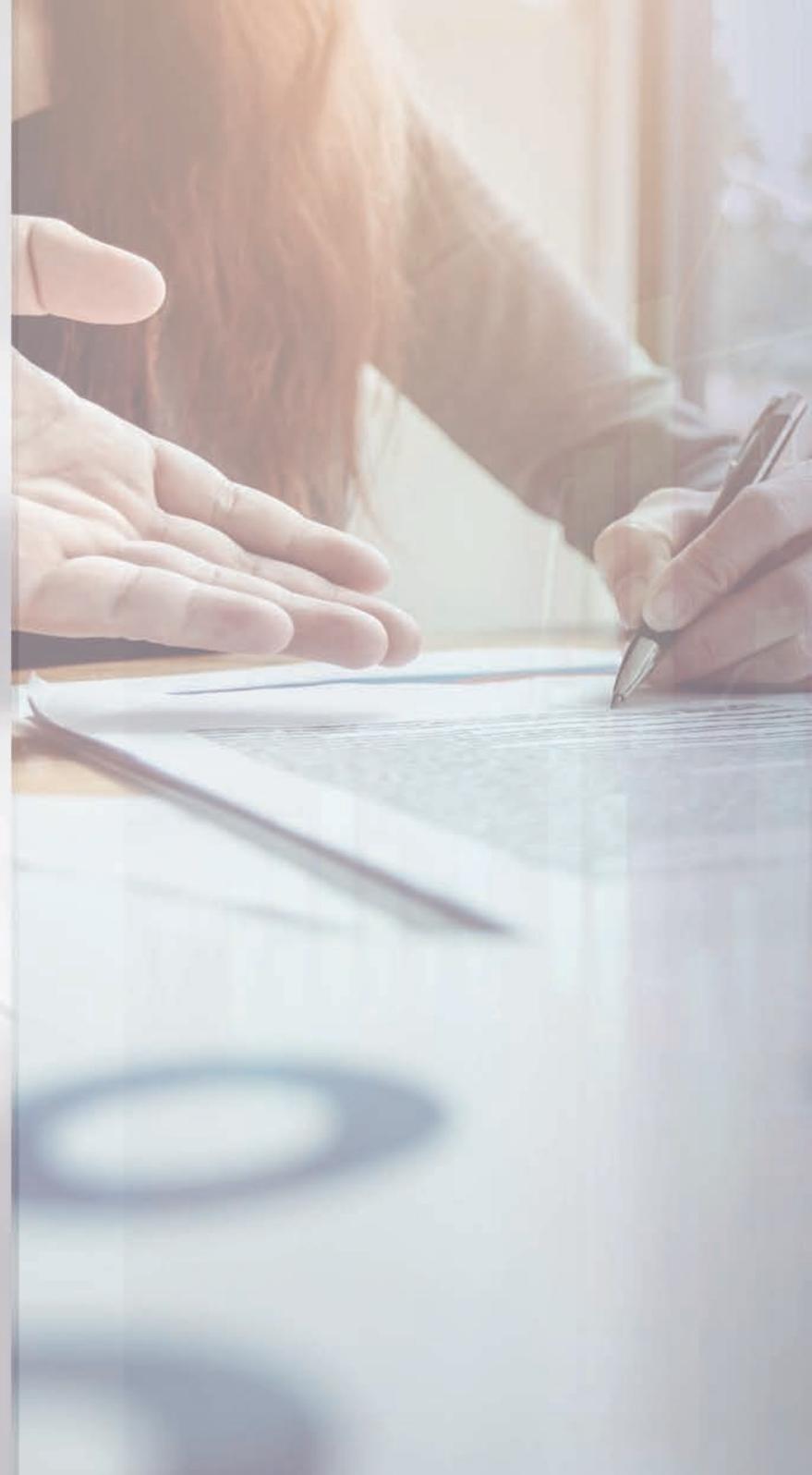


2020 milestones

Management Solutions continues to focus on profitable growth and is becoming increasingly international and more diversified from both an industry and a geographical perspective. Above all, Management Solutions has an outstanding portfolio of global and local clients who are leaders in their respective industries.





Building Trust

Building trust as a central element of what we do and who we are



Under the motto “Building Trust”, Management Solutions organized its Yearly Meeting in July – in a virtual format due to the restrictions resulting from the COVID-19 pandemic – in order to review the Firm’s achievements after analyzing the international environment and to set goals for the next year. This section summarizes many of the ideas expressed during the Meeting.

The health crisis caused by COVID-19 has spread across the globe at a rate unknown to date. Between the months of April, May and June, over 6.5 billion people, representing around 85% of global GDP, had to stay at home to avoid propagation of the virus.

This sudden decline in activity, and its consequent supply and demand shocks, have posed a serious threat to the continuity of companies' operations, led to strong liquidity stress in companies and affected supply chains in some sectors.

On the other hand, staying at home has put strong pressure on communications infrastructures to manage the new forms of remote work on a massive scale.

The world, in short, has suddenly been immersed in an environment of fragility and uncertainty in which trust needs to be built now more than ever.

Uncertainty is overcome by building trust. The greater the problem, the greater the opportunity we have to help solve it, thus building trust in our environment.

In an increasingly changing world, accelerated through digitization, it is essential to generate value for those who trust us. Value that translates into sustainable growth.

To do this, we strive to design and implement innovative solutions, built in increasingly collaborative environments, that take advantage of technological disruption to improve the customer experience, make processes more efficient, better control risks and make the most of the available information. These solutions also have a high social impact, such as advanced management of the impacts of climate change, the management of reputational risk by applying natural language processing techniques, ethics in the use of Artificial Intelligence, or the very response to the COVID-19 crisis as we provide solutions to ensure the continuity of operations, and subsequently help to plan reactivation.

This means we need to keep our value proposition permanently up to date by investing on research and knowledge development in collaboration with the university world, intensifying our international presence, enhancing our analytical, quantitative and technological capabilities, and further specializing our sectoral knowledge.

To achieve this, we count on the talent, effort and continuous preparation of an extraordinary team of professionals. A team

that has a strong culture building trust. A culture of marked principles and values that makes us easily recognizable: dedication to service, humility, generosity and solidarity, teamwork, integrity and critical thinking, meritocracy, passion for good work and an entrepreneurial spirit, perseverance in the pursuit of goals. In short, a team in a constant pursuit of excellence that puts the client at the center of all action and that is concerned about the “how” as well as the “what”. A trust-building team.

In 2020 we once again surpassed our qualitative and quantitative objectives for the year, growing in excess of what we had budgeted. Once more the Firm increased our market share, and did so in a way that is organic, diversified and sustained, irrespective of economic cycles while applying a management model that maximizes our potential, guarantees professional development for our people and creates the basis for sustained growth in the coming years.

We have continued to widen our scope of activity to cover new markets, as well as to consolidate our presence in countries in which we were already operating (we are now present in more than 40 countries across Europe, the Americas, Asia and Africa). All of our service lines have grown in a balanced way and we have also made important progress in industry diversification.

As a result, we have increased our presence in many of the organizations with which we were already collaborating. By extending the provision of our services to new areas and business divisions, with industry diversification driven by our expansion into the distribution sector, we have continued to increase our client base. This client base is composed of over 1,000 clients, large multinationals, corporations and leading local firms to which we have added over 150 new names, all of them of strategic importance in their respective markets. In addition, we have further developed our presence and visibility with the regulators and supervisors of the markets in which we operate.

Such growth would not have been possible without the extraordinary team of 2,400 professionals that make up our firm. A talented, committed team that has inherited a strong corporate culture based on a set of values that make a difference. A global, multicultural, multidisciplinary, fully integrated team that has grown from the base. A young, principled and responsible team capable of providing solutions to the challenges our clients bring to us.

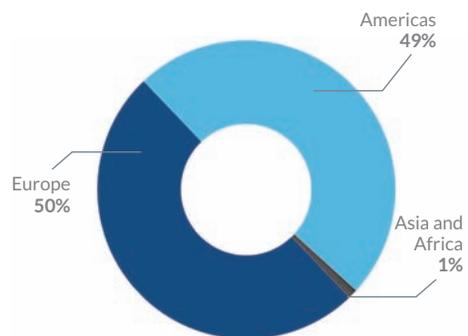
In short, we have again exceeded all of our goals in all of the regions in which we have a presence, in all of the industries in which we operate and in all of our service lines. We face the future with enthusiasm and confidence, with the firm purpose of helping our clients grow in a sustainable way.

Diversification

During 2020 we have continued to make progress in our diversification process:

- ▶ Achieving consistent growth in the Americas, Europe and Asia, and consolidating our activity in Africa.
- ▶ Intensifying our activity in all regulated industries, maintaining our leadership in Finance, gaining market share in Energy and becoming increasingly active in Telecommunications and Other industries.
- ▶ Expanding our client portfolio.
- ▶ Updating our solutions offer:
 - Strategy
 - Sales and marketing management
 - Management & financial information
 - Risk management and control
 - Governance, organization and processes
 - New technologies

Geographical diversification¹



Americas

- ▶ USA maintains its strong growth (+25%), reinforced with the opening of our Houston office
- ▶ Sustained two-digit growth in Latin America, with Brazil, Mexico, Colombia and Peru exceeding 20%
- ▶ Presence in 10 countries in Central America, with the opening of our San Jose office in Costa Rica

Europe

- ▶ Strengthened our presence in the Spanish market
- ▶ Our United Kingdom, Germany and Portugal offices maintained their leadership
- ▶ Our offices in France, Italy, Poland and Netherlands took off with growth above 75%
- ▶ Strengthened our presence in the Nordic countries with the opening of our new office in Copenhagen
- ▶ Continued growth in the rest of Europe (with a special focus on Eastern Europe)

Asia

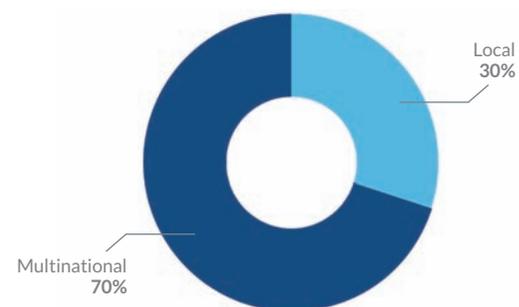
- ▶ Growth of our operations in Asia with our activity in Turkey and China continue to experience a strong momentum

Africa

- ▶ Increased presence and activity in Africa

¹measured in consulting hours

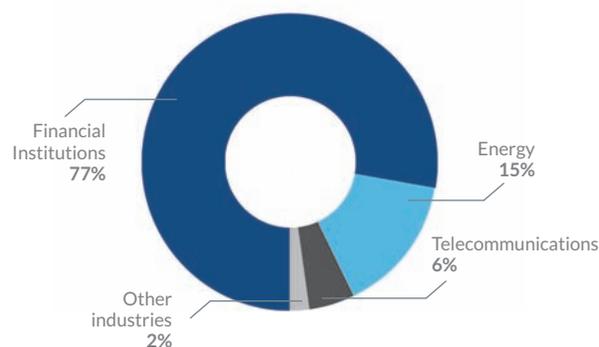
Client diversification¹



- ▶ Over 1,000 active clients
- ▶ More than 150 new clients (across industries and geographies)
- ▶ Reinforced presence in leading clients (global and local)
- ▶ Stronger relationship with Regulators, Supervisors and International Organizations
- ▶ Reinforced relationship model with strategic suppliers

¹measured in consulting hours

Sector diversification¹



Finance

- ▶ Sustained growth (+8%) based on:
 - Greater specialization by business
 - Leadership in regulatory compliance (Basel III, TRIM, IFRS 9, Stress Test, etc.)
 - Leaders in Digital Transformation

Energy

- ▶ Growth of our operations (+15%) as a result of:
 - A broader client base
 - A broader service offering (based on digital transformation, Artificial Intelligence, agile, etc.)
 - Practice deployed in other countries (especially in the Americas)

Telecommunications

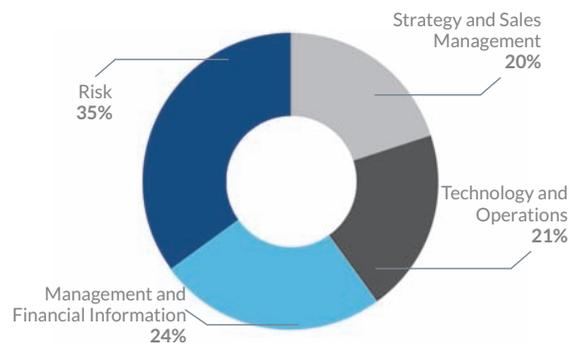
- ▶ Growth of operations (+6%) based on:
 - The addition of new clients
 - Wider range of services
 - Practice extended to other geographies

Other industries

- ▶ Increased activity in industries such as distribution, IT, aeronautics, manufacturing, services and education

¹measured in consulting hours

Diversification of solutions¹



▶ Over 1,800 projects (80% new) in all our Core Competencies:

- COVID-19 (continuity of operations and reactivation plan)
- Profitability and financial strength (RWA optimization, Pricing)
- Non-financial risks (Climate, Reputational)
- Agile Organizations
- Processes digitation (customer experience, efficiency -RPA-)
- Data and Model Governance (MRM)
- Machine Learning (AI)
- Big Data and Blockchain Architectures
- Cybersecurity

¹measured in consulting hours



“At Management Solutions we want to contribute to trust building in order to overcome the current uncertainty”

COVID-19 has been a serious health crisis and a major threat to global economic activity.

Today more than ever, companies are looking for innovative solutions that leverage technological disruption to make their processes efficient, improve their customer experience, better control their risks, and make the most of the information available.

At Management Solutions, we try to help our customers achieve all of these goals. This gives us no option but to understand the new competitive dynamics in depth, to properly identify the problems they face, to provide valuable solutions and actively collaborate in change management.

All this with the firm purpose of building trust, a trust that translates into a sustainable growth for our clients.

Inmaculada Barroso
Partner at Management Solutions

Growth and innovation

Profitable growth

Our high internal organic growth levels guarantee a career progression model far superior to that of our competitors.

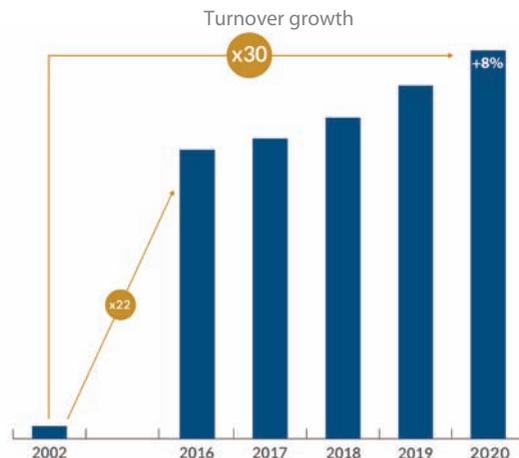
R&D&i innovation

Investing in R&D&i and training are key differentiating elements in our value proposition to the market.

Human Resources Management

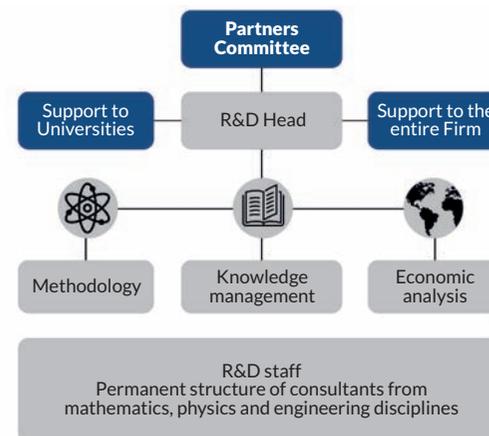
Our partnership model guarantees career progression that rewards individual merit for all our professionals.

Profitable growth



- ▶ Growth above 8%*
- ▶ Over three million consulting hours
- ▶ Increasing share of our key markets
- ▶ Organic and diversified growth
 - All types of clients
 - All countries
 - All industries
 - All service lines
- ▶ Preserving profitability versus volume
- ▶ Proactively managing inventories, billing and accounts receivable
- ▶ Compliance with the Y20 strategic plan

R&D&i innovation

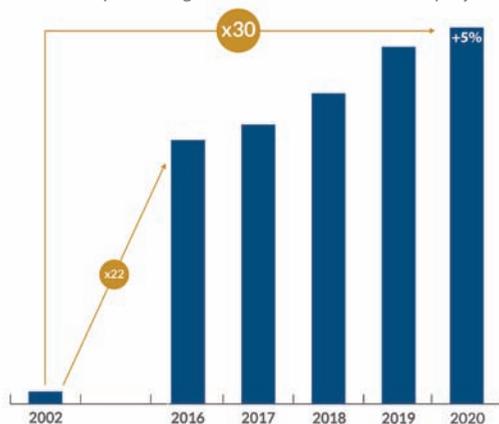


- ▶ Investment equivalent to 10% of the Firm's capacity
- ▶ Permanent structure formed of teams for:
 - Methodology (Innovation)
 - Knowledge management (Core Competencies, regulations, benchmarks, publications, training, etc.)
 - Economic outlook analysis
- ▶ Global coverage (all countries, industries and service lines)
- ▶ Regulatory hub in Frankfurt, seat of the ECB
- ▶ Joint Ventures with universities
- ▶ Global R&D Plan (more than 250 actions executed):
 - Methodology:
 - Developed the iDanae Chair for Big Data and Analytics (UPM)
 - Created the Social Impact Chair (U.P. Comillas) for ESG
 - Machine Learning Solutions (ModelCraft – Machine Learning – and Reputational Risk Management)
 - Collaborations in Artificial Intelligence value propositions (NLP, Anomaly, Speech, etc.)
 - Knowledge management:
 - Closely targeting of value propositions
 - Updated Training Plan (with a special focus on Big Data and Data Science)
 - Regulatory alerts service (through three channels: App, Web and Social Media)
 - Over 100 specialized publications (internal and external)
 - Economic analysis on 19 countries

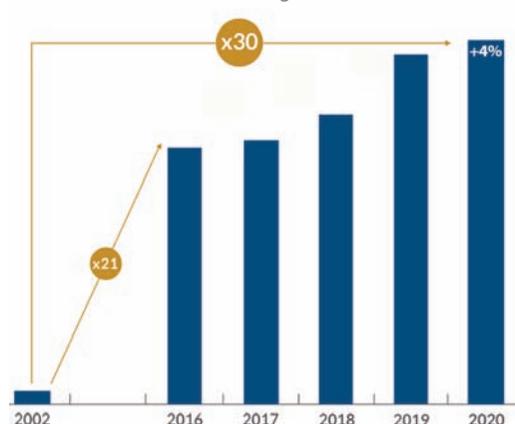
* Exceeding annual revenue of €290 million

Human Resources Management

Annual percentage increase in number of employees



Training hours



- ▶ Growing from the base, with over 500 recruits and 200 internships during the fiscal year
 - ▶ Merit-based promotion throughout the entire pyramid:
 - Top management reinforcement (12 new partners and 17 new directors)
 - Greater managerial capacity (85 new managers and supervisors)
 - Organic growth in the senior layer
 - ▶ Global pyramid management ("one team")
 - ▶ Excellence in recruitment (over 200,000 candidates analyzed)
 - ▶ Strengthening of University and Postgraduate links:
 - Presence in more than 300 European, American and Asian faculties
 - Over 200 collaboration agreements
 - Over 10 Final Year Awards and Sponsorships for Undergraduate and Master's students
 - Provision of training in several of the most prestigious universities in Europe and the Americas
 - ▶ Ongoing assessment process (with enhancement of management assessment programs)
 - ▶ Biannual mentoring program (aimed at aligning professionals' needs with the opportunities offered by the Firm)
- ▶ Emphasis on training:
 - Over 250,000 hours invested in training
 - Over 700 courses taught (120 new)
 - Continuously updated Training Plan:
 - Seventh intake of students for the Management Solutions – ICADE Business School Master's degree in Business Consulting in Spain
 - Fourth intake of students for the Monterrey Tech Diploma in Mexico
 - Advanced training program in partnership with INSPER in Brazil
 - e-Learning development (Moodle) for standard/voluntary training
 - External complement: focusing on the management team (CFA, FRM, PMP, CISA, ICAI-IC, etc.)

In 2020 we again exceeded the qualitative and quantitative objectives we set for ourselves

Communication and organizational flexibility

Communication

- ▶ Promoting the Management Solutions brand to our stakeholders.
- ▶ Sharing value-added content (specialized publications, regulatory analysis, economic outlook reports, etc.).
- ▶ Maintaining a presence in prestigious institutions for all our activity areas.
- ▶ Supporting the academic world through partnerships, internships and specialized courses.
- ▶ Acting as benefactors and sponsors in order to support culture, sports and the arts.
- ▶ Becoming involved with those most in need through community outreach initiatives within our scope of action.

Organizational flexibility

A fluid and continually adapting of organizational structure oriented towards value creation allows us to adequately respond to our high growth levels.

Communication



- ▶ Digital communication channels:
 - New content and services on our Intranet (with special focus on COVID-19)
 - Improved corporate website
 - Strengthening of our presence on social media (Instagram channel)
- ▶ Further specialist publications:
 - Publication of four white papers:
 - *Auto Machine Learning, towards models automation*
 - Managing climate change risks
 - COVID-19: proposals to ensure the continuity of operations
 - COVID-19: reactivation plan
 - Quarterly situational reports (64 reports)
 - Technical Notes and Regulatory Developments
- ▶ Enhanced presence in professional and supervisory forums
- ▶ More Social Action, patronage and sponsorship:
 - More than 50 community support activities organized by Management Solutions: Double your help against COVID-19, Solidarity Christmas, Charity race, blood donations, IT equipment donations, corporate volunteering, participation in charity sports events, etc.
- ▶ Partnerships with NGO's and foundations
- ▶ Joined the United Nations Global Compact
- ▶ More support to our Sports Clubs in all our offices:
 - Participation in sports tournaments
 - Implementation of corporate wellness apps

Organizational flexibility



- ▶ Enhanced internal corporate departments and functions:
 - Strengthening of functions structure and integration (Legal and Tax)
 - Implementation of the technological transformation plan:
 - Process digitation (Ticket app)
 - New apps (remote work, medical service, etc.)
 - Improvements in HR and Finance MIS
 - Exploitation of information in Big Data (credentials)
 - Opening of new offices in Copenhagen, Houston and San Jose, and refurbishing of our Buenos Aires office.
- ▶ Global control function (Internal Audit, Quality Plan and Compliance):
 - Internal Audit and QA reports (yearly, half-yearly, quarterly and monthly)
 - External Audit of Financial Statements (consolidated and individual)
 - External certification on Processes (ISO 9001)
 - External certification on Cybersecurity (ISO 27001)
 - External certification on Criminal Compliance regarding crime prevention (UNE19601)
 - External certification of our Business Continuity Management System (ISO22301)
 - Ongoing staff training on corporate policies



“In spite of the difficult context we find ourselves in since March, we have once again exceeded all the goals we set for the year”

We try to do well at what we do best: serve our clients with excellence. Once more, and facing a particularly complex and challenging environment, our results have been excellent this year, with growth above 8%.

The credit for this success undoubtedly goes to the extraordinary team of professionals that make up Management Solutions.

A talented team, with a strong analytical profile combined with deep knowledge of the business of the industries for which they work; multicultural (comprising more than 40 nationalities); young and well trained; ethical, responsible and committed.

As our motto dictates, we have made things happen one more year! And we have done so by building trust.

Ignacio Layo
Partner at Management Solutions

