both respect for human rights in all of our actions and the desire to contribute to the personal growth of those who are part of the Firm.

We favor a working environment that stimulates personal growth, development and success, supported by an atmosphere of continuous collaboration and teamwork. This is made possible by the generosity of each of its members, with the team's objectives prevailing over individual aims.

Our success is dependent on our professionals. Accordingly, we select and train employees so that they can provide services of the highest quality in all areas of our professional practice.

We evaluate performance through objective and agreed-upon criteria, offering a professional career without limitations in which employees earn their own promotion based on merit.

We commit ourselves to investing time, effort and resources into selecting top professional talent, as well as developing and maintaining their abilities through training plans adapted to each level and position.

Privacy and confidentiality

Management Solutions complies with the data protection regulations in force in all countries in which the Firm operates.

All members of our organization are prohibited from disclosing confidential client information to third parties and are obliged to keep the Firm's reports and internal documentation confidential, treating all information with particular responsibility, control and protection and without using it for personal gain or for that of third parties.

All of the Firm's strategic information, as well as client and employee data accessed in the course of professional activity, is considered confidential.

Management Solutions applies the strictest security standards to all its IT and communications systems to ensure they do not violate confidentiality protocols.

Responsibility to society

Our services and client-oriented focus allow us to deliver projects of considerable added value, which makes it possible for the Firm to positively contribute to society's economic environment. This responsibility takes the form of job creation for young adults, as we contribute to the provision of comprehensive training and promote their entry into the job market. The Firm also promotes initiatives that facilitate employee participation in different volunteering activities (Social Action).

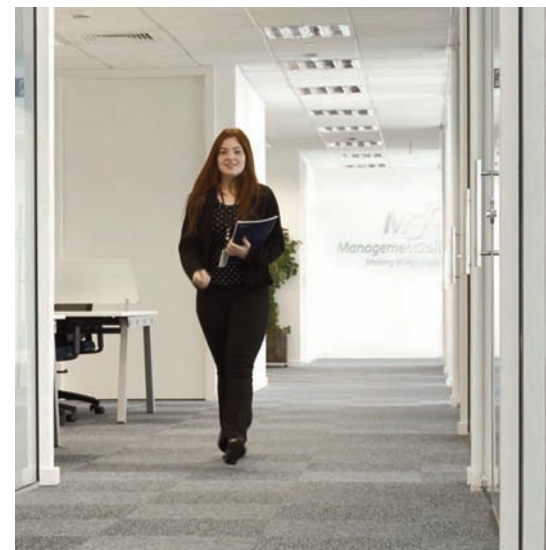
Organization and structure

Management Solutions is a single, global partnership

Management Solutions' business model is a partnership, a group of partners that actively participate in the Firm's development.

The Firm's top managing body is the Partners Committee, in which all partners participate. The Committee continuously monitors business activity and business development.

Management Solutions has a flexible and agile organization that allows it to offer the quality of service level that its clients demand, keeping in mind its mission and vision. The Firm is structured by geographical area, by industry, by service and by client.



Organizational flexibility

Management Solutions is a single, global partnership (its partners own the parent company) with a flexible organization focused on creating value for its teams.



Risk management and control framework



Management Solutions has a robust control framework

Management Solutions has a risk management and control framework whose purpose is to provide reasonable assurance that its objectives will be achieved, thereby providing value and security to its different stakeholders. This control framework is articulated through internal regulations that are contained in policies, procedures and manuals.

The Firm's policies are mandatory and group-wide (applicable in all its offices). Some of our main risk management and control policies are the following: Code of conduct (for employees and suppliers), Compliance Policy Confidentiality Policy, Physical and Logical Security Policies, Human Resources Policy, Anti-discrimination Policy, Anti-bribery and Anti-corruption Policies, Quality Policy, Conflict of Interest Policy, Communication Policy, etc.

The Firm has three Risk Management and Control lines of defense: i) the first are employees themselves as they perform their duties in accordance with the policies they undertake to

observe; ii) the second is our internal control function (which has among its responsibilities to obtain external compliance certifications that show we implement our control framework), iii) the third is our audit function (both internal and external).

Ethical and responsible conduct of our professionals

Management Solutions is firmly committed to acting ethically and responsibly in the way it operates, which translates into a requirement that its professionals not only act in strict compliance with the law, but also refrain from performing any action or giving any advice that could be considered questionable from an ethical perspective.

As such, all Management Solutions professionals must ensure that their behavior and conduct do not give rise to bribery or corruption.

Also, Management Solutions' anti-corruption and bribery policy forbids donations to individual political parties, political campaigns and/or individual politicians.

Internal control and compliance

Management Solutions is firmly committed to compliance not only with the legislation and regulations in force in each country in which it operates, but also with its own internal regulations.

All of Management Solutions' personnel are bound by the Firm's internal control and compliance policies. Consequently, all our staff, managers and directors must act lawfully, ethically and professionally in the performance of their duties.

Likewise, although our Internal Control and Compliance function touches on all regulations regardless of their subject matter, the main focus falls on matters pertaining to

Risk management and control framework

Fiscal/Tax, Data Protection, Money Laundering Prevention, Criminal Risk, Occupational Risk Prevention, Social Security, Commercial/Corporate and Administrative.

Internal audit

The audit function aims to ensure compliance with both our Internal Control Framework (policies and procedures) and the different regulations by which Management Solutions is bound. For this, a number of internal audits are carried out to review specific processes of particular relevance each year, and there is oversight of all planned external audits (both mandatory and those voluntarily requested by the Firm) to ensure they are duly carried out. In addition to the annual audit on the financial statements (consolidated and individual for the parent company and main subsidiaries), the Firm periodically undergoes the following audits:

- ▶ Computer Security Audit – aims to assess the security of the Firm's information systems, against good practice and recommendations included in the "ISO/IEC 27002: 2013 Code of good practice for data security management". More specifically, it analyzes the overall result and maturity level of Management Solutions' Corporate Information Systems Security Assessment (ESSI), and the Technical Audits performed by the external auditor.
- ▶ Personal Data Protection Audit (GDPR) - aims to review the extent to which the Firm complies with the EU General Data Protection Regulation (GDPR).
- ▶ Occupational Risk Prevention Audit - an audit of the Firm's occupational risk prevention system is carried out in accordance with Chapter V of the Spanish RD 39/97 Prevention Services Regulation.
- ▶ Energy Efficiency Audit - an in-depth analysis of the level of energy efficiency of our Madrid and Bilbao facilities, examining the energy-consuming equipment, the thermal enclosure and the energy usage habits.
- ▶ AENOR ISO 9001 Quality Management System Audit - External audit that certifies the Firm's Quality Management System (the Firm's control framework is common to all its different geographies).
- ▶ AENOR UNE 19601 Criminal Compliance Management System Audit - External audit that certifies the Firm's Criminal Risk Management System in accordance with the Spanish criminal code.
- ▶ AENOR ISO 27001 Information Security Management System Audit - External audit that certifies the Firm's Information Security Management System (the Firm's control framework is the same for all of its different geographies).
- ▶ AENOR ISO 22301 Business Continuity Management System Audit - External audit that certifies the Firm's Business Continuity Management System.

Control framework

As a consequence of all of the above, and on a regular basis, the Firm implements ongoing measures that reinforce its control environment and add to its commitment to quality in all it does (and which are reflected in our external ISO 9001 certification attesting to the quality of our processes). The following are some of our key risk management and control measures:



Criminal Compliance Management System

Management Solutions' Criminal Compliance Management System implements zero tolerance to all types of criminal acts. In particular, in light of their activity, those affecting corruption, money laundering, confidentiality and personal data protection. As a result, the Spanish Association for Standardization and Certification (AENOR) has recognized that our Criminal Compliance Management System meets the UNE 19601 standard for business consulting activities and related technologies.

The UNE 19601 standard lays down best practices to prevent crime, reduce risk and promote a corporate culture that is ethical and compliant with the Law. In particular, this standard focuses on the analysis of policies and procedures set for:

- ▶ Preventing the commission of crimes that may entail criminal liability for the Company.
- ▶ Disseminating the culture of prevention and compliance in the organization.
- ▶ Establishing adequate surveillance and control measures to prevent crimes and to significantly reduce the risk of committing them.
- ▶ Improving management, helping to reduce criminal risk and providing greater security and trust assurance to government bodies, shareholders and investors, among other stakeholder groups.

Although the scope of the UNE 19601 is limited to the Parent company, the policies and procedures that comply with it in the Firm are global, which once again shows our firm commitment to strict compliance with the applicable legislation and its extension to other countries in which we provide services.

Corruption and bribery prevention

Working together with Management Solutions' Partners, the Firm's Compliance and Internal Audit function implements measures to prevent corruption and bribery:

- ▶ Employee training: the training provided to all Management Solutions professionals includes the content of this policy with the appropriate level of detail.

- ▶ Performance incentives: the Firm's remuneration system makes sure that professionals are not encouraged to carry out practices that could be considered bribery and/ or corruption.
- ▶ Suspicious activity: the Firm has established procedures that allow its employees and/or third parties to report suspicious activities. These procedures are clearly communicated and are available to all employees and stakeholders.

Money laundering prevention

Management Solutions is committed to all national and international rules and regulations in force in the fight against money laundering (and terrorist financing).



Risk management and control framework

In the pursuit of this commitment, the Firm has established internal procedures that mitigate the risk of money laundering. Both our Client and Business Supplier Registration Procedure and our Supplier Management Procedure establish the requirements that our clients and suppliers must satisfy before we establish business relationships with them (e.g. compliance with the Know Your Customer regulations).

Control of the firm's supply chain

To be able to increase the quality of our services, and improve the effectiveness and competitiveness of our organization, at Management Solutions we require our suppliers to carry out their activity under principles that are

similar to ours, as well as to respect the law and regulations in force in the countries where they operate.

Management Solutions has a supplier registration policy in place that requires a prior analysis of suppliers, especially of those that provide relevant services. This analysis considers data on the company as well as its corporate structure and reputational aspects. The Quality and Internal Audit area analyzes the supplier questionnaire and issues a final assessment before the organization can be registered as an authorized supplier.

Management Solutions also has a Supplier Code of Conduct through which the Firm seeks to extend its firm commitment to business ethics to include its suppliers, business partners and third parties in general.

Slavery and human trafficking statement

Our policies reflect our commitment to human rights and to the highest standards of integrity, making slavery incompatible. Although the risk assessment carried out by MS found that the risk of slavery within our business activity is low, this risk is mitigated through our internal policies (Code of Conduct and Supplier Code of Conduct, Compliance Policy, Criminal Risk Management Procedure and Human Resources Policies), and through strict control of our suppliers (all our contracts with third parties are governed by specific and globally aligned Business Terms and Conditions that specifically mention our “Slavery and human trafficking statement” and the obligation not to commit any related crime). The detail of all our measures in this regard are contained in the “Slavery and human trafficking statement” published on the Management Solutions website.

Control over contributions to foundations and non-profit organizations

Management Solutions is proud of its contribution to society based on a number of social activities that include donations and support to charities as well as sponsorships.

The Firm has mechanisms in place to ensure that such activities are not designed to create any competitive business advantage. These mechanisms include an analysis of the specific charities to ensure that their mission and objectives are aligned with those of Management Solutions.



Once this analysis has been conducted, our Social Action Committee (which is chaired by the Firm's Head of Corporate Departments and has the Marketing and Human Resources managers as members) approves the activity, which is then endorsed by the Partners Committee if appropriate.

Management Solutions has signed several collaboration agreements with different foundations and organizations that promote solidarity, entrepreneurship or social integration causes. These causes are described in more detail in the "Commitment to the environment" chapter.

Cyber-environment control

In a context of increasingly significant cybersecurity risks, arising mainly from technological development (or the digitalization of companies), as well as from company integration processes in different industries and the professionalization of attackers, Management Solutions has an Information Security Management System (ISMS) recognized with the ISO 27001 certification, issued by AENOR, an international standard that lays down the necessary requirements to set up, implement, maintain and improve an ISMS.

Management Solutions' ISMS, supplemented by the Firm's Security Policy, aims to guarantee information security, ensuring the proper operation of the Firm's information systems through efficient and secure management of the

computer and communications systems that compose it. They also establish guidelines for controlling system access, security of communications, and system use by personnel.

The ISO 27001 cybersecurity certification issued to us by AENOR in 2019 following an audit on the organization, processes, methodologies and controls in place at the Firm, shows Management Solutions' commitment and competence in the processing of confidential information.

Business Continuity Management System

In order to strengthen the Firm's corporate Control Framework and respond to a growing need by clients and regulatory and supervisory entities, Management Solutions has a Business Continuity Plan in place that ensures the

continuity of the Firm's critical activities in the event of a serious incident (both internal and external activities for the provision of services).

In 2020, within a context marked by the pandemic, Management Solutions' Business Continuity Management System received certification in UNE-EN ISO 22301:2015 Citizen Protection and Security from AENOR, proving that the Firm meets the best standards in business continuity procedures in any event that may interrupt its activity, with special mention to the Firm's continuity management effort during the COVID-19 health crisis.



Our brand

Our brand conveys our culture and values

The purpose of the Management Solutions brand is to convey the Firm's culture and values to all stakeholders while strengthening the sense of belonging among Management Solutions professionals in all countries where the Firm operates.

Our name, logo, colors and lettering represent the Firm's identity, convey our values and differentiate us from our competitors. It is therefore essential to protect them, to use them appropriately and to ensure we instill them with our principles, including most notably reliability, trust, leadership and teamwork.

Our logo was reinforced by the inclusion of our motto: Making things happen, which summarizes the Firm's mission.

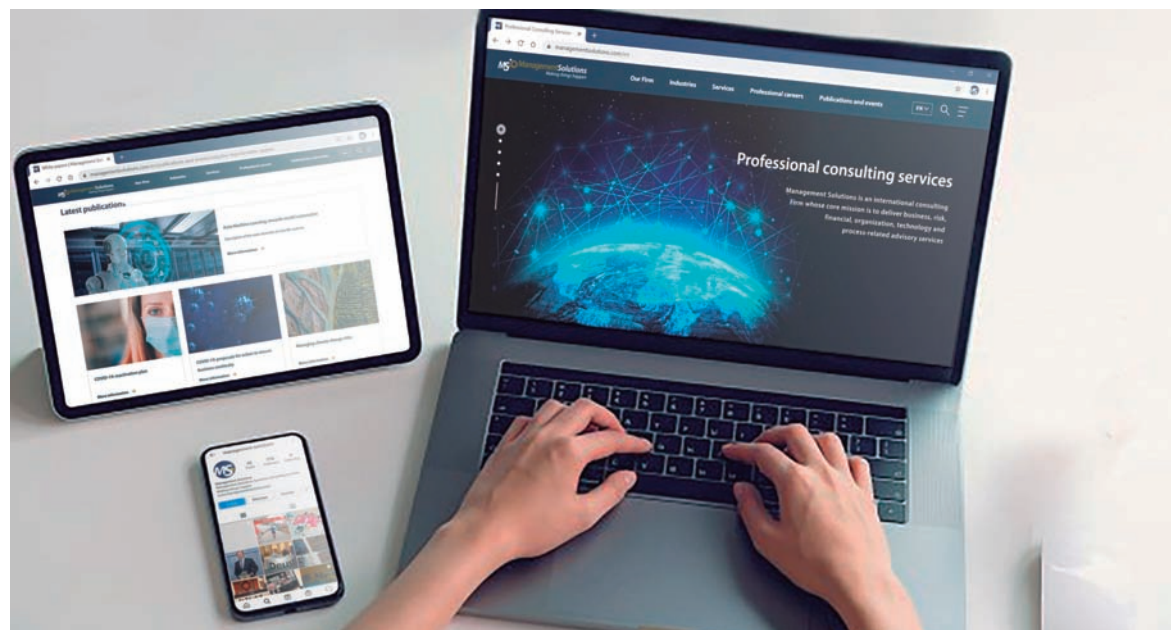
Consequently, all the places where our brand is displayed automatically become a vehicle through which our values are transmitted, whether these are sponsored initiatives,

publications, fairs, events, presentations, social network channels, business proposals or deliverables.

Also, brand uniformity is particularly important for an international firm such as Management Solutions. Our brand plays an integrating role, since it represents those values that are shared by more than 2,400 Management Solutions professionals around the world who, in turn, project it on a daily basis in the relationship they establish with their clients and stakeholders.

Management Solutions website and Social Networks

Our corporate website (www.managementsolutions.com) constitutes our main vehicle for reaching out to society, and is therefore one of the fundamental pillars supporting our external communications.





“We are a Firm with a strong corporate culture that unites us and distinguishes us from others”

We have well-established principles and values, based on commitment, dedication to service, integrity, unity and teamwork, with an goal above all others: to exceed our clients' expectations, thus becoming their trusted partners.

It is precisely in difficult circumstances like those experienced during the pandemic that the values that define us are tested the most. We can say that we feel really proud of how we have responded, always maintaining service excellence towards our clients and always staying close to our people.

Our brand reflects our firm commitment to our mission: "making things happen".

Félix Ramírez
Partner at Management Solutions

During 2020, Management Solutions launched a new website with updated content and design that aimed to share information of interest created by the Firm and to project a more accurate image of what Management Solutions represents.

Our site, available in three languages (Spanish, English and Portuguese), meets the accessibility guidelines set by the World Wide Web Consortium (W3C), and includes general information about Management Solutions, the industries in which we operate and services lines offered, a section on careers targeted at potential candidates, a section on our specialist publications (including macroeconomic outlook reports, relevant industry regulatory developments and technical notes on regulations) and an events section featuring the Firm's news in connection with the university,

business and cultural worlds, as well as news on our community action campaigns and sports competitions. The new website also contains microsites on highlighted aspects, such as CSR or the Firm's proprietary solutions.

In addition, the Firm's communication strategy has been reinforced in recent years by the creation of two corporate channels in Youtube (in English and Spanish), and the active use of social network profiles (LinkedIn, Facebook, Twitter and Instagram), created to share the Firm's specialist content (white papers, reports, regulatory alerts, technical notes, etc.) and events with its stakeholders.

In 2020, visits to our website increased by 10% as we had hundreds of thousands of visitors from more than 180 different countries.

Corporate image

Our corporate culture is carried through a particular image, covering all areas:

- ▶ The image our professionals convey to the Client.
- ▶ The style of our presentations, proposals, deliverables and any other documents, such as publications, advertisements, campaigns, etc. in any format.
- ▶ How our image is present in society: universities and job fairs as well as foundations, sponsorships and corporate events.
- ▶ How our offices are designed (to facilitate collaborative work).



Geography

An international outlook remains one of the Firm's strategic priorities

Management Solutions' strong international focus since inception has made its global approach one of its hallmarks. Currently, our presence is concentrated in four major geographical areas: Europe, the Americas, Asia and Africa, with 31 offices from where we serve more than 40 countries.

Covering the needs of our clients in all countries in which they are present has made our Firm a leader in the provision of business consulting services in regulated industries. This leadership has been achieved through the committed work of our professionals on a day-to-day basis, always searching to identify new opportunities.

Our geographical positioning responds to the "one team" and "multi-location" principles. By thinking globally and acting locally we have been able to reinforce the importance of our offices within their markets while, above all, maintaining a global view of our business.

During 2020 we have again expanded our presence not only in the countries that historically have been central to our growth, and where we have consolidated offices, but also by extending our scope of action beyond their borders, which has resulted in the opening of three new offices in Copenhagen (Denmark), Houston (United States) and San José (Costa Rica).

In the United States, results have again been excellent, with a more than a 25% increase in operations thanks to stronger activity in New York, Alabama and Massachusetts, the excellent results from our Texas operations conducted from our new Houston office, and the projects carried out in other states such as Virginia and Florida.

In Latin America, and despite the economic slowdown experienced in the region, all Management Solutions offices have achieved their objectives, with double-digit aggregate growth. This has helped to bolster our leading position in business consulting within regulated industries in the countries in which we operate in the region.

Mexico and Brazil have once again been the main pillars of the Firm's growth in the region, closely followed by Colombia (Bogotá and Medellín), Peru, Chile and Argentina. Moreover, our activity in Central America has also intensified in terms of both the number of clients and number of projects, which has led to the opening of a new office in San José that serves the Costa Rican market as well as other countries in the Central American region.

In Europe we have also achieved strong growth in all main economies. Spain has been reinforced through the opening of our new office in La Coruña. As for our office in Germany, it has maintained an excellent performance throughout the year, achieving growth above 20% compared to the previous year, increasing penetration of the local market and successfully playing its role as the Firm's regulatory hub by further deepening ties with the European banking supervisor. For its part, the United Kingdom office has strengthened its positioning, increasing the number of clients and projects, and tightening its links with the British banking supervisor.

In addition, our Spain and Portugal offices continue to strengthen their leadership position in the business-consulting field for regulated industries in their respective markets.

Our other European offices have achieved excellent results with over 75% growth, particularly France, Italy, Poland and the Netherlands (which has been close to doubling its size in its first full year of operation), all this despite the challenging macroeconomic context.

Also to be highlighted are the excellent results achieved in the Nordic Countries, where a new office in Denmark (Copenhagen) has been added to the one in Norway, thus consolidating the increase in activity generated in recent years.

Lastly, our Asian operations have seen steady growth, leveraging our office in China, strong momentum in our Turkey activity, and our operations in Africa have increased around 3% (with an active presence in countries such as Senegal, Equatorial Guinea and Angola).

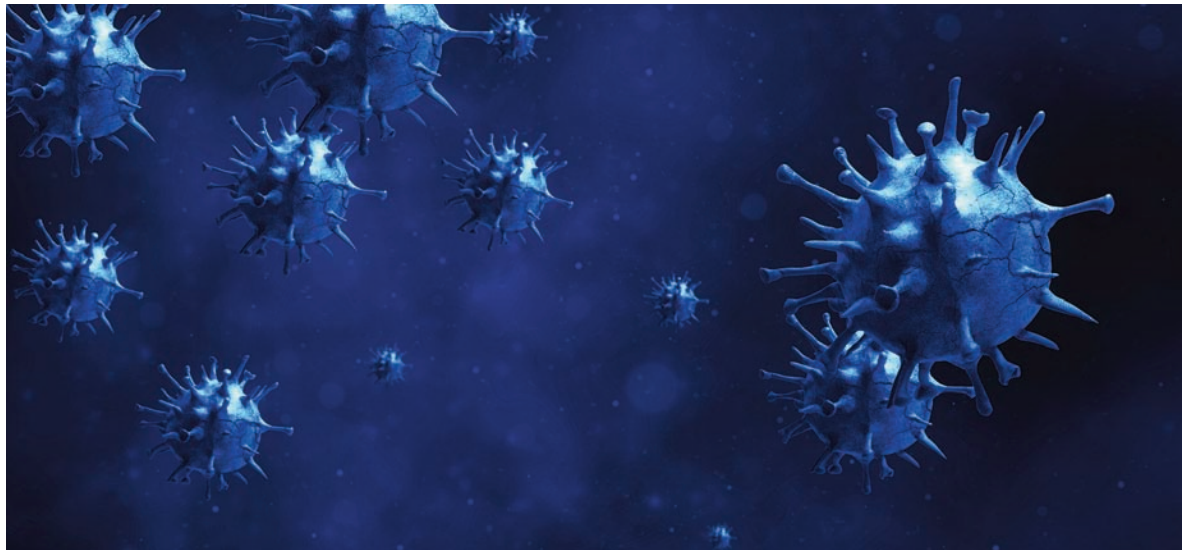
Permanent Management Solutions offices



* From which Atlanta is managed

Industry

We strive to develop an in-depth understanding of the industries in which our clients operate



Thanks to our industry focus, at Management Solutions we are able to understand the specific needs of our clients and provide solutions to their unique problems.

Even more than the particularities of each company, the industry environment in which they do business shapes their key action strategies. Our professionals work in multidisciplinary teams that have a deep knowledge of the industry in which their clients operate. Only then is it possible to make a proper assessment and to implement methodology that is suitable for each market.

Management Solutions' practices are structured around three main industry areas (Financial Institutions, Energy and Telecommunications), with professionals dedicated exclusively to the industries they cover. The Firm also dedicates resources to other industries, specifically focusing on the market leaders in each industry.

COVID-19 impacts on industries

The COVID-19 crisis has highlighted the fragility of our economic and social model and is having significant global impacts, to be added to the already delicate pre-crisis context resulting from events such as trade wars, Brexit, or the effects of climate change. The decline in the global GDP per capita is expected to be substantially larger than it was in the 2008 crisis, although the recovery process is also estimated to be faster.

Both the health threat posed by the expansion of the new virus and the containment measures taken by the authorities with the aim of mitigating the effects related to the spread of the pandemic, have posed a serious threat to the continuity of operations in many companies, also generating much liquidity stress.

The most negatively affected industries have been those whose services are closely related to the mobility of people (Transport, Tourism), and those in which physical presence is a critical factor for a satisfactory service provision (Hospitality, Culture and Leisure, Retail Trade – except for the Food Industry). In addition, the sharp drops in demand resulting from increased uncertainty and rising unemployment have affected industries across the board (Real Estate and Construction, Automotive, Energy, etc.).

However, some industries have revealed their strategic nature throughout the crisis (Pharmaceuticals, Food, Telecommunications, etc.), and their demand has not been compromised in the short term –it has even increased, in some cases– but they are still exposed to risks such as increased default levels or supply chain disruptions.

In any case, the proper management of emerging risks, organizational agility and efficiency, operational resilience, technological and innovation capabilities, and the capturing of opportunities arising from the new context, have become key elements for any type of organization even more so than before.

Financial Institutions

The financial industry is undergoing a profound transformation driven primarily by three major factors: the macroeconomic environment, regulation/supervision, and digital transformation. These three factors directly impact banks' profitability by reducing margins, pressuring costs, and lowering ROE. According to the EBA, 30% of European financial institutions expect to make changes to their business models as a result of these factors.

In global terms, the current macroeconomic situation is characterized by deceleration in a scenario of low inflation and low interest rates. There is however a trend of falling

unemployment and default rates, which in the short term has made it possible to maintain asset prices and reinvigorate risk appetite, but over the medium term reduces banking business profitability and makes it more vulnerable.

As for the regulatory and supervisory context, requirements are increasingly more numerous, demanding and affect more areas (capital, provisions, balance sheet structure, liquidity, leverage, etc.). This leads to a system that overall, is more secure and solvent, but which structurally reduces the profitability of banks. The direct costs of adapting to these requirements are proving to be very significant for banks, reaching \$2,000 million a year for the largest financial institutions. But the expectation is for a degree of stability over the medium term, as the process of regulatory and supervisory transformation gradually concludes.

In relation to digital transformation, there is an unprecedented technological revolution with a profound impact on the

business model of organizations. This transformation can be broken down even further into three constituent components: an exponential increase in data volume as well as in storage, processing and modeling capabilities, with lower associated costs; a change in customer behavior towards a more digital and informed profile; and the emergence of new competitors heavily leveraged in technology.

Financial institutions are responding to these challenges by transforming themselves in at least four areas: business models, transformation and efficiency, finance, and risk management.

Insurance

The insurance industry is immersed in profound changes that require a huge effort to adapt. The main challenges are linked to the aging of the population and increased longevity, digital transformation, improving operational efficiency, and the



Industry

emergence of new business models and ecosystems, and the tighter control environment and regulatory requirements.

Customer behavior has changed in recent years. Particular importance is given to immediacy, simplicity and accessibility in services, and increasingly to personalized attention in the selection of new coverage. This forces insurance companies to strive to adapt in order to efficiently meet their customers' new demands and alter their market offering in a more innovative and segmented way, with a need to incorporate new technologies.

Also, changes such as the Data Protection Regulation (GDPR) or the Insurance Distribution Directive (IDD), require that insurers become more involved in the management and processing of their customers' data, as well as in the control of their internal processes, and stipulate that regulators and supervisors should

focus on reviewing organizations' policies vis-à-vis the customer, as well as their governance and organizational structures. In addition, the new IFRS 17 regulation and Solvency II modifications imply a very significant effort to improve financial processes in order to achieve more uniform and transparent reporting and information disclosure to third parties.

Energy

Progressive deregulation in the industry has revealed that there is little perceived product/brand differentiation in traditional utilities (water, electricity, gas, etc.). Customers are accustomed to contracting utilities from government-designated suppliers and do not associate quality with the supplying brand, as is almost always the case in other industries. This has coincided with the emergence and

increasingly widespread use of new technologies, digital transformation, the value of data and the new, more agile ways of working, as well as with a changing environment due to new regulations, a modified global energy map and a complex economic situation that affects energy consumption.

These circumstances pose many management challenges related not only to the effort of "defending" the current positioning and to diversification, but also with measuring, supporting and effectively managing business while properly monitoring and controlling the various risks and opportunities associated with these activities, all while ensuring best practices are implemented so as to comply with business obligations.

Additionally, corporations are facing the challenge of digital transformation (intelligent use of data as a lever for generating value, sensorization, advanced Analytics, etc.) which, together with the global macroeconomic situation, society's growing sensitivity towards climate change, and the changes in business models, requires focusing on improving efficiency and creating value for clients and shareholders. In this respect, organizations are focusing their attention on innovative actions that maximize their potential.

Telecommunications

The telecommunications sector is at the center of society's digital transformation, which increasingly demands services that offer more mobility, immediacy and interaction, both in the personal and the professional sphere. These changes are encouraging the emergence of new business models, players and services, adding additional complexity to an already very competitive market.



Traditional operators face a new investment cycle linked to the deployment of new generation networks (5G) to meet the exponential growth of different demands. At the same time, they are seeing how margins in their traditional business (voice and data) are captured by new players, and the new income generated by the "new economy" is going to new entrants (those called "over the top").

To adapt to this uncertainty, operators need to develop digital services to monetize data and other strategic assets, focusing on growth beyond the essential. This will require knowledge of analytical tools and new ways of working, and will require concentration and simplification steps at all levels (regulation, organization, business, technology, etc.) in order to achieve the efficiency, agility and flexibility necessary to adapt to current changes and future challenges.

Distribution

The current distribution industry environment is marked by changing business models that require the review of some of the key areas of management. This sector is evolving its value proposition towards a more customer-centric approach by better managing the data available and delivering value on this data through advanced Analytics. In the quest for operational efficiency, companies are undergoing a continuous process of improvement and transformation of their organizational, operational and technological structures that will lead to increased productivity and better use of resources.

In addition, changes in consumer habits and customer behavior, who demand better service (based on greater speed, availability and comfort) and the way in which customers interact with new channels as a result of new technologies with the prevalence of mobile devices continue to shape the industry. This makes it necessary to have business and logistic models capable of making the most of the physical distribution model combined with current e-commerce opportunities.

Finally, the emergence of new risks such as cybersecurity, or the need to better manage existing risks such as supplier risk management or fraud, have become critical elements in this industry's highly competitive environment.

Technology

The technology industry is currently at the epicenter of the transformation of other industries, being central to the fourth industrial revolution, the source of major changes in the economic and social sphere. The exponential growth of technological capabilities and their lower cost, increased connectivity, universal access to information and the development of Artificial Intelligence, among other factors, have made technology the engine of profound changes. This is leading to the emergence of new business models that take better advantage of installed capacity, are more efficient and encourage open innovation.

The rapid evolution of technology is speeding up the digital transformation process, giving rise to new concepts such as "hyper-automation" (automation tools combined with Machine Learning), "multi-experience" (changed user experience based on augmented and mixed virtual reality), "data democratization" (expert system development and knowledge with professional support), "augmented human beings" (with devices that improve cognitive skills), the "ethical approach" to AI, "distributed cloud computing" (moving from a centralized cloud model to a geographically distributed one), "edge computing" (supporting data processing and content delivery near the data sources), "autonomous and collaborative objects" (based on intensive use of AI or the consolidation of Blockchain as a platform for transaction optimization and asset tracking).

It is key that companies in the technology sector are able to adapt their organizations by directing talent management towards innovation and addressing the risks in the new landscape (e.g. improving cybersecurity), thus facilitating

solutions that will make it possible for other industries to generate value through their own digital transformation.

Other sectors

Manufacturing

After a few years of efficient growth, industry is once again threatened by economic recession. European industry is experiencing the impact of trade wars between the US and China and other global shocks that are destabilizing the economic and political landscape.

The automobile sector is the one most affected, with indices reflecting a drop in production and exports. The steel and chemical sectors seem to be withstanding this impact better.



Industry



As a consequence of this global slowdown and value chain delocalization, companies require a constant process of continuous improvement and transformation to minimize the impact of external threats and internal weaknesses.

In this context, digital transformation, understood in its various meanings of data value extraction, automation and robotization, intelligent management and sound, new ways of working and new business models, has a key role within the industry in terms of increased competitiveness and fewer costs from inefficiencies.

Pharmaceutical industry

The pharmaceutical industry has become a significant engine for growth in major economies that have developed their own business fabric, being, in some cases, the industry with the greatest level of investment in R&D and one that

contributes significantly to the creation of employment (both direct and indirect). This has been amplified by the pandemic, with the industry demonstrating unprecedented responsiveness.

Currently, the industry faces major challenges such as the following: regulatory compliance during a period of heightened regulations, operating globally while adapting locally, leveraging new technologies (Big Data, artificial intelligence, etc.), adopting new organizational models to boost efficiency and profitability, and considering risk management implications such as reputational risks.

Logistics and transportation

The logistics and transportation industries are facing a profound transformation in the face of huge challenges such as those brought about by new protectionist policies, adaptation to the requirements arising from the transition to a low carbon economy, strong price competition, and the rise of large e-commerce operators with their own logistics structures.

These challenges have made it necessary to put the focus on efficiency, seeking an increasingly effective use of resources. Similarly, efforts have been made to improve the traveler's experience, taking advantage of the advantages offered by digital transformation, increased personalization, the use of mobile technologies, advanced modeling and data management.

On the other hand, the rise of e-commerce continues to be the growth driver in the logistics sector, where the use of new technologies is also completely disruptive. Trends such as robotic warehouses, distribution flexibility to meet customer needs, the use of Artificial Intelligence to optimize routes and, at a less mature stage, autonomous transport, will mark an unprecedented business transformation in this sector.

Tourism

The tourism industry has become one of the key areas of growth in developed countries.

However, as already mentioned, it is one of the industries most affected by the pandemic. As a result, the strong impact of restrictions on mobility and infrastructure use on this sector has greatly conditioned its performance.

This is nevertheless a highly competitive industry in which destinations and operators compete to be the most attractive for customers in a changing environment marked by the entry of new competitors, the changing needs of customers and the emergence of new business models in the market (such as tourist rental housing).

To effectively operate in this environment, and once the pandemic has been overcome, the industry must be able to put the client at the center of strategic planning in order to provide a more personalized offer and increase its efficiency ratios in all areas (operational, management, etc.), leveraging on digitalization and the use of new technologies.

Professional services

The professional services sector continues to face the challenges brought about by globalization, technological advances and related regulations, as well as strong price competition.

To meet these challenges, companies must continue to support the research and development of innovative solutions, evolving their differentiation and leadership capabilities through knowledge, improving the customer experience, transforming their organizations into more flexible and agile structures, and having adequate governance and control models that minimize professional risk.

Education industry

Digital transformation, economic impacts, the political situation and constant changes in society are determining factors for the education industry in its role as a key tool for training future generations and developing life-long learning opportunities.

This industry is facing transformation, because although the demand for university courses continues to be strong in traditional sectors (education, health, etc.), for some time now there has been a huge need for specialized profiles in the quantitative and new technology fields (data management and modeling, digitalization, robotics, Big Data, cybersecurity, etc. These changes, together with the emergence of new digital players with new training programs and paths, and the industry's own digital transformation, make it necessary to review the educational model as well as its governance.

Construction and infrastructures

The construction sector is expected to grow over the medium term, even though its main constraint comes from public spending restrictions in almost all world economies, making it necessary to find new budgetary funding schemes and attract private capital for infrastructure investment, in an environment of decreasing returns and increasing volatility (such as in the price of raw materials).

For their part, companies in this sector have made great efforts to develop and incorporate digital transformation into their business processes in the form of innovative technologies that represent a competitive advantage in the sector. One of the trends that is gaining ground is data-driven decision making.

At the regulatory level, global technological development and trends in other industry sectors (electric mobility, decarbonization objectives, etc.) are key to determining medium and long term needs for this industry.

Government

The current market continues forcing government agencies to optimize their budgets for public sector activities. This necessitates an improvement in the productivity and efficiency of all government agencies, which devote much of their activity to maintaining or improving service quality by optimizing the management of their structural costs.

In the current pandemic context, and in order to mitigate the effects of COVID-19 on the economy while promoting a transformation of production systems towards a more sustainable and digitized economy, important transition plans have been developed, such as the Next Generation EU initiative in the case of the European Union. This is a 750 billion-euro temporary recovery tool that will help to repair the immediate economic and social damage caused by the coronavirus pandemic. It is thus intended that post-COVID-19 Europe will be greener, more digital, more resilient and better adapted to current and future challenges.

Furthermore, government agencies are undertaking programs to embed new technologies into the functioning of the public sector. These so called "e-government" programs, seek to increase efficiency, transparency and public involvement through better use of information and communication technologies. This is complemented by a growing interest in modeling massive amounts of data as a tool to contribute to these objectives.

All of this encourages the transformation of public services through organizational, process and system improvements that incorporate the advantages derived from the digitization of society as a whole.



“Our value proposition is constantly updated to deal with the new challenges our clients bring to us”

Our clients face complex processes to transform their business models. Additionally this year, the COVID-19 crisis has forced entities to design shock plans to ensure the continuity of their operations. In order to meet these and other demands, we offer them a highly specialized and multidisciplinary team, supported by a cutting-edge R&D service.

Our specialization by service line allows us to quickly design value propositions that accurately meet our clients' challenges, as we adapt our solutions to the specific characteristics of their sectors of activity. In addition, our geographic specialization allows us to capture the local or regional reality and to incorporate local regulatory, sociological and cultural factors into our solutions as well as other particularities of the economies in which our clients operate.

In short, we try to ensure that our value proposition is permanently updated to meet our clients' changing and specific needs.

Ana Díez
Partner at Management Solutions

Service lines

Our functional specialization allows us to offer high-value added services to our customers



To cover client needs, Management Solutions' practices are structured by industry and by business line (Financial & Commodities Risk Consulting, Retail Business Consulting and New Technologies), which in turn encompass a wide range of competencies (Core Competencies).

FCRC (Financial and Commodities Risk Consulting)

The wholesale business, more specifically treasury and capital market operations, is developing at a speed that makes it difficult for entities to adapt their processes and control structures to this ongoing change.

The growing sophistication of corporate and institutional clients, as well as the increase in the volume and complexity of transactions and their progressive contribution to the global bottom line, call for the parallel adaptation of trading, administration, control and risk supervision processes.

Similarly, making the most of transaction-based services, which involve managing large transaction volumes, requires advanced support structures, posing new challenges for the industry.

Other challenges faced by different industries are the current sophistication of methods used in measuring and controlling risks, the integration of advanced metrics (capital) in business management (largely driven by new regulatory frameworks), and the estimates of impact under stress scenarios.

From the FCRC line we help our customers to optimize and adapt their processes and systems architecture to the new business logic and nature of financial risks (credit, market, operational, liquidity and structural) and non-prudential risks (paying special attention to compliance and conduct as well as model risk).

RBC (Retail Business Consulting)

The retail business is making great efforts to identify customer clusters or segments to target while adjusting their product and services to the needs of each segment. This change from a "selling products" approach to an approach based on "managing customer needs" requires the complete transformation of an organization's value chain, its processes and the activities of its main business and support areas (management control, sales, marketing, organization, resources, etc.).

This trend is taking place in a market environment where a "pre-digital" and a "digital" generation co-exist, which requires developing very different relationship models. At the same time, as customers are becoming increasingly demanding, sales margins are getting slimmer and economies of scale need to be attained.

In this context, the focus of the RBC line is to help clients achieve their goals and objectives by supporting them along the way, from the planning of their strategic needs to the effective implementation of their functional requirements.

NT (New Technologies)

The world is changing, and doing so at a high speed. We are witnessing a technological revolution of a magnitude never seen before. This is not a transitory event. The paradigm shift rate (the rate at which new ideas are adopted) doubles every decade: while it took nearly half a century for the telephone to be adopted, and while acceptance of television and radio took several decades, it took under 10 years for computers, internet and mobile phones to catch on.

The result is exponential growth in the quantity of available technology and an equivalent reduction in cost, regardless of the crises experienced over the past few years, and this trend is expected to continue in the coming decades.

But this technological revolution has taken on a new dimension in recent years. Increased technical performance requires capacity to generate, store, and process information, and at an exponential rate, a situation that has been called the "Big Data" phenomenon.

All of this is giving rise, among other things, to a discipline which is the fundamental axis for transformation in the industry: Data Science, which is also the study of the generalizable extraction of knowledge from data through the combined use of automated learning techniques, artificial intelligence, mathematics, statistics, databases and optimization, together with a deep understanding of the business context.

From the NT line, we help our clients to enhance the value of technology. We also develop and provide support for technological solutions with a high level of penetration in the industries in which the Firm operates.



Service lines

Core Competencies

Management Solutions aims to turn its clients' objectives into tangible realities, from strategic guidance to implementation of the required technology (Making things happen).

Our teams offer concrete solutions and commit to their implementation and operation. At Management Solutions we are able to lead the different stages that result in a project being successful, from initial strategic analysis to the functional, organizational and operational phases, to effective implementation.

In this section, rather than including a product and services catalog, our aim is to highlight Management Solutions' work around the key competencies it has developed.

Core Competencies



Strategy

We support management in their strategic decisions, contributing our vision of their challenges both from a global perspective (trends, best practices, etc.) and specifically for each company (action alternatives, planning, execution recommendations, etc.).



Management & financial information

We meet management information requirements by validating, modifying and establishing information sources, defining transformation processes (calculations and metrics), and supporting the technological implementation required for a successful roll-out.



Sales & marketing management

We design and develop business efficiency, multi-channel and business intelligence programs that support our clients' growth.



Transformation: organization & processes

We approach our clients' transformation projects from a triple perspective: organizational, operational and technological, achieving significantly improvements in the effectiveness and control of business activities, increased customer and user satisfaction, and an adequate cost reduction.



Risk management & control

We provide the best solutions for effective management and control of the risks associated with the business activity: credit, market, operational, liquidity, structural, reputational, conduct, model, business, and other risks, as well as to facilitate a comprehensive view of all risks (and their impact on capital requirements and provisions).



New technologies

We specialize in defining and implementing the most appropriate technology for each individual organization according to its needs and possibilities, designing frameworks that strengthen data reporting and data governance.

Our practice in the face of COVID-19 challenges

Management Solutions has incorporated practical and innovative solutions into its value proposition that allow companies to face the challenges and opportunities arising from the current pandemic context. These solutions address five main areas:

1. Continuity of operations

Methodology for the development or review of plans for business continuity and crisis event governance, considering any aspects related to organization, HR, technology, facilities, suppliers and communication processes, with special focus on the preparation of tactical plans for the implementation of remote work, subsequent "reactivation" plans, and monitoring processes to ensure a successful performance during the crisis, including the design of Apps for the management of specific events (convening of crisis committees, protocols management and communication with employees, etc.).

2. Liquidity risk management, financial planning and management information

Key elements for reviewing liquidity contingency plans and scenario planning methodology that allow organizations to (i) perform sensitivity/liquidity stress analyses and (ii) quickly project the income statement so as to facilitate the identification of containment levers. In addition, we offer our own methodology for the elaboration or reformulation of strategic plans and operational planning, as well as for the design and adaptation of management information models (business information, cost distribution and profitability analysis, dashboards, etc.).

3. Anticipatory credit risk management

Proposals for the adaptation of anticipatory credit risk management strategies (clustering, modeling, sensitivity analysis, policy adaptation, mitigation levers, etc.) and for the optimization of recovery processes (cost analysis of the process at its different levels and adaptation of strategies, models, organization and processes).

4. Transformation and efficiency

Identification of aspects key to a successful transition into a strategic remote working model (conciliation, smart working, technological impacts, adaptation of contact centers and Agile methodologies, etc.), methodology for the development of sizing models, talent identification and employee termination plans, process optimization (e.g. claims management, changes

in the distribution model and multichannel service models, etc.), capture of new business opportunities and comprehensive efficiency plans for revenue improvement and cost optimization.

5. Management and control of other risks

Such as conduct risk, reputational risk, IT, cybersecurity and fraud risks, supply chain resilience and business risks (adaptation of the value proposition and offer, capture of opportunities and competition monitoring, etc.).



Our value proposition is supported by a cutting-edge R&D department

The current international context is characterized by a convulsive economic situation, greatly affected by the COVID-19 pandemic, with a strong impact on GDP levels in all major world economies, and with prospects of prolonged low inflation and low interest rates, as well as an uneven recovery. Other characteristics are a more demanding regulatory environment and an accelerated transformation of technology, with a special focus on the incorporation of new Machine Learning techniques and the use of Big Data in business development. In this context, anticipating change is more important than ever.

Faced with this, Management Solutions' R&D department reflects the Firm's strong commitment to stay at the forefront of the industry and to meet the growing need for innovation in the market.

The R&D department is tasked with analyzing, developing, and disseminating knowledge about methodologies, regulations and the macroeconomic situation, to all of Management

Solutions' stakeholders: clients, professionals, collaborators and universities, thus driving the Firm's pro-active approach to anticipating change.

From a methodology standpoint, the R&D team provides advisory services to Management Solutions' professionals and their clients in quantitative aspects that are necessary to undertake projects with rigor and excellence through the implementation of best practices and the continuous monitoring of the latest trends in Data Science, Machine Learning, modeling and Big Data.

For this, our R&D team works in collaboration with a specialized team of data scientists dedicated to researching new applications together with other external groups, devising and developing specific solutions capable of meeting new industry challenges.

These activities have been strengthened by the creation of an Expert Advisory Committee tasked with advising and providing

Creation of the R&D Expert Advisory Committee



Management Solutions has created an R&D advisory committee of experts from the research, university and business worlds to guide and advise the Firm's R&D area.

The R&D Advisory Committee, made up of research experts from both Management Solutions and the university and business worlds, was born with the mission of providing guidance and advice on the research and development activities carried out by the Firm mainly in the fields of Machine Learning, Deep Learning and Artificial Intelligence and related technologies, as well as assisting in trend detection and potential research avenues.

The Committee is chaired by Mr. José María Fuster, President of the Royal Academy of Sciences Friends Association, ad honorem professor at the Polytechnic University of Madrid (UPM) and Adviser to the iDanae Chair's monitoring committee. Its members include H.E. Mr. José Francisco Duato, Academic of the Royal Academy of Sciences (RAC); Ms. Ernestina Menasalvas, UPM Professor and iDanae Chair Director, and those Management Solutions partners most involved in the Firm's R&D activities.

The creation of this Committee, together with other research-related activities such as the Firm's involvement in the iDanae Chair or the various collaborations with the RAC, once again highlights the Firm's commitment to R&D and to remaining at the forefront of knowledge.

guidance, particularly in the areas of Machine Learning, Deep Learning and Artificial Intelligence and related technologies, as well as assisting in trend identification and potential research avenues.

In addition, Management Solutions collaborates closely with different universities, participates in applied research conferences and directs projects in postgraduate and doctoral studies as well as professional practices in Mathematics, Statistics and Physics faculties and Engineering Schools. It is also a member of the monitoring committee within the iDanae chair* (* iDanae stands for "intelligence, data, analysis and strategy") for Big Data and Analytics, created through the collaboration between Management Solutions and the Universidad Politécnica de Madrid, and jointly leads the activities and publications developed by this Chair. Management Solutions is also a founding member of the Social Impact Chair, born through collaboration between Management Solutions, the Repsol Foundation, Open Value Foundation and Universidad Pontificia Comillas, for the research and dissemination of best practices around impact management and sustainability.

R&D's commitment to training is also evident at the internal level, as it constitutes the Leadership of the Firm's Studies, coordinates the Knowledge Chairs (together with those responsible for Management Solutions' different Core Competencies) and is an active part of the management of postgraduate programs offered by the Firm: Master's degree in Business Consultancy offered jointly by Management Solutions and the ICADE Business School; Diploma in Business Consultancy offered jointly by Management Solutions and Instituto Tecnológico de Monterrey, and the Training Program in collaboration with Insper in São Paulo, among others.

With regard to knowledge management, the R&D team directs and coordinates Management Solutions' publications system, both external and internal (white papers, alerts on publication of new regulations, macroeconomic outlook reports, briefing papers and implications of new rules, etc.), which helps our professionals to update their knowledge on a daily basis.

Commitment to Science

According to Unesco, science is a key tool for the advancement of knowledge, progress, peace and societies, and is at the origin of all economic, social and political development. It is because of its immense value that Management Solutions integrates science into its CSR.

Management Solutions has been fostering the advancement of Science since its incorporation. Our R&D department was established as a platform to promote knowledge and serves, among other things, to promote the continuous training of its employees in various scientific subjects (e.g. Mathematics, Statistics and Algorithms).

As a central component of its patronage activity, Management Solutions is part of the Board of Trustees of the RAC Foundation through its Chairman, Mr. Alfonso Serrano-Suñer, and is also a member of the Association of Friends of the Royal Academy of Sciences of Spain (aRAC). The Firm collaborates through active sponsorship, beyond financial support, in actions and events for the dissemination of Science, and works with academics from the RAC's exact



sciences department on researching the most advanced algorithms and mathematical models for risk management.

With more than 700 scientists among its professionals, Management Solutions is fully committed to constant development and to positioning science as one of the fundamental pillars of its CSR, aimed at both its employees and society.

This knowledge management activity is possible thanks to intensive collaboration from all our offices in all countries in which Management Solutions operates. The R&D area monitors new regulatory developments in these countries with support from on-the-ground professionals who collaborate to identify and analyze developments.

R&D uses a specifically created area on the corporate intranet as the basic channel for sharing much of this knowledge with Management Solutions professionals.

It also disseminates knowledge through an app, developed to deliver alerts on the publication of regulatory news. R&D continues to work alongside those responsible for

New Technologies in the Firm on projects which leverage big data to maximize value from knowledge management.

Also, in terms of methodology, R&D has established itself as a quality assurance service through the rigorous review of ongoing projects and new project proposals.

The R&D area focuses its efforts on four fields (methodology, economic analysis, regulatory analysis and knowledge management), and its goals are set according to a multi-year plan approved and monitored by the Firm's Executive Committee.

First Management Solutions Datathon

A “Management Solutions Datathon” was held in December 2019 to January 2020 exclusively for the Firm’s professionals, consisting of a real business case to be solved using Artificial Intelligence, Data Science and Machine Learning tools.

The challenge offered by this competition was to develop an automated Machine Learning system. These systems automate the development process of Machine Learning models: from data preprocessing to the prediction of the model that best fits that data.

Throughout the competition, participants faced various choices on data processing, model selection and hyperparameter optimization, mostly done through grid

searches. Notably, some teams used random search, genetic algorithms or Bayesian search methods.

The Datathon was entered by 46 Management Solutions professionals from different backgrounds (physics, mathematics, engineering and economics) and geographies (Germany, Brazil, Chile, Colombia, Spain, the United States and Peru). Between them (either individually or in pairs), they designed 27 Auto ML algorithms.

The competition winners were Mr. David Ara and Mr. Juan Martín Fornell.

information sources, R&D also carries out benchmark analysis from public information on the clients and countries in which the Firm operates.

Regulatory analysis

- ▶ Regulatory monitoring: the R&D area has an active system in place to monitor regulations on the Firm’s areas of activity, which enables R&D to anticipate and detect regulatory publications at an early stage in geographical areas of influence.
- ▶ Alerts: publication alerts allow for immediate knowledge of regulatory changes by our professionals and clients.
- ▶ Analysis: on those new regulations with a greater impact on or interest for clients, R&D prepares overviews and analysis of implications, contributing their synthesis and critical thinking capabilities.

Knowledge management

- ▶ New business models observatory: the R&D area supports the detection and analysis of new business models emerging in the industries in which the Firm carries out its activity, generally focused on the digital transformation of existing businesses
- ▶ White papers: the R&D department produces in-depth innovative and concise monographic studies on hot topics within the Firm’s areas of activity that are of interest for our clients and professionals. Some examples of this are the latest white papers produced by R&D on the impacts of COVID-19 on business activity (with two publications, one with proposals for ensuring the continuity of operations, and another on the reactivation plan for companies), on the management of risks associated with climate change, and on AutoML and model automation.
- ▶ Training materials: the R&D area provides support in the centralization and review of newly updated training materials, both internal and those used in third-party training.

Methodology (R&D&i)

- ▶ Research: compiling and design of client/industry best practices in regulatory adaptation and management (credit, market, liquidity, reputation, climate and other risks, economic capital, stress tests, business models, etc.).
- ▶ Innovation: a number of models are developed through a center specializing in Data Science and Machine Learning including classification, regression, optimization, simulation models, natural language processing, etc., for different areas in the industries in which the Firm operates.
- ▶ Prototype: development of support tools to verify and demonstrate the correct operation of methodologies in real client environments (pilot testing), and the generation of specific tools to respond to new regulatory requirements or client transformation needs, in order to facilitate the implementation of global corporate solutions.

- ▶ Software: maintenance of the Data Science tools developed, and relationship management with scientific software providers.
- ▶ Quality Assessment (QA): certification of the quality and consistency of the methodologies applied in projects.

Economic analysis

- ▶ Outlook reports: the R&D area is expanding the coverage of its quarterly outlook reports both in countries and in industries. The R&D area currently produces reports on 19 countries with the support of experts from the Firm’s network of offices: Spain, the United Kingdom, Germany, France, Poland, Portugal, Italy, the Nordics (Denmark, Norway, Sweden and Finland), the United States, Mexico, Brazil, Argentina, Peru, Chile, Colombia and China.
- ▶ Benchmark analysis: based on the knowledge base generated from these reports and through analysis of alternative

Making things happen

We owe what we are to the trust that our clients have placed in us. They have made it possible for Management Solutions to be a leading international firm in business consulting just 18 years after it was established. It is a great pleasure for us to present the achievements listed throughout this publication.

Management Solutions was formed on December 30, 2002. Upon its inception, the Firm was composed of 80 professionals and three offices in Spain (Madrid, Bilbao and Barcelona).

18 years later, Management Solutions is more than thirty times larger, with a multi-disciplinary team of more than 2,400 highly talented professionals, and more than 1,000 clients, all of which are leaders (global or local) in regulated industries, and 31 offices which serve as a base for carrying out recurrent projects in more than 40 countries across Europe, the Americas, Asia and Africa.

The Firm has continued to grow at all times since its inception. In each and every one of our past years as a firm, we have seen growth in revenue, number of professionals, number of clients and number of countries in which we operate.

It should be emphasized that these results have been achieved organically, with a well grounded growth model. A model based on the organized transmission of a culture, values and principles that we understand to be differential and that have remained unchanged regardless of economic cycles.

During this fiscal year, the Firm has faced an unprecedented macroeconomic scenario due to the impact of the COVID-19 pandemic, one of the most difficult situations that has had to be faced since its inception.

The beginnings were particularly demanding, with reduced critical mass, no brand recognition and lacking the capacity to respond globally in all geographies in which our client base operated. Two years later, when Management Solutions

began to consolidate in the market, there was a fire at our headquarters in Madrid (the Windsor building), which led to its complete destruction but served to demonstrate the resilience of our team of professionals, who were able to keep focused on their projects with clients.

Despite these initial difficulties, our development has been extraordinary, averaging annual double-digit growth over the years.

At Management Solutions we have remained true to our founding culture: a strong culture that unites us and simultaneously sets us apart from our competitors. A culture based on the principles of commitment and dedication to service, delivered with humility, generosity and integrity.

We have also sought to perform our profession by relying on an in-depth knowledge of the business and the social reality, with the necessary critical approach. We have always understood that if something has value to our clients then it makes sense and, as difficult as it may seem, can be achieved.

In short, we understand that our constant pursuit of excellence, based on talent, effort and training, is a necessary requirement to meet our goals.

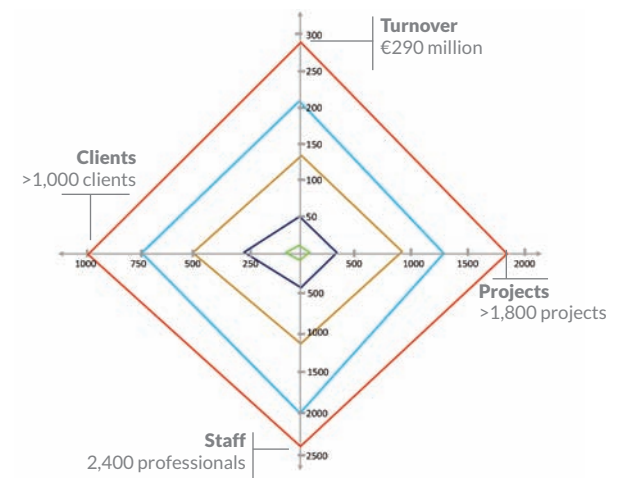
An equally promising future

Management Solutions looks to the future with the same enthusiasm today as it did in year one. We are facing major challenges, but if something has defined Management Solutions throughout its history, it has been its desire to excel and deliver.

We intend to continue to achieve our ambitious new goals to lead the consulting business in regulated industries in all geographies in which we operate, always for the benefit of our clients, who are the most important stakeholders we look to support.

We have seen organic and sustained growth to 30 times our original size

The Firm's development



Making things happen

Management Solutions was incorporated on December 30, 2002

2003, Commitment to Excellence

With 80 professionals from Arthur Andersen and offices in Madrid, Barcelona and Bilbao, Management Solutions set out on a journey at the end of 2002. The trust placed by clients in this new business project made the launch of our Firm possible. Committed to a strong global presence from the very beginning, the Firm gained a foothold in Spain, the United States, Puerto Rico, Mexico, Chile, Brazil and Argentina in our first fiscal year.

2004, Making things happen

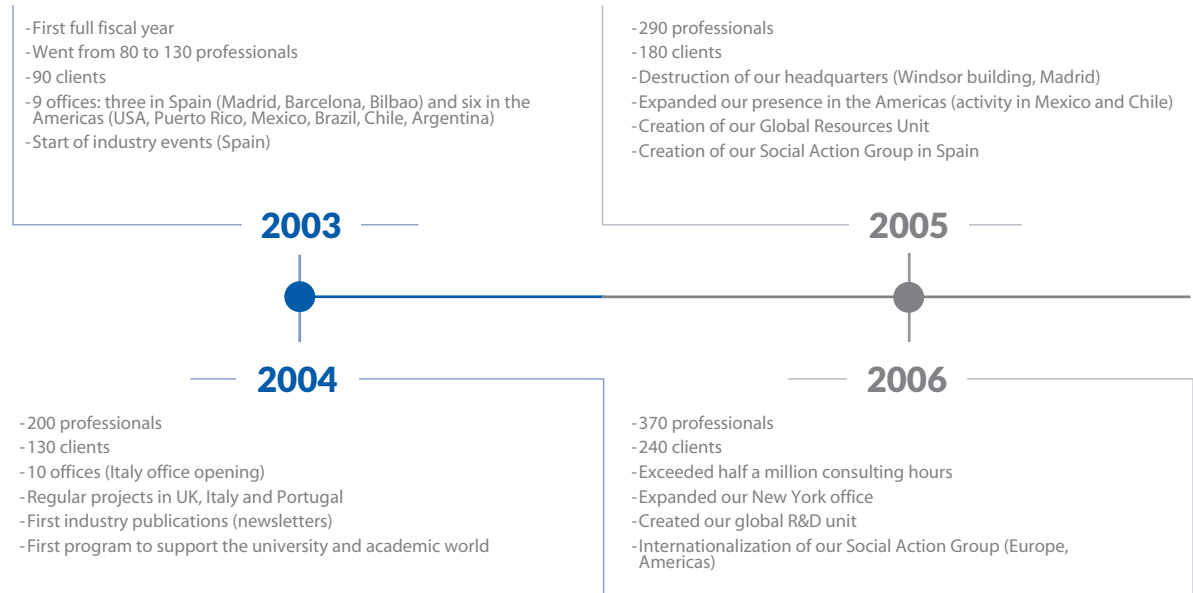
The first fiscal year closed with growth of 18%. Management Solutions won its first projects in Europe (Italy, United Kingdom and Portugal) while expanding its presence in the Americas with the opening of a new office in São Paulo, going from 80 professionals to over 200 in only one and a half years.

2005, A world of solutions

The year began with a fire at the Windsor building (our headquarters in Madrid), a significant challenge that was successfully overcome and did not prevent us from increasing our staff by 46% and strengthening our activity with major international players. In 2005, we expanded our Mexico City and Santiago de Chile offices and also strengthened our Support Services Unit.

2006, The value of a committed team

With an increasingly expanding brand, the New York office was enlarged, the milestone of 500,000 consulting hours was exceeded and the Firm threw its weight fully behind the creation of a R&D unit to be at the forefront of knowledge. Social action and sport became part of the Firm's everyday life.



2007, One Team

In 2007 Management Solutions had over 500 professionals, growth of 40%; and a client portfolio of more than 300 leading organizations; 2007 noted the publication of our first Corporate Social Responsibility Report.

2008, Passion for the future

The Firm's strategy going forward included expanding our presence in other markets and geographies. This fact led to the launch of our first projects in Asia, entry into the Portuguese market, the opening of our London office, expansion of our energy and telecommunications practices into other countries, and the organization of the first regional conventions in Latin America.

2009, New challenges, same principles

In 2009, despite an increasingly adverse scenario, we reached one million consulting hours and initiated activities in Germany, while maintaining a sustainable and diversified growth strategy. The Firm expanded its presence to other geographies and industries, and reinforced its support of universities.

2010, Spirit of achievement

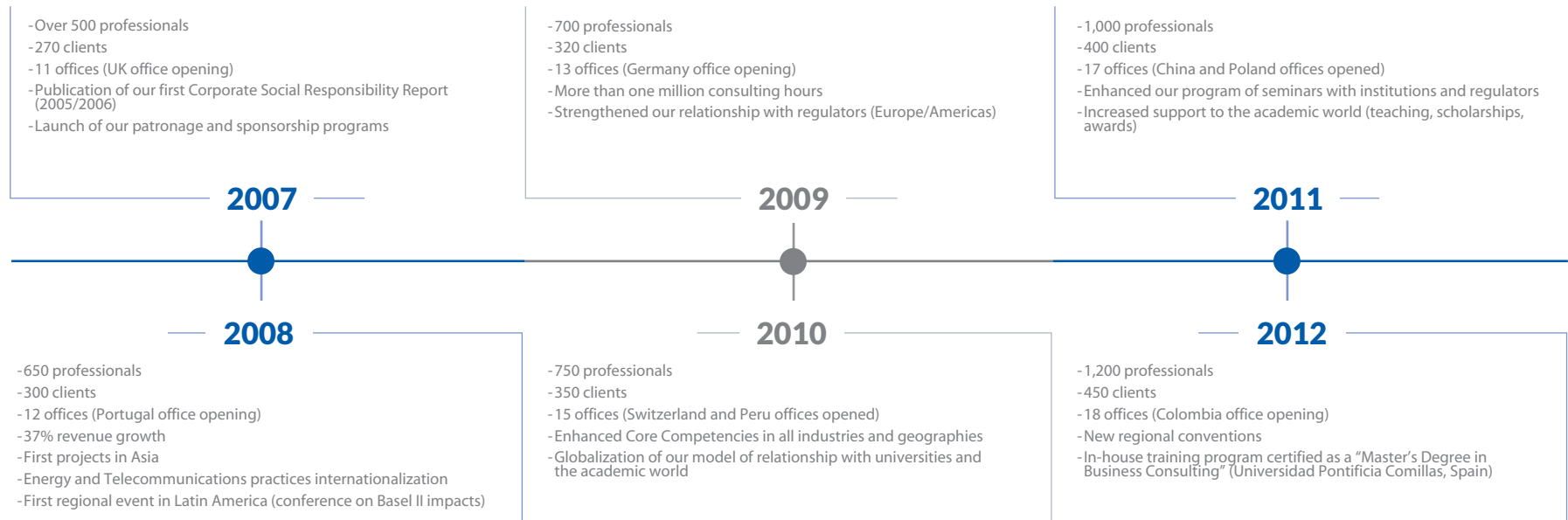
A permanent effort was made to extend and adapt our range of solutions in order to provide the best response to our clients' needs. Also this year, we expanded our horizons by opening new markets such as Switzerland and Peru, and globalizing the social action and the sports clubs with activities in all our offices.

2011, Values that make the difference

Despite a market in decline, at Management Solutions we were able to increase our commitment to achieve a growth rate of 19%, strengthening our commitment to talent, reaching the size of 1,000 professionals and opening new offices in Beijing and Warsaw, as well as enlarging our offices in Lisbon, Lima and Buenos Aires.

2012, Generating trust

2012 was another successful fiscal year in which we collaborated with more than 450 clients and expanded our boundaries with the opening of a new office in Bogota and two more offices in the United States (Massachusetts and Alabama). We continued to foster knowledge-sharing with new regional conventions in the Americas. Our commitment to training was further demonstrated through the launch of the first Master's Degree in Business Consulting, developed jointly with the Universidad Pontificia Comillas in Spain.



Making things happen

2013, Focused on our clients

With growth at over 15%, 2013 was a successful year, especially in the Americas. We reached more than 500 clients (large global or local leaders in their respective markets), the activity with regulators and supervisors was strengthened and internal functions were enhanced to improve efficiency and control of our activity (creation of the Internal Audit function, review of global and local policies and procedures, external certification on the quality of processes –ISO 9001, etc.).

2014, Managing transformation

In 2014 Management Solutions saw growth in all its: i) offices (especially in the US), also initiating activities in Africa, ii) industries (particularly in Telecommunications) and iii) service lines (undertaking more than 800 projects whose common denominator was transformation). Governance of the relationship with strategic suppliers was enhanced as was investment in R&D and training (which grew around 20% with respect to the previous year).

2015, Innovation for growth

In 2015 we achieved growth above 16% and exceeded two million consulting hours (900 projects were formalized). During that year, Management Solutions France was created, new offices were opened in the United States (Boston, Atlanta and Birmingham), and we expanded our offices in the UK, Germany, Chile and Mexico (a new second office was opened in Mexico City). We also established closer links with regulators (particularly with the European Central Bank) through the creation of a regulatory hub in our Frankfurt office.

2016, Building the digital era

In 2016 Management Solutions once again grew by more than 16%, doing so in all regions (especially in the USA and the main European markets), industries and service lines, adding more than 60 new clients and going over the 2.5 million consultancy hours mark in the delivery of over 1,000 projects. During that year, new offices were opened in Rome, Paris and Birmingham, and the São Paulo headquarters were changed and expanded.

Training investment also increased (by more than 30% compared to 2015) and our Master's Degree in Business Consultancy program was extended to Mexico in collaboration with the Instituto Tecnológico de Monterrey.

2017, New Business Models

In 2017, Management Solutions grew particularly strong in Europe (Germany doubled its size) and the US (by more than 50%), adding more than 750 clients (90 new ones) and carried out over 1,300 projects. There was also increased activity in other industries (with a focus on the retail distribution sectors). A new office was opened in Medellin, and the Madrid, Bilbao, Rome, Warsaw, Boston and São Paulo offices were expanded.

2018, Generating Value through Digital Transformation

In 2018 Management Solutions' turnover exceeded 250 million euros, and grew once again above 10% in an organic and diversified way, increasing its activity in all the geographies and

- 1,300 professionals
- 500 leading clients in regulated industries both globally and locally
- Significant increase in activity in the Americas
- ISO 9001 certification
- Creation of the Internal Audit area

2013

- 1,700 professionals
- Over 600 clients (60 new)
- 22 offices (Paris, Boston, Birmingham and Atlanta offices opened)
- More than 2 million consulting hours
- Creation of a regulatory hub in Frankfurt

2015

- 2,000 professionals
- 750 clients (90 new)
- 24 offices (Medellin office opening)
- More than 1,300 projects (focus on digital)
- Expanded our services to the retail distribution industry

2017

- 1,350 professionals
- More than 500 clients (40 new)
- More than 800 projects ongoing
- Start of activity in Africa
- First graduating class of the Master's degree in Business Consulting offered by Management Solutions – ICADE Business School

2014

- 1,900 professionals
- 660 clients (60 new)
- 23 offices (Rome office opening)
- Extension of the Management Solutions/Instituto Tecnológico de Monterrey's Master's Degree in Business Consultancy

2016

- 2,100 professionals
- Over 800 clients (close to 100 new clients)
- 24 offices
- 1,700 projects (60% generated within the year)
- Implemented the IT Transformation Plan

2018

industries in which it operates, and in all its service lines. Also, the Firm's IT Transformation plan was successfully implemented (migration of environments, IT architecture with Big Data technologies, new telecommunications systems, development of management control systems, etc.). A new office was opened in Bilbao and our Bogotá office was expanded.

2019, Sustainable Growth

In 2019 Management Solutions delivered close to 3 million consulting hours, once again growing above 10%. It also opened three new offices - in Amsterdam (Netherlands), Oslo (Norway) and Quito (Ecuador), reinforcing its commitment to geographic diversification. In addition, during the same year the Firm joined the United Nations Global Compact, strengthening its commitment to sustainability and CSR, obtained the ISO 27001 certification in cybersecurity, and furthered ties with the academic and research communities with the launch of the iDanae Chair in Big Data and Analytics in collaboration with the Polytechnic University of Madrid.

- 2,300 professionals
- Over 900 clients (100 new clients)
- 28 offices (La Coruña, Amsterdam, Oslo and Quito offices opening)
- 1,800 projects (70% generated within the year)
- ISO 27001 cybersecurity certification
- Member of the United Nations Global Compact

2019

2020

- 2,400 professionals
- Over 1,000 clients (more than 150 new clients)
- 31 offices (Copenhagen, Houston and San Jose offices opening)
- 1,800 projects (80% generated within the year)
- ISO 22301 (Business Continuity Management System)

2020, Building Trust

In 2020 Management Solutions continued to grow in all geographies and industries in which it operates, despite an adverse scenario caused by the COVID-19 pandemic. We exceeded 3 million consulting hours, and opened three new offices in Copenhagen (Denmark), Houston (United States) and San Jose (Costa Rica). The Firm's Business Continuity Management System obtained the ISO 22301 Citizen Protection and Security certification this year, demonstrating that Management Solutions brings the best standards into its business continuity procedures in the face of any event that may interrupt its activity. We also continued to strengthen our commitment to sustainability, research and the university world, with the launch of the Social Impact Chair in collaboration with the Universidad Pontificia Comillas, Open Value Foundation and Repsol Foundation.

Today Management Solutions...

- Is more than 30 times larger
- Has a multidisciplinary team of over 2,400 professionals with a strong corporate culture
- Serves more than 1,000 global and local clients from regulated industries
- Is a global partnership that effectively responds to its clients' needs
- Has a presence in more than 40 countries across Europe, the Americas, Asia and Africa, through 31 offices
- Has a differentiated value proposition supported by cutting-edge R&D



“Our clients are the reason we are here and are at the center of all our actions”

Our main goal is to become our clients' trusted partners. To achieve this, we have to be permanently attentive to their needs and fulfill our commitment to excellence. Our aim is to develop lasting relationship models that generate value on both sides.

At Management Solutions we have always been clear about our priorities: first the client, then the team and finally oneself. We work with enthusiasm, combining talent, knowledge and skills to effectively solve their problems.

Our commitment to those who place their trust in us is unlimited. Our clients are what drives us. If we are where we are today, it is because our clients have made it possible, and we always have that in mind when we plan our future.

José Ramón Gorrochategui
Partner at Management Solutions