



Fellowwind

MEANINGFUL CONNECTIONS

2022 CASE MATERIAL



CBS FINANCE
COMPETITION

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Storyline

In December 2019, FSN Capital Fund V, advised by FSN Capital Partners (“FSN”), signed agreements to acquire majority stakes in each of Fellowmind B.V, eCraft Oy and Orango AB, in order to merge the three and create a leading pan-European IT services group specialized in Microsoft’s full suite of cloud offerings. With the merger, the three companies joined forces under the Fellowmind umbrella (“Fellowmind” or “the Company”) led by group CEO Emiel Putman. Shortly after the merger in April 2020, Fellowmind entered Denmark through the acquisition of the leading Danish Microsoft partner, ProActive, bringing in valuable new expertise within digital workplace technology and managed services to the Fellowmind platform.

Fellowmind was already executing on an internationalization strategy through M&A, when the FSN deal team approached them. FSN had identified the enormous potential of Microsoft's new cloud offerings (Azure, Dynamics 365, Office 365 and the Power Platform) and saw a strong industrial logic in consolidating leading national Microsoft Partners under a joint European platform to offer best-in-class, next-generation technology to customers and exciting career opportunities to top talent. Today FSN and the board of directors hold ~57% of the combined company shareholding, with the remaining being owned by management and employees.

With a people-centric focus and a strong technical backbone, Fellowmind has continued its growth trajectory in collaboration with FSN. With a 15% organic pro forma topline growth from 2017-2021 and through a focused buy and build strategy - adding nine new Microsoft partners to the platform – Fellowmind has solidified its pan-European market position with strong local footprints in the Netherlands, Denmark, Sweden, Finland, Germany and Poland. Furthermore, Fellowmind has under FSN ownership invested heavily in the HQ function, to facilitate integration of the platform to achieve accelerated international collaboration and growth.

Driven by an ambitious management team and a vision to offer customers a more holistic and integrated approach to digital transformation, Fellowmind has also been on a continuous path to integrate the individual country businesses. This journey reached a new milestone on November 16th 2021, when all 12 business units in the six operating countries were renamed to Fellowmind – becoming one Fellowmind with integrated services across countries.

With the news of a now combined leading European Microsoft partner with +260 EURm in revenue, Fellowmind naturally caught attention in the European tech community but also from investors. With a holding period of only two years, FSN hadn't considered actively pursuing a sale of the company yet. However, in light of the hot tech market and the recent momentum for Fellowmind as a company, FSN was made to consider the option of early exit or bringing in another investor, after receiving several different inbounds from interested parties. After receiving two unsolicited indicative bids from potential investors, FSN finally decided to call for an extraordinary board meeting to discuss the options.

The bids

The two unsolicited indicative bids consist of the following:

- I. DTU Capital Partners offers to acquire 100% of the fully-diluted shares in Fellowmind on a cash and debt free basis (“Enterprise Value”) of 525 EURm
- II. KIRKBI offers to acquire 20% of the shares in Fellowmind for a consideration of 100 EURm based on an Enterprise Value of 500 EURm
 - In a minority sales, FSN would be the selling party and all shares would be taken out of FSN's current holding (57%) of the combined Fellowmind group.
 - The minority bid from KIRKBI will be contingent on the following minority rights:
 - Right to trigger an exit process from 2024
 - Right to appoint two board members and requirement of an independent chairman
 - Veto right on strategic direction
 - Veto right on future acquisitions exceeding EUR 5m in revenue
 - Tag-along right if FSN sells shares at a later stage

The board and FSN's decision

While the board and FSN both believe numerous growth and value creation opportunities are still highly feasible for Fellowmind in the near- and long-term, they are mindful of the current strong M&A interest in the industry and strong momentum for the Company. Hence the benefits of extracting further value creation must be weighed against the returns that can be locked in given the current bids. To make an informed decision, FSN and the board of Fellowmind have decided to hire CBS investment bank to act as advisors by answering the following:

Request for Proposal

Should FSN accept the offer from DTU Capital Partners of acquiring 100% of Fellowmind group at an Enterprise value of 525 EURm or should they partner with KIRKBI by selling a minority stake of 20% for 100 EURm. Alternatively, should FSN keep their full stake in the company aiming for an exit in 2024. What option would provide FSN with the most attractive returns and what are other key considerations to be made?

Your answer should be based on the following considerations/analyses

Strategic/commercial considerations

- Assessment of Fellowmind's growth and value creation potential till 2024 incl. strategic recommendations
 - Assessment of revenue and EBITDA growth potential and strategic recommendation for how Fellowmind can grow its current business
 - Note: Potential strategic considerations are presented later in the case material
 - Value creation potential from further operational improvements and synergies
 - Identification of relevant risks and sensitivities to the growth plan
 - Assessment of ESG related value creation potential and risks

Valuation and financial considerations

- A comprehensive valuation of Fellowmind including:
 - The advisor's view on whether the current bids represent a "fair market value"
 - Forecast P&L and cash flows from 2021-2024
 - The advisors view on an estimated "fair market value" in 2024

Exit and process considerations

- The advisors view on whether FSN should sell now or wait till 2024 including
 - Assessment of the pros and cons of a full divestment to DTU Capital Partners vs selling a minority stake (20%) to KIRKBI
 - The advisors view on potential exit routes in 2024 and assessment of the most likely buyers
- A time plan for the exit and DD process based on the recommended exit option

Governance, and legal consideration

- Governance and legal considerations to be included in the potential Share Purchase Agreement (SPA), based on your recommended strategy
 - In a minority sale, the advisor should assess how the minority rights granted to KIRKBI would affect FSN's ownership position and the advisor should further provide their recommendation on whether FSN should accept the terms outlined in KIRKBI's bid (see previous page), or make a counteroffer
 - The advisor should also include their recommendation on how voting rights should be divided and how this would affect FSN's current majority owner position from a governance perspective

It is up to the advisor to decide to which degree the above analyses and considerations should be included in your final presentation. In deciding which advisors will be invited to present in the final round, the proposals will be evaluated along five criteria with the following indicative weights:

- Commercial Strategy (25%)
- Valuation (25%)
- Exit and process considerations (15%)
- Governance and Legal (20%)
- Quality of Solution (15%)
 - The visual appeal of the presentation
 - A convincing, clear-cut, and to-the-point storyline

Your final hand in should include:

- Slide deck presenting your answer to the question and supporting analyses
- Memo of maximum 1 A4 page, summarizing your answer and supporting arguments and key observations

Disclaimer: This document is intended for educational purposes only. The information contained herein is not intended to reflect an accurate or complete representation of the financial, legal or commercial facts pertaining to Fellowmind. FSN and Fellowmind do not make any representations to the accuracy of this document and do not accept responsibility for the information set out in the document. This document may not be reproduced, distributed or published outside the context of the CBS Finance Competition without the prior consent of FSN

Timetable

| Step | Deadline |
|--|--|
| Delivery of tender material (case launch) | September 23rd, 2022, 4:00 PM |
| Delivery of proposal (hand-in of slide deck and memo) | September 25 th , 2022, 4:00 PM |
| Declaration of the advisor teams that have been chosen to proceed to the semi-finals | September 26th, 2022, Around 9 PM |
| Semi-finals presentations | September 29th, 2022, 8:45 AM |
| Declaration of the advisor teams that have been chosen to proceed to the grand final (3 teams) | September 29th, 2022, Around 11:30 AM |
| Grand Final | September 29th, 2022, 5:30 PM |
| Appointment of Advisor (winning team) | September 29th, 2022, Around 8:30 PM |





Case introduction

Glossary

| Technical term | Explanation |
|------------------|---|
| BI/analytics | Business Intelligence technologies used by enterprises for the data analysis of business information |
| Cloud | On-demand availability of computing resources (data storage, computing power and software applications), without active local management by the user. Public cloud resides in the provider's data center. Private cloud resides in a client's hosted data center. |
| CRM | Customer Resource Management, software covering applications designed to manage customer and stakeholder data and interactions |
| CSP | Cloud Service Provider, companies providing access to SaaS solutions via a remote, public server |
| C&SI | Consulting and Systems Integration |
| ERP | Enterprise Resource Planning, software used by organizations to manage day-to-day business activities |
| HRM | Human Resource Management, software used by organizations to manage their human resource needs |
| Inner Circle | A sparring panel between MS and the top 1% MS Dynamics partners world-wide measured by revenue and technology leadership |
| IaaS | Infrastructure as a Service, a cloud delivery model paid on subscription which, similar to SaaS, removes servers, hard drives, networking and storage infrastructure from the local site of the client. However, unlike SaaS, the client is responsible for managing certain aspects such as updating of applications, runtime and middleware. Is used for customers who wish higher degrees of customization and control |
| ISV | Independent software vendor. Software developed on top of an existing larger software platform, such as MS D365 |
| Managed services | Complete handling of customer IT infrastructure and digital platforms through an outsourced IT-package and experienced IT management and support |
| Modern Workplace | Operational setup utilizing Modern Workplace technology to harness the power of Cloud and enable employees to collaborate, work smarter and be more productive. |
| MS D365 | Microsoft's cloud software platform delivered as SaaS, encompassing ERP, CRM, BI, and Azure products |
| On-premise | (Also referred to as "On-prem") Software is installed and runs on servers and computers on the premises of the client using the software. Clients pay upfront and outright for the right to use on-premise ERP software in perpetuity. |
| PaaS | Platform as a service is a cloud delivery model paid on subscription, similar to IaaS and SaaS. It builds on top of the IaaS model and allows customers to outsource further aspects such as databases and operating systems. As opposed to the SaaS model, this deployment model enables customers to manage applications themselves. |
| SaaS | Software as a Service, a cloud delivery model paid on subscription, in which the client outsources management of all hardware and software infrastructure including ongoing maintenance and operations of applications, runtime and middleware. |
| SI | System Integrators, partners advising, implementing and managing software for end-customers on behalf of software vendors |
| SLA | Service-Level agreement |
| SMEs | Micro, small and medium sized enterprises with less than 250 employees and less than EUR 50m of annual revenue |



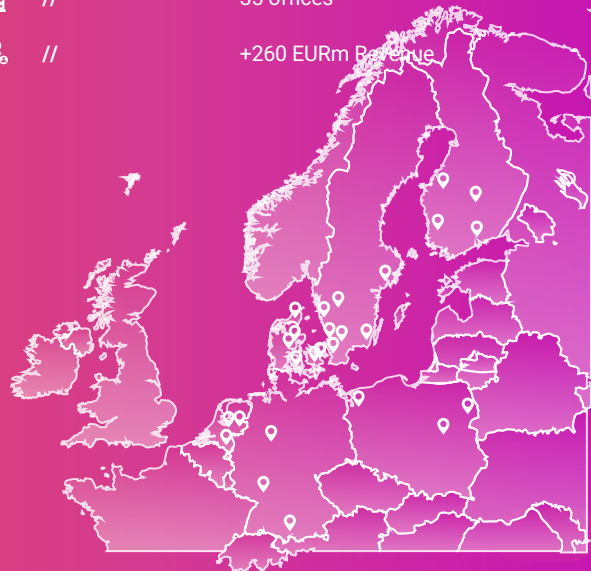
Fellowmind at a glance

- Dedicated to delivering successful digital transformations, utilizing Microsoft's full suite of cloud offerings (Azure, Microsoft Dynamics 365, Power BI and Office 365)
- Has been part of Microsoft's inner circle since 2011 (select group of top 1% best performing Microsoft partners worldwide)
- Wide client portfolio across industry verticals such as Manufacturing, Financial services, Public sector, Healthcare, Retail
- Culture built on putting people first

| | | |
|---|----|-------------------|
|  | // | ~1,875 fellows |
|  | // | 6 countries |
|  | // | 35 offices |
|  | // | +260 EURm Revenue |

Selected customers

| | | | |
|---|---|---|---|
|  |  |  |  |
| Fellowmind Germany & Netherlands Customer Engagement | Fellowmind Denmark, Sweden, Finland & Poland | Fellowmind Sweden Optimize Operations | Fellowmind Poland & Denmark Modern Workplace |
|  |  |  |  |
| Fellowmind Sweden Data & AI | Fellowmind Sweden Customer Engagement | Fellowmind Netherlands Customer Engagement | Fellowmind Finland & Sweden Customer Engagement |



Introduction to Fellowmind

Fellowmind is a pan-European IT-services firm focusing on consulting, implementing and managing services around Microsoft’s Cloud infrastructure and security (Azure), Business Applications (Dynamics 365 spanning ERP and CRM solutions), Modern workplace (Office 365, SharePoint and Teams) and Business Intelligence (Power Platform). Fellowmind is a leading Microsoft partner on a European scale with ~80% of its revenue related to Microsoft technology through software licensing fees and related implementation, consulting and managed services.

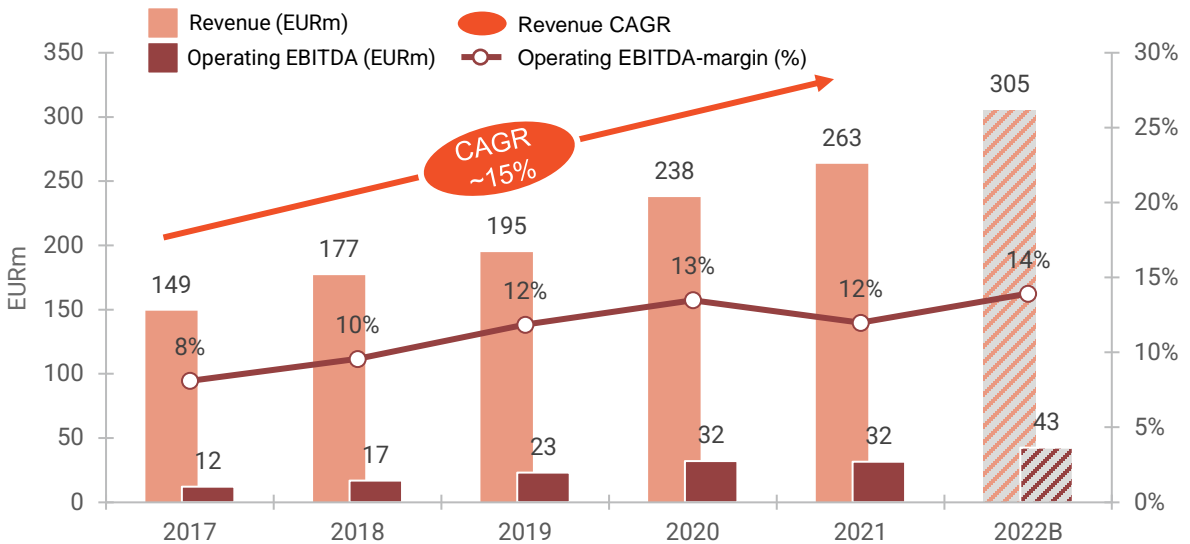
With a workforce of ~1,875 employees, referred to as “Fellows”, Fellowmind covers a broad range of IT expertise. Fellowmind operates as a “one stop IT-provider” to its customers, offering local expertise, sector specialization and market knowledge paired with in-depth expertise on Microsoft’s technologies. Fellowmind serves both public institutions (e.g., the Danish municipalities) as well global companies (e.g., Vestas) and SME’s (e.g., Søstrene Grene) – hence combining a strong local presence with a cross-border European platform.

Fellowmind’s mission is to create digital connected companies, by facilitating both technological and people transformations, teaching employees how to work with and adapt to next-generation technology. With a joined technology and people focus, Fellowmind aims to deliver holistic digital transformation to customers, facilitating operational efficiency and long-term competitive advantages.

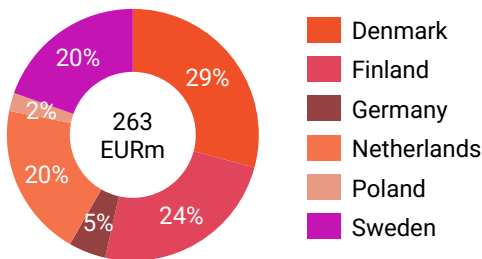
Fellowmind is headquartered in Barneveld, Netherlands, and is present in countries; the Netherlands, Denmark, Sweden, Germany, Finland and Poland.

Through ~15% organic pro forma revenue CAGR (2017-2021) and strategic M&A, Fellowmind has grown to be a +260 EURm pan-European IT services company. Furthermore, the company has increased its operating EBITDA-margin from 8% to 12%, through operating leverage, cross-border collaboration and revenue synergies.

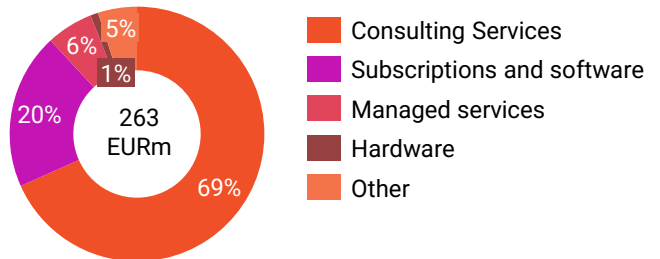
Fellowmind, consolidated proforma financials



Fellowmind, sales per country in 2021



Fellowmind, sales per service in 2021



Fellowmind management team

Group management team



Emiel Putman
CEO

- Experience: Founder and CEO of Fellowmind
- Education: Technical Management and Business Adm., University of Twente



Bert Koorn
CFO

- Experience: Continental Europe CFO ERIKS,
- Education: MSc in Applied Earth Sciences/Geophysics, Technische Universiteit Delft



Max Sejbæk
Regional Director DK & GE

- Experience: Founder and CEO of ProActive
- Education: MSc in International Business, Aalborg University



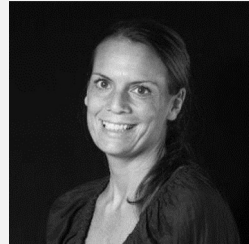
Ville Hemmilä
Regional Director FI & PL

- Experience: CEO of eCraft
- Education: MSc in Industrial Engineering and Management, LUT University



Ernst-Jan Stigter
Regional Director NL

- Experience: CEO Microsoft Netherlands
- Education: OSG Walburg



Anna Kleine
Regional Director SE

- Experience: CEO of Orango
- Education: BSc in Information Technology, Lund University



Marjolein Wehrmeijer
Group HR

- Experience: VP HR Central and Southern Europe and HQ, Unit4
- Education: MSc in Organizational and Personality Psychology



Debbie Alders
Group Strategy Director

- Experience: >8 years with FM, Program manager, NIBC Bank
- Education: MSc Public Administration, Erasmus University Rotterdam

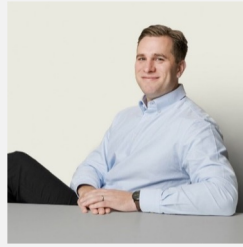
Fellowmind board of directors

Board of directors



Theo Rinsema
Chairman

- Experience: General Manager Microsoft Western Europe
- Education: Singularity University, INSEAD



Marcus Egelstig
Board member

- Experience: Partner FSN, >11Y with FSN, KPMG
- Education: Gothenburg School of Economics and Commercial Law



Nicholas Hjorth
Board member

- Experience: Director FSN, >5Y with FSN, Morgan Stanley
- Education: MSc in Finance and Strategic Management, Columbia University



Preben Damgaard
Board member

- Experience: Co-founder Navision, VC investor and business angle
- Education: BSc in Business Administration, CBS and INSEAD



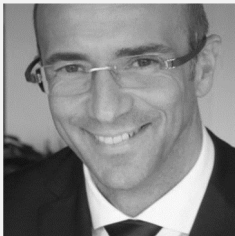
Ronny Roos
Board member

- Experience: CEO of Orango and several board positions
- Education: MSc in Accounting and Finance, Lund University



Bo-Erik Ekström
Board member

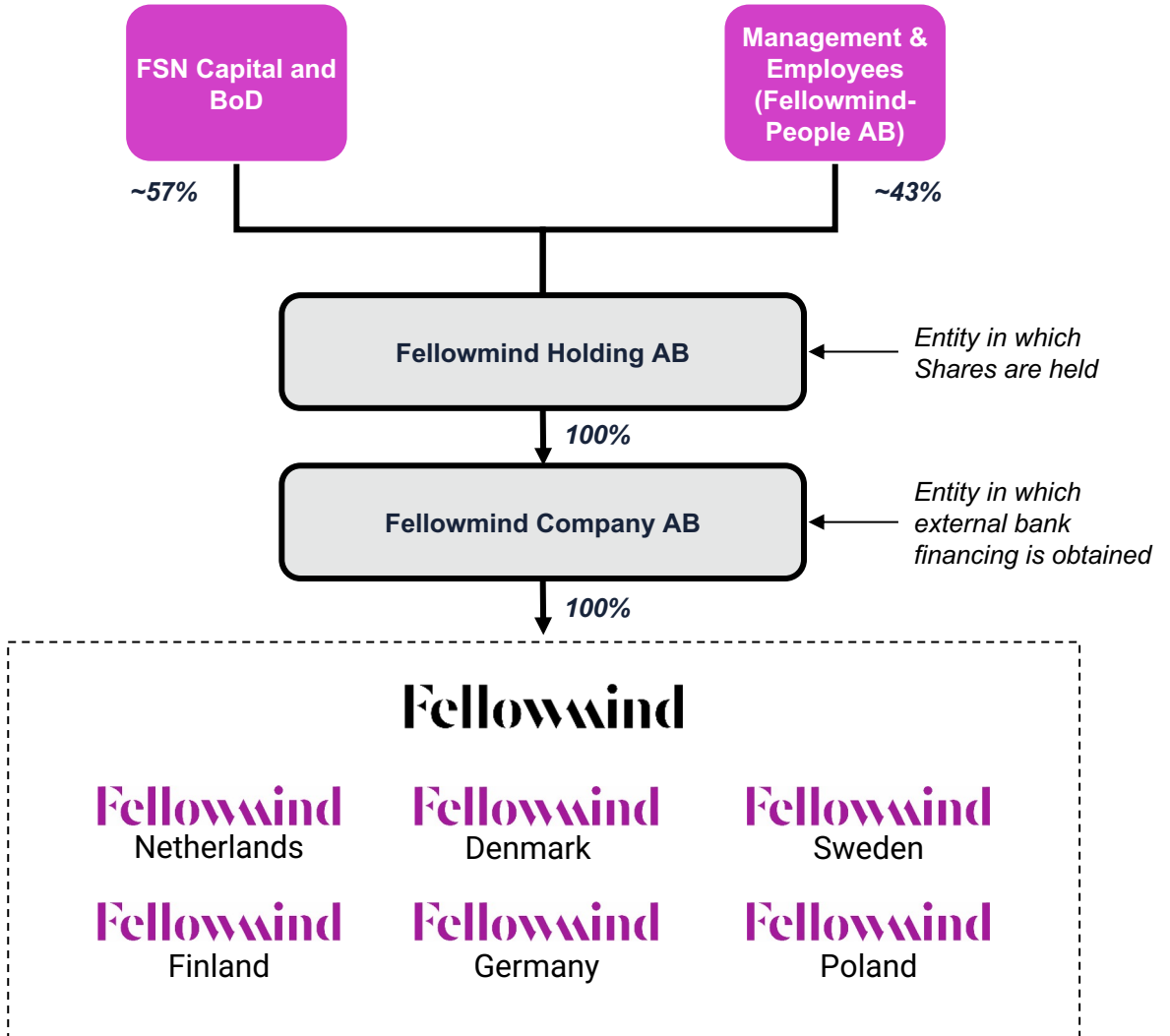
- Experience: Board member and investor of eCraft, Accenture and several board positions
- Education: MSc in Accounting and Finance, Lund University



Vladan Jankovic
Board member

- Experience: CFO Eneco eMobility, CFO Optisport and several board positions
- Education: MSc in Accounting and Finance, Lund University

Ownership and group structure



History of Fellowmind

In 2005, Emiel Putman founded Fellowmind, a Dutch IT services company with its roots in Customer Relationship Management (CRM). Over the years, Fellowmind Netherlands expanded into other areas of expertise, including Enterprise Resource Planning (ERP) and Modern Workplace (SharePoint, Office 365 and Teams). In addition to the IT services platform, Fellowmind also started to offer its own proprietary software when it acquired AXtension in 2007. AXtension is a pure software company, operating as an independent Software Vendor (ISV), providing cloud-based software, tailored for specific business needs.

Leveraging on its strong local footprints in the Netherlands, Fellowmind prepared for international expansion, by establishing a lean and scalable HQ, focusing on central functions surrounding management of Microsoft subscriptions, HR, Branding, Legal and Strategic M&A. Equipped with a scalable business model, Fellowmind executed on an internationalization strategy through M&A, expanding into new geographies and areas of expertise (ERP and Modern Workplace), even prior to the FSN partnership

"Our strategic vision is to deploy a balanced portfolio of Microsoft Business Applications and Digital Workplace technology ..."

- Emiel Putman, CEO Fellowmind

When FSN Partnered with Fellowmind back in 2019, the European IT services industry was already growing at attractive rates driven by strong underlying mega-trends. FSN furthermore recognized the enormous potential of Microsoft's new cloud offering and saw an opportunity to take leadership in the consolidation of the Microsoft partner landscape, which Microsoft has a strategic interest in seeing grow and strengthen. This led to FSN investing in Fellowmind in December 2019 and simultaneously merging three leading Microsoft Partners; Fellowmind (HQ in NL), Orango (HQ in SE) and eCraft (HQ in FI). The investment thesis was to create the leading European Group specialized in Microsoft Business applications and Digital Workplace.

"We've noticed the increasing demand of customers for a more integrated approach to their digital transformation. Thanks to the merger with eCraft and Orango, we are now better able to lead our international customers on their journey into digital transformation. We are delighted to have found FSN as a strategic partner for enabling our future growth. They understand our market and share the belief of putting people at heart"

- Emiel Putman, CEO of Fellowmind



Journey of One Fellowmind

The merger of the three companies; Fellowmind, eCraft and Orango, in 2019 constituted a new chapter in Fellowmind’s journey of becoming a leading pan-European IT services firm. The merger of the three companies not only provided customers with a full-service portfolio of Microsoft Applications technology but also facilitated learning and knowledge sharing across markets and businesses with complementary core competencies.

“By combining our strengths, we firmly believe that we can bring our holistic offering to our customers and serve them even better”

- Emiel Putman, CEO Fellowmind

Building on Fellowmind’s strong local footprints in Netherlands, Sweden and Finland, FSN set to work on a buy and build strategy across new markets and industry verticals, while continuously enhancing connectedness and integration between the individual country operations. Shortly after the merger, the Denmark based Microsoft partner ProActive joined the Fellowmind platform in April 2020. This addition to the Fellowmind platform not only represented a geographic expansion into a large and tech-savvy Microsoft market but also brought expertise within the field of Microsoft’s Modern Workplace and managed services – meaning the ability to provide customers with 24/7 operational reliability, continuous maintenance, ongoing cybersecurity and optimization of software subscription payments – thus, bringing Fellowmind’s service portfolio to the next level and increasing recurring revenue.




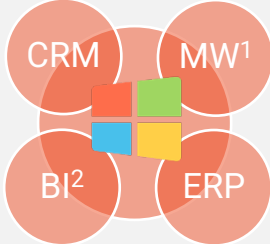
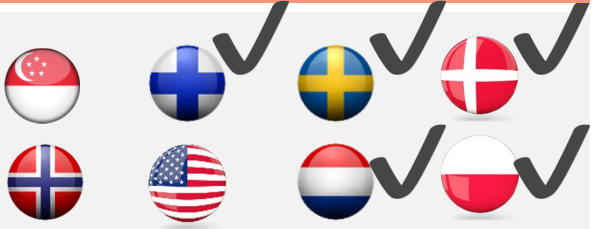
“We cherish the journey we have been taking so far, in our desire to step-up our game, we came across Fellowmind. In our conversations, we were convinced by the similarities in values, energy and ambition... The needs of our customers are becoming increasingly more complex. Joining Fellowmind and being able to extend our range of services is a perfect answer to this.”

- Max Sejbæk, ProActive founder










During the period from 2019 to 2021, Fellowmind has expanded both geographically and across industry verticals and is currently present in some of the most tech-savvy countries in the world, which offers an attractive platform from which to expand into new regions. Fellowmind has been on a journey of becoming a connected company itself, to be able to offer its customers with an integrated approach to digital transformation. Through regional integrations and further M&A, Fellowmind has come a long way to harmonize and increase collaboration and connectivity across its regional divisions and has as of 16th November 2021, successfully combined the strength of twelve European Microsoft Partners under one brand, as all twelve businesses changed name to “Fellowmind”. The financial performance has improved along the way since 2017. The red-thread and uniqueness in Fellowmind’s delivery model is a strong focus on driving higher implementation success and user adoption through the delivery model, and ultimately achieve higher customer satisfaction and ability to serve customers over the entire span of their digitalization journey, from one project to the next.

“In our desire to broaden our digital transformation services for our customers, we are now moving forward by integrating our service offering and brand name. Our promise is about people as much as it is about technology. On the tech side, we offer dedicated expertise and modular business solutions to engage our customers’ full digital transformation. Focusing on the core services in data and digital platforms, from Optimized Operations, Customer Engagement, Modern Work, Security, and Cloud Infrastructure to Data Analytics and AI. On the human side, we help to ensure that people adopt and enjoy working with technology. With a holistic approach, we help transform businesses for a digital era in which people are at heart, making use of technology that works for them.”

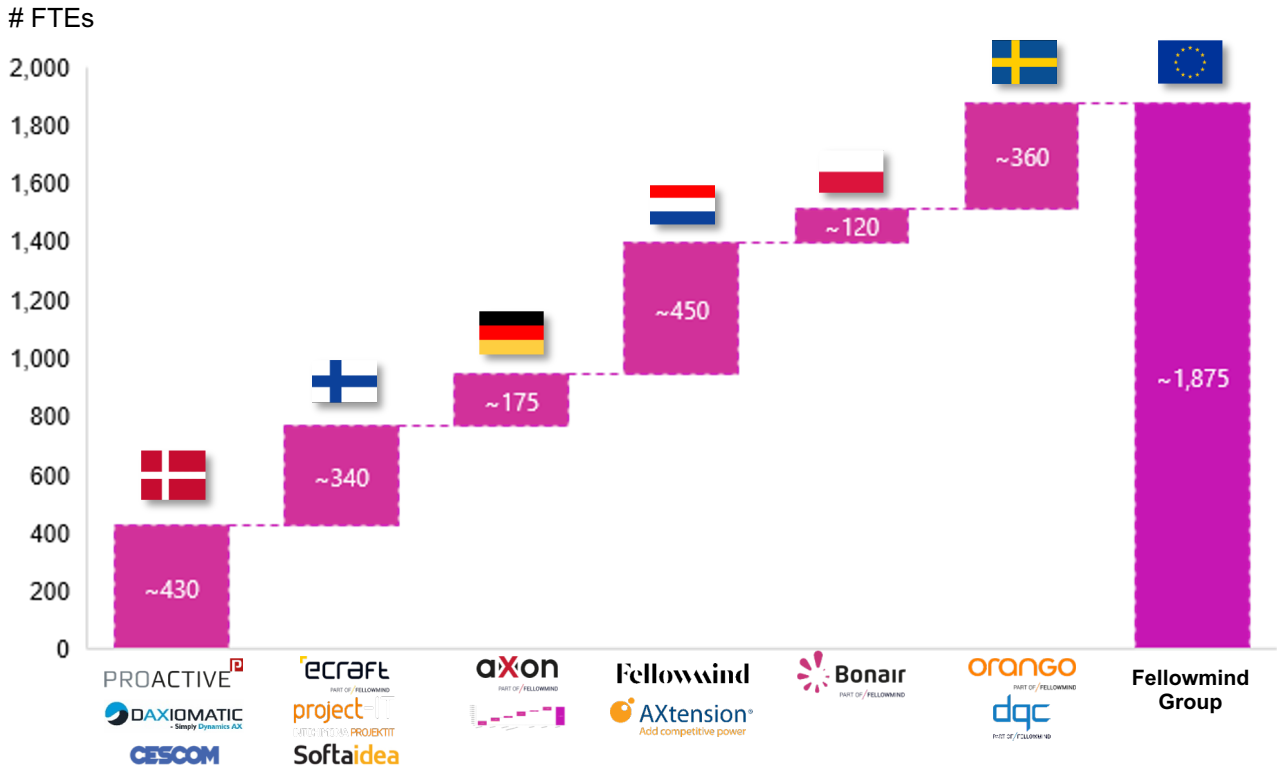
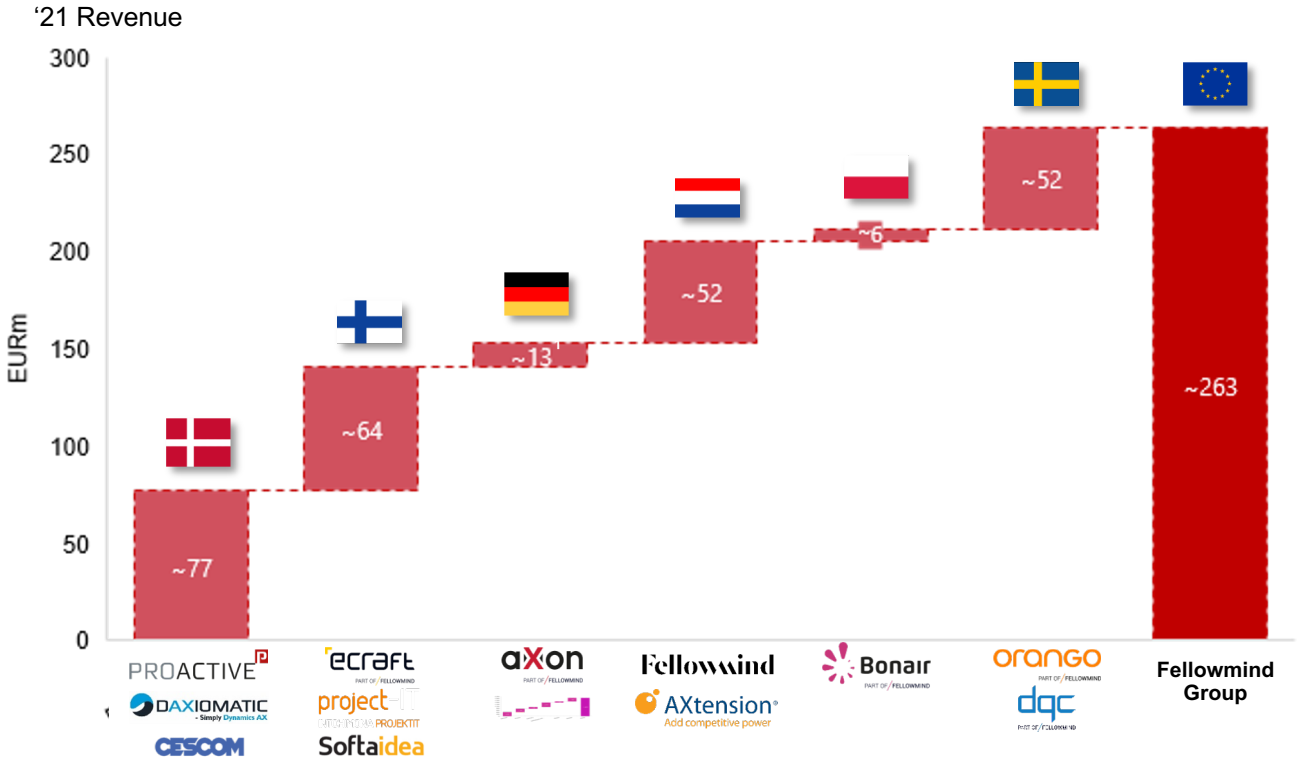
- Emiel Putman, CEO of Fellowmind

| Full platform toolbox offered to all customers | Roots in 5 of the 8 most digitally savvy economies |
|--|--|
|     <p>1) Modern Workplace 2) Business Intelligence</p> |  <p><i>By World Economic Forum and Harvard Business School</i></p> |

Acquisitions during FSN ownership

| Date | Acquisition | Description | Quotes |
|---------|--|---|---|
| Apr '20 |  <p>PROACTIVE PART OF FELLOWMIND</p> | ProActive is a Denmark-based Microsoft partner best-known for its work for Danish and global customers - such as Vestas, ISS and Danish Defense. ProActive team is the first organization with digital workplace technology expertise to join the Fellow mind platform. | "We cherish the journey we have been taking so far, in our desire to step-up our game, we came across Fellow mind. In our conversations, we were convinced by the similarities in values, energy and ambition" - ProActive founder Max Sejbæk. |
| Jul '20 |  <p>Bonair PART OF FELLOWMIND</p> | Bonair is a specialist in Microsoft Dynamics 365. The addition of Bonair is a logical next step for Fellow mind towards fulfilling the ambition to become the European leader in the Microsoft Business Applications and Modern Workplace landscape. | "Poland is known as one of Europe's most emerging digital economies. With Bonair as part of Fellow mind, we are at the forefront of digital transformation." - Emiel Putman, founder and CEO of Fellow mind. |
| Sep '20 |  <p>axon PART OF FELLOWMIND</p> | Axon is a Modern Workplace specialist. The addition strengthens Fellow mind's leading position in the field of Microsoft Business Applications and Digital Workplace. | "We've noticed the increasing demand of customers for a more integrated approach to their digital transformation. The acquisition of axon gives us the opportunity to share and expand their knowledge of Digital Workplace technologies and simultaneously intensify our footprint in the German market" - Emiel Putman, founder and CEO of Fellow mind |
| Nov '20 |  <p>dqc PART OF FELLOWMIND</p> | Sweden-based modern workplace agency, DQC, joins Fellow mind, growing Fellow mind's presence in Sweden significantly alongside the other business units in Sweden, Orango and Endeavor. | "DQC has built a strong team of great consultants and tech experts that bring the energy and entrepreneurship we are looking for on a local level" - Anna Kleine, Regional Director Sweden |
| Dec '20 |  <p>DAXIOMATIC PART OF FELLOWMIND</p> | Danish Daxiomatic, a leading Microsoft Dynamics 365 partner, joins Fellow mind and strengthens Fellow mind's service offering to match client demands regarding their finance and operations processes. | "As founder of ProActive, I have already experienced the benefits of being part of a larger platform and being able to build better solutions with the help of a wide base of specialists. Daxiomatic feels like a perfect fit in terms of our shared people centric approach, values and high standards..." - Max Sejbæk, Regional Director Denmark at Fellow mind |
| Dec '20 |  <p>Softaidea</p> | Finland-based analytics and business intelligence consultancy company Softaidea joins Fellow mind to further strengthen and grow Fellow mind's data and analytics business in Finland. | "Softaidea is a great match to our current data and analytics business with their top experts and excellent level of customer satisfaction. We are looking to rapidly expand our business here in Finland, both organically and through acquisitions..." - Ville Hemmilä, Regional Director Finland |
| Jun '21 |  <p>project-IT PROJEKTIIT</p> | Project IT, a Finnish IT consulting company specialized in project management, test management and IT architecture, joins Fellow mind and strengthens its holistic offering in Finland, one of the leading countries in the diffusion and use of digital technologies. | "With the acquisition of Project-IT we are able to grow our advisory services in Finland which helps to better service customers and strengthen our holistic offering" - Emiel Putman, CEO of Fellow mind |
| Nov '21 |  <p>CESCOM IT'S IN THE CLOUD</p> | Danish CESCO, a leading Microsoft partner for Cloud and Security Infrastructure, joins Fellow mind Denmark and enables Fellow mind Denmark to better offer an integrated approach to its customers' digital transformation journey. | "With the addition of CESCO's Managed Services capabilities to our services portfolio, we are now able to bring a sustainable offering to support our customers in their digital transformation journey." - Emiel Putman, CEO of Fellow mind |
| Dec '21 |  <p>app/labs</p> | Applabs, a Microsoft partner for ERP and Document Management Systems in Germany has established itself as one of the challengers in the German Microsoft landscape. Through this acquisition, Fellow mind expands its offering and presence in the German market. | "With the knowledge and capabilities around ERP processes of Applabs, we are now better able to support our customers in Germany with an integrated approach to digital transformation..." - Adelhard Türling, CEO at Fellow mind Germany |

Revenue and FTE proforma split



Notes: 1) Does not include App/labs acquired in December 2021. App/labs '21 revenue amounted to 5.9 EURm.

FSN Partnership & Fellowmind

FSN is a leading Northern European Private Equity fund with offices in Copenhagen, Oslo, Stockholm and Munich. FSN is primarily focused on majority control investments in Northern European growth companies. With + EUR 2bn assets under management (AUM), FSN holds an impressive track-record of partnering with companies and transforming businesses through active value creation. Environmental, Social and Governance (ESG) is also a core part of FSN Capital's value creation approach. FSN has a historic strong focus on ESG, initiated by a clear dedication to create a good return to its investors in a responsible and sustainable manner.

Due to a strong investment focus on technology and IT services as well as a successful track record in buy and build driven investment cases together with founders, FSN was naturally excited about the opportunity to invest in Fellowmind and support them on a pan-European consolidation journey.

Two trends in particular were the driving forces behind FSN's decision to contact Fellowmind and the subsequent decision to finalize the investment in December 2019:

Firstly, FSN had spotted underlying attractive megatrends in the European IT services industry including I) rising corporate and public demand for cloud-based software solutions that increase productivity and competitive advantage, II) increased Software as a Service (SaaS) market penetration and III) rapid development of new software applications causing a need for advisory and implementation services from IT and consulting firms.

Secondly, FSN identified the strong industrial logic in consolidating leading national Microsoft Partners under a joint European platform to provide customers with a more holistic and integrated approach to digital transformation spanning all aspects of what Microsoft's winning software has to offer.

On top of this, FSN was also impressed by Fellowmind's culture of combining next-generation technical capabilities with a people-centric approach to driving successful IT implementations. FSN also recognized a tangible value creation opportunity in deploying their M&A expertise to help Fellowmind accelerate their expansion and consolidation journey.

"We strongly believe, we are building a unique platform. One that has people at heart and has a clear focus on their future together. We are impressed by the strong market position and unique and complementary competences of each of the platform companies and we are certain that this merger will result in an even stronger offering to employees, customers and technology partners. We are excited to start working with the leadership team and to support future growth plans, including additional strategic M&A"

- Marcus Egelstig, Partner at FSN Capital Partners

Examples of FSNs investment track record in Denmark



FSN at a Glance

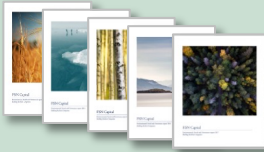
FSN Capital in brief

- Founded in 1999 in Oslo, Norway
- Offices in Copenhagen, Oslo, Stockholm and München
- 69 employees
- +45 platform investments to date and + 175 add-on acquisitions
- ~3.0x ROI and ~36% Gross IRR since inception



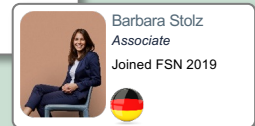
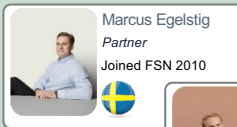
Leading ESG efforts

- Founding partner of PRI
- Winner of the 2017 Corporate Citizenship Award at the European Private Equity Awards for efforts to produce annual ESG reports with ESG KPIs on portfolio companies and FSN

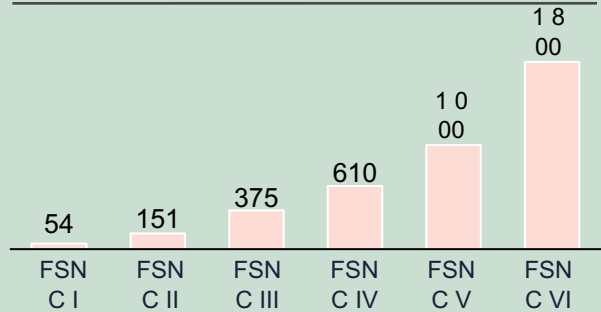


Signatory of
PRI Principles for Responsible Investment

FSN team members involved in Fellowmind



Fund size development (EURm)



Introduction to the bidders

DTU Capital Partners is an international Private Equity Fund focused on mid-to large sized majority investments in Europe. The fund has an exclusive focus on tech companies, historically mainly focused on hardware producers, including physical server and data storage products, network infrastructure elements and computer equipment.

However, in recent years DTU Capital Partners has started to shift focus towards software and IT services companies, given recent market developments and with a motivation to diversify their portfolio holding. In their sourcing efforts, they came about Fellowmind already back in 2020, when the companies had just been acquired and merged by FSN. After monitoring the company performance and development as well as industry trends, they finally decided to contact FSN in late 2021, leading to them placing their indicative bid in early 2022.



KIRKBI is the Kirk Kristiansen family's private holding and investment company, founded to build a sustainable future for the family ownership of the LEGO® Brand through generations. The purpose of KIRKBI's investment portfolio is to deliver long-term growth of capital through attractive risk-adjusted returns on investments while contributing to a sustainable development in the World.

Long-Term Equity

A core part of KIRKBI's investment strategy is long-term equity investments, where KIRKBI acquire significant minority stakes in high-quality North European companies, with potential for long-term growth and value creation.

KIRKBI is focused on sustainable growth and aim to exercise real influence and drive key active ownership topics of; corporate strategic development, corporate governance and sustainability while also ensuring financial discipline.

The minority investment strategy gives KIRKBI the flexibility to be involved in many different situations or investment constellations. This could be a private company owner seeking additional competencies or funding. A different situation might be KIRKBI acting as a trusted partner to another PE fund, by working closely together on the value creation agenda while offering the PE fund the possibility to decrease their monetary exposure to the specific investment.

KIRKBI and FSN have a good partnership track-record, including collaborations on Fitness World and Huscompagniet, where KIRKBI acquired stakes from FSN during their holding period. In addition to competencies and capital, KIRKBI also offers an attractive value proposition if an exit is pursued by other owners, as KIRKBI can remain a shareholder in the new ownership constellation. This increases the flexibility in M&A processes and contributes to increased credibility for a company in an IPO, where KIRKBI can remain as a cornerstone investor.

The investment mandate consequently allows KIRKBI to play a role in the listed space, where the shareholder base of listed companies often is dispersed, providing a larger minority shareholder with the opportunity to have a real influence on the strategic direction and value creation agenda of the company.

As a minority investor, all KIRKBI's investments require some form of partnership, which is why effective governance structures are essential for KIRKBI to ensure sufficient focus on value creation.





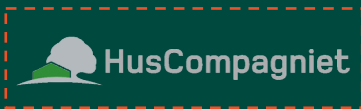
KIRKBI at a glance

KIRKBI in brief

- Headquartered in Billund with offices in Copenhagen and Baar (Switzerland)
- Approximately 200 FTEs across the KIRKBI organisation
- KIRKBI's purpose is to build a sustainable future for the family ownership of the LEGO brand through generation
- Strong focus on partnerships and active ownership through good governance
- Investment activities include a portfolio of approximately DKK 100bn divided into two areas:
 - **Core Capital**
Investments in Public and Private Equity, Real Estate and Fixed Income
 - **Thematic Capital**
Investments in Energy Transition, Circular Plastics, Land Sustainability and Building Billund

Selected previous investment and current investments

 Investment made in collaboration with FSN

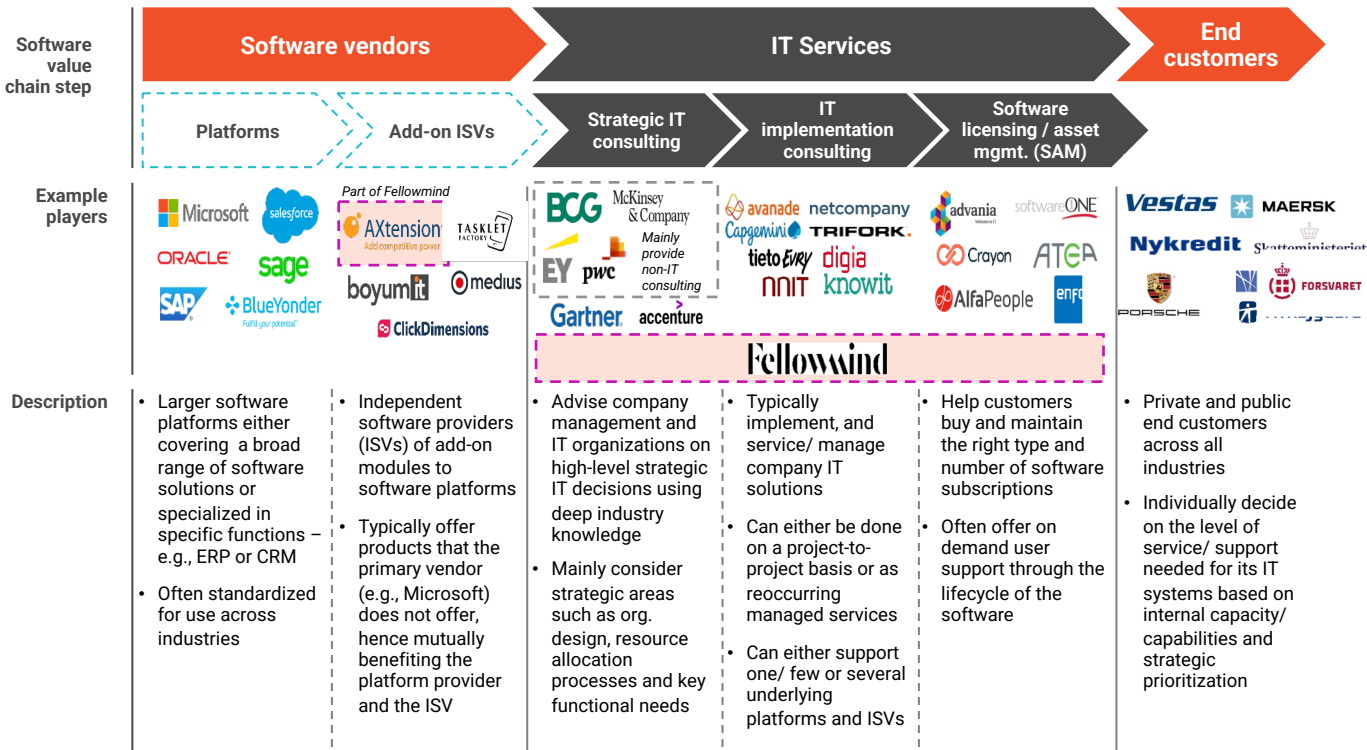


Internal Analysis

Value chain

Fellowmind is operating in the software value chain, offering both licensing and implementation of third-party software (Microsoft), general IT-consulting services as well as own proprietary software (AXtension) to provide companies with holistic IT-solutions and digital transformations

Note: Logos shown in each value chain sub-step does not necessarily only offer specific sub-step services



When looking at the full value chain from software development to end user application, the software value chain can be split into software vendors and IT services companies, which provide the final software solutions to the end customer.

IT services companies, often referred to as partners, typically span across multiple sub-steps in the value chain – primarily IT implementation consulting and licensing as well as data and cloud management services. IT services companies can (like Fellowmind) also integrate backwards by offering their own proprietary software modules either developed internally or acquired.

Some IT services companies specialize in one underlying platform (e.g. Microsoft) whereas others offer several underlying platforms and ISVs through partnerships with the individual software vendors. Fellowmind focused primarily on Microsoft which leads to a strengthened relationship, preferred access to information about the newest technologies and joint sales and marketing efforts.

The key IT services company value proposition is centered around supporting companies throughout the IT lifecycle and their digital transformation journeys - providing access to local expertise and market knowledge and outsourcing of non-core IT functions. At the same time, software vendors benefit from having a partner network. As this enables the software vendors to reach a broader customer base and to ensure optimal utilisation of their software offerings, by having qualified experts convey and implement the full value proposition of the product to the end customer.

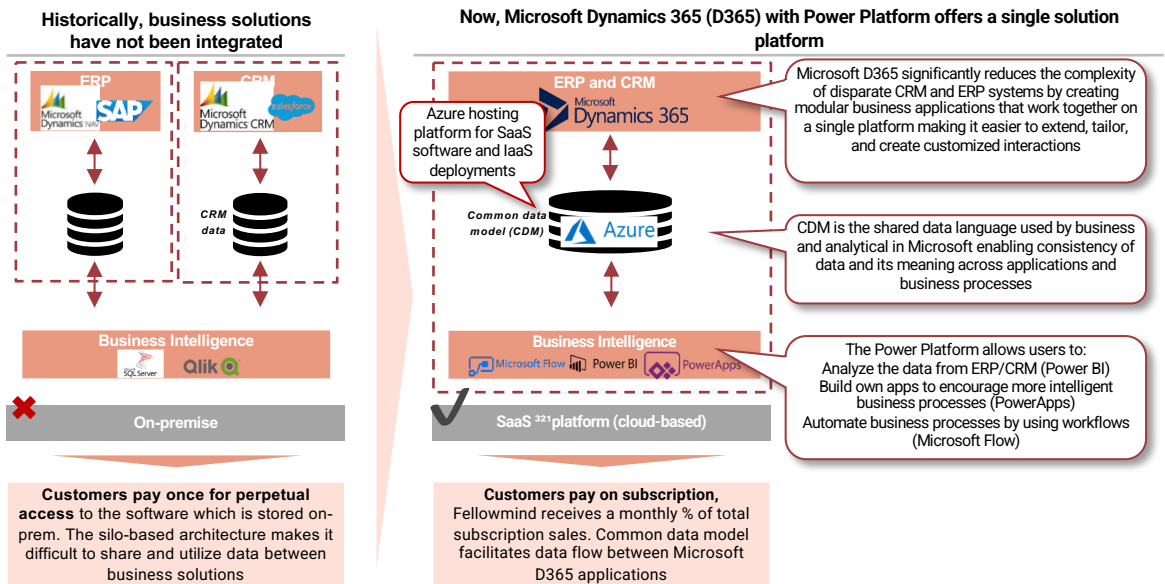
Service description

Fellowmind provides software service solutions through value added reselling of Microsoft’s product offering by providing, consulting, implementation and full management of IT services around Microsoft’s ecosystem spanning:

- Cloud infrastructure and security (Azure)
- Business Applications (including Dynamics 365 spanning ERP and CRM)
- Business Intelligence and low-code / no-code solutions (Power Platform)
- Modern workplace (Office 365, SharePoint and Teams).

Fellowmind’s industry specific solutions, IT know-how, templates and apps help accelerate digital transformation within various industries, including automotive, manufacturing, government, food & agriculture, energy, machinery & equipment, financial services, wholesale & trade and healthcare.

Previously, business software solutions have not been integrated (separate CRM and ERP systems) but have rather been offered in a silo-based architecture, making it difficult to share and utilize data between applications. With Microsoft Power Platform, consisting of Microsoft Flow, Power BI and PowerApps, Microsoft Dynamics 365 offers a single solution platform that enables data sharing and utilization between business solutions. This is possible, as the D365 Business Applications platform is connected through Microsoft’s cloud offering Azure as well as Microsoft’s BI solution (Power BI and Power Apps).





OUR VISION

Making people enjoy working with technology and making technology work for them

Technology connects, people create meaning

As a leading European Microsoft partner, Fellowmind is able to offer holistic digital business transformation, by both facilitating the technological and the people transformation to create truly connected companies. By teaching employees how to integrate and adapt to working with technology in their workflows and by making people enjoy working with technology, Fellowmind can drive sustainable digital transformations to both small and large organizations.

"In our experience, we see that imagining what technology can do for a business isn't the limiting factor. The key challenge is to ensure that your people adopt and enjoy working with technology. You need to transform your business for a digital era in which people are at heart, making use of technology that works for them"

(Fellowmind presentation)

In collaboration with customers, Fellowmind creates roadmaps for how the organisation can become connected through digital solutions, identifying the most critical transformation areas and the true value potential. From there, Fellowmind help deliver these transformations, utilizing the broad Microsoft offering within digital solutions, but just as importantly the IT and consulting skills of it's Fellows.

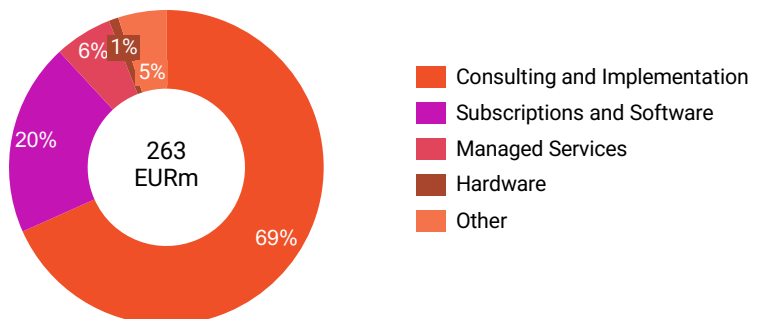
Overview of services offerings

Fellowmind's services offering can be split into three overall categories of revenue streams. Consultancy & implementation, subscriptions & software and managed services.

| Consultancy & implementation | Recurring subscriptions | Recurring Managed Services |
|---|--|--|
| <p>Revenue generation</p> <ul style="list-style-type: none"> – Project-based revenue – Largely paid on a time and material bases <p>Description</p> <ul style="list-style-type: none"> – Consultancy with industry-specific IT knowledge and system implementation skills – Consultants can work with clients both on remote IT-projects as well as workshops and problem solving at client offices | <p>Revenue generation</p> <ul style="list-style-type: none"> – Recurring revenue – % of subscription revenue <p>Description</p> <ul style="list-style-type: none"> – As a Microsoft partner, Fellowmind receives a percentage of the SaaS subscription revenue whenever Fellowmind is involved in selling Microsoft products, see appendix for Microsoft Dynamics ecosystem map – Contractually recurring revenue from software (and managed services) makes up more than 25% of Fellowmind's revenue. | <p>Revenue generation</p> <ul style="list-style-type: none"> – Recurring revenue – Largely paid on a time and material bases <p>Description</p> <ul style="list-style-type: none"> – Full handling of customer IT infrastructure and digital platforms through a complete outsourced IT-package and experienced IT management and support. – The need for managed services has especially increased with the Software as a Service (SaaS) adoption, as applications, up-grades, infrastructure and security is handled remotely (not on customer's premise). |

Often the three offerings can be interlinked since a consulting or implementation project often leads to software subscriptions or managed services revenues which start recurring after the initial consulting or implementation project is finalized. As an example, Fellowmind consultants may analyse a customer's operations and provide a recommendation for the Microsoft cloud solutions and managed services that can improve operational efficiency. Thereafter, Fellowmind offers implementation and onboarding services. Once the software is implemented and functioning, Fellowmind receives a percentage of the ongoing subscription payments and may also enter into a managed services contract with the customer where Fellowmind ensures that the software is functioning 24/7, is upgraded when needed and that subscriptions are constantly optimized. Hence, consultancy projects can be viewed as a way to win longer-term business. The primary challenge with consultancy services is maintaining a balance between supply and demand and obtaining a healthy utilisation of consultants. As such, increasing recurring revenue is preferable as a supplement to project-based revenue, as the higher predictability smooths out performance swings and resource utilisation.

Current revenue generation is largest for subscriptions & software and consulting services & implementation



Deep dive - AXtension



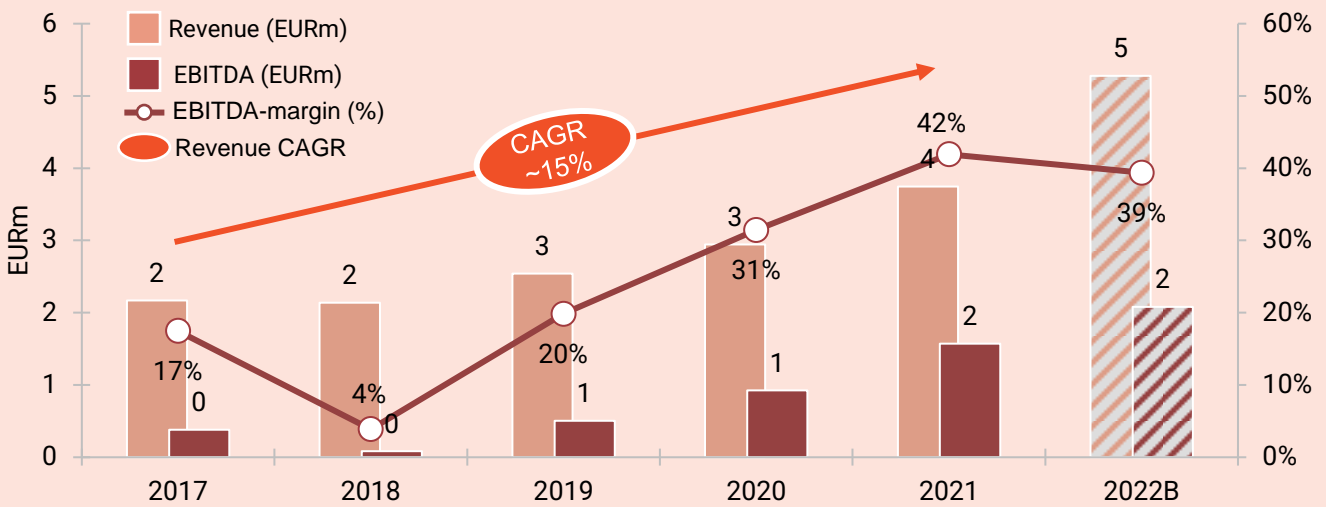
In addition to consulting, licensing and managed services, Fellowmind also develops and sells its own software through AXtension on a SaaS basis.

AXtension is a software company based in the Netherlands. As a part of Fellowmind group, AXtension operates as a unique team within the group focused purely on developing cutting edge cloud-based software on top of existing Microsoft ERP software, tailored for specific business needs and industry verticals. AXtension operates as an ISV within the Microsoft universe and is supported by Microsoft in terms of knowledge sharing and customer leads. With a team of coding experts, they continuously add value to the Microsoft Dynamics 365 platform by developing industry specific solutions tailored to unique business needs.

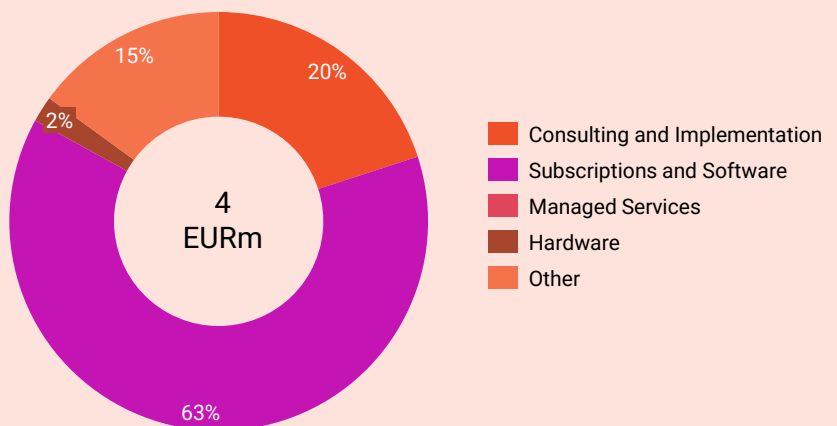
With over 650 customers and 950 implementations, AXtension has proven to enhance Microsoft Dynamics 365 by offering add-on modules to improve business efficiency. The add-on modules are designed for both Finance, Supply Chain Management and Customer Engagement needs for businesses worldwide. They provide specialised solutions for Accounts Payable Invoice Processing, Document management, Planning & Control, Shipment Integration and Privacy Protection. AXtension has been a Microsoft Inner Circle partner since 2009.

Since AXtension holds the IP rights for proprietary developed software solutions that can be sold to a wide range of customers, it is highly scalable compared to time and material services (e.g., consulting). Thus, AXtension can fuel very attractive growth to Fellowmind group at high profitability margins.

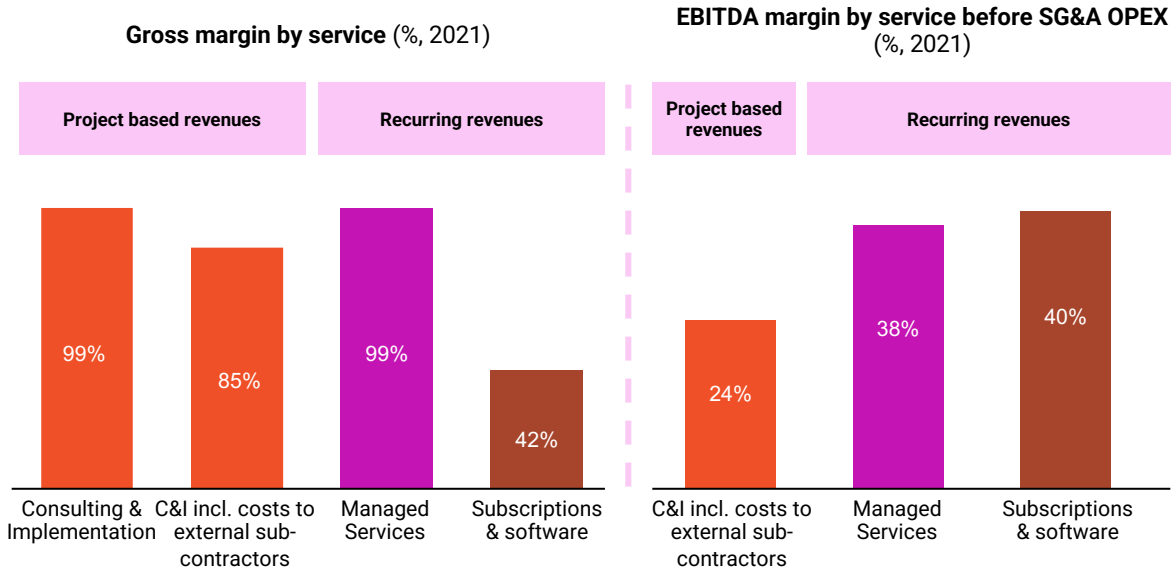
AXtension, financial development



AXtension, sales by services



Service profitability



The main cost items for consulting and managed services are salaries to consultants, reported herein as a part of operating costs, hence resulting in ~99% gross margins for these services. The main drivers of profitability in consulting and managed services are utilization of consultants (time), hourly rates charged to customers and internal wage levels. Therefore, planning how to allocate consultant resources on different projects is crucial, why more stable and reliable service revenues are preferred. At the same time, as hourly rates charged to customers are increasing, salary levels are also increasing in regions with scarcity of IT talent. For this reason, it is important to secure access to a large talent pool of IT consultants, preferably from a mix of regions including regions where salary levels are lower.

Subscription revenues from software sales on the other hand require very little operating costs, why the difference between gross margin and operating EBITDA margin is much smaller.

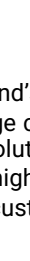
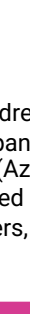
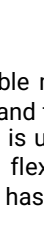










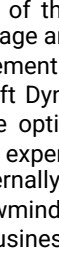
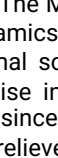
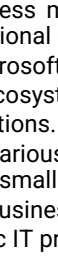


Customer overview and value proposition

Customer overview

Microsoft's business applications solutions, and thus Fellowmind's addressable market, have historically been targeted towards SMEs but are increasingly also selected by large companies and the public sector. The modern workplace (Office 365) solutions and the Cloud infrastructure solution (Azure) is used by small and large public and private customers alike, especially businesses with a high need for flexible and scalable solutions. Fellowmind's offering is in principle relevant to most business customers, but has strategically chosen to focus on nine target industries:

| Automotive | Manufacturing | Public sector | Food & agriculture |
|--|---|---|--|
|  PORSCHE  DFDS  STENA RECYCLING |  TRIOPLAST  KLM  Brüel & Kjær  GEBERIT |  postnord  CBS  AARHUS UNIVERSITY  HJV |  Danish Agro  Danish Crown  LELY  SÖDRA |

| Energy | Machinery & equipment | Financial services | Wholesale & trade | Healthcare |
|---|---|---|---|--|
|  Vestas  SIEMENS Gamesa <small>RENEWABLE ENERGY</small>  ENERGI VIBORG |  SWECON  Tingstad  KOMATSU  RAUTE |  Rabobank  Nykredit  SAXO BANK |  WIHURI  Bolia.com  Danish Crown |  Region Syddanmark  novo nordisk  SUNDHEDSDATA-STYRELSEN |

Value proposition

Fellowmind's key value proposition lies with its ability to deliver holistic digital transformations. For most modern companies, being digitally connected in every aspect of their business model - from customers to employees, to other operations - is key to its competitive advantage and operational efficiency.

Cloud-developed software can be difficult to navigate and implement. The Microsoft ecosystem alone consists of an extensive amount of different applications (see Microsoft Dynamics ecosystem overview in appendix), making it difficult for "outsiders" to navigate and choose the optimal solutions. At the same time, the IT landscape is constantly evolving, requiring more specialized expertise in various niches. Thus, it is often becoming suboptimal for SMEs to employ these resources internally, since a small IT team often no longer is enough to cover the expensive range of IT skills required. Fellowmind relieve businesses from this hurdle as an IT services firm with a broad range of expertise to cover most business specific IT problems.

Customer case examples



- **Business description:** Sales of feed, seeds, fertilizers, plant protection products, and agricultural (rental) machinery.
- **Problem:** With six different business areas and 110 companies in the Danish Agro group, Danish Agro lacked a solid growth strategy, were missing synergy between companies and couldn't successfully utilize the same KPIs and processes across the organization.
- **Need:** A competent business system that would support their operations as well as their spare parts management and maintenance.
- **Solution:** Implementation of Microsoft Dynamics 365 for Finance and Operations as well as Annata 365, an industry-oriented business solution that is specially developed to handle the management and maintenance of vehicles and other capital-intensive equipment (agricultural machinery, in this instance) throughout the product life cycle.



- **Business description:** Provides inflight catering for airlines, using an advanced catering system
- **Problem:** Delivering large quantities of meals, snacks, and beverages quickly and correctly is not an easy feat. KLM Catering Services (KCS) has developed a sophisticated process to produce inflight catering on time (fresh) and place it in trolleys in the correct order. *"To keep everything on track, for many years, we relied on a highly customized ERP system,"* says Marc Sniijders Blok, ICT Manager at KCS. *"That went well for a long time, but when the software could no longer be upgraded, we felt the need to modernize."*
- **Need:** Platform that enable real-time insights into flight information and the ability to respond immediately to changes.
- **Solution:** Upgraded the outdated ERP software to Dynamics 365. A PowerApp was also developed that provided automated completeness checks on trolleys.



Microsoft partnership

Fellowmind is a leading Microsoft partner on a European scale with a strong local footprint in the Netherlands, Denmark, Sweden, Finland, Germany and Poland.

Fellowmind has been a member of the “Microsoft Inner Circle” program (a panel between Microsoft and the top 1% Microsoft partners world-wide measured by revenue and technology leadership) for nine consecutive years. Fellowmind has also been awarded several prizes by Microsoft, including the *Project and Portfolio Management partner of the year*; *Modern Workplace Partner of the Year*; *Cloud Infrastructure Partner of the Year*; *Overall Microsoft Partner of the Year in Denmark*, and more.

The strategic partnership between Fellowmind and Microsoft is based on mutual benefit, as Fellowmind’s business is built up around Microsoft cloud software with ~80% of Fellowmind’s revenue being related to Microsoft technology.

Microsoft, in turn, has decided to focus on software development rather than IT services (consulting) and uses Microsoft partners to sell, implement and drive adoption of its software. +95% of Microsoft’s sales of Dynamics 365 software is generated through partners. The limited IT services staff that Microsoft does have focuses on servicing very large enterprise customers on specific issues, mainly in North America. Microsoft is thus dependent on the Microsoft Partner landscape to sell its software and ensure happy end-customers around the world.



Fellowmind

Fellowmind achieves Microsoft Business Applications 2021/2022 Inner Circle award

[READ MORE]

2021/2022
INNERCIRCLE
for Microsoft Business Applications

Go-to-market strategy

As Fellowmind has moved further down the road of becoming a connected “One Fellowmind”, Fellowmind also strives at building a “One Marketing” approach. Fellowmind addresses several local markets, offering local expertise and market knowledge, tailoring its offerings to local needs. A balanced marketing approach between central and regional marketing is therefore key to Fellowmind. See appendix on Fellowmind marketing approach to centered and local activities.

The way Fellowmind wins customers is non-uniform and more a case-by-case process. Overall, Fellowmind either deploys a proactive approach, contacting potential clients themselves, or is approached by customers directly or through Microsoft with a specific problem and sets up sales meetings to figure out how Fellowmind can help address the specific business issues.

Fellowmind’s proactive approach is often based on leads, conference participation, news, broadcast campaigns etc. Fellowmind can also win projects through tender processes, where the potential customer outlines its IT-services needs, whereafter relevant providers, such as Fellowmind, are invited to bid on the project. This method is especially used in relation to the public sector and larger clients.



Country Divisions

Fellowmind's internationalization strategy has rapidly resulted in securing a strong international platform with presence across Europe. Fellowmind is headquartered in Barneveld, Netherlands, and has 35 local offices across six countries; Netherlands, Denmark, Sweden, Germany, Finland and Poland. Denmark, Finland, the Netherlands and Sweden being the main revenue contributors.

Through strategic M&A, Fellowmind has expanded its portfolio of capabilities and offerings. Each acquisition has contributed with new capabilities, industry expertise and local nuances to the existing Fellowmind platform and by becoming a connected company, Fellowmind has been able to leverage these capabilities cross-border.

Example – Fellowmind's journey on the Danish market

Fellowmind entered the Danish market in 2020 with the merger of ProActive. ProActive, a leading Microsoft Partner, was founded by Max Sejbæk in 1997 and has through the years developed a strong position in the Danish market within Managed Services, Modern Workplace and CRM. Building on its strong market position, Fellowmind performed two bolt-on acquisition in 2021 shortly after the merger of ProActive. With the acquisition of the ERP Daixomatic, Fellowmind Denmark strengthened its service offerings within finance and operational processes. Additionally, the acquisition of CESCO significantly increased the groups capabilities within managed services and presence in Jutland specifically.

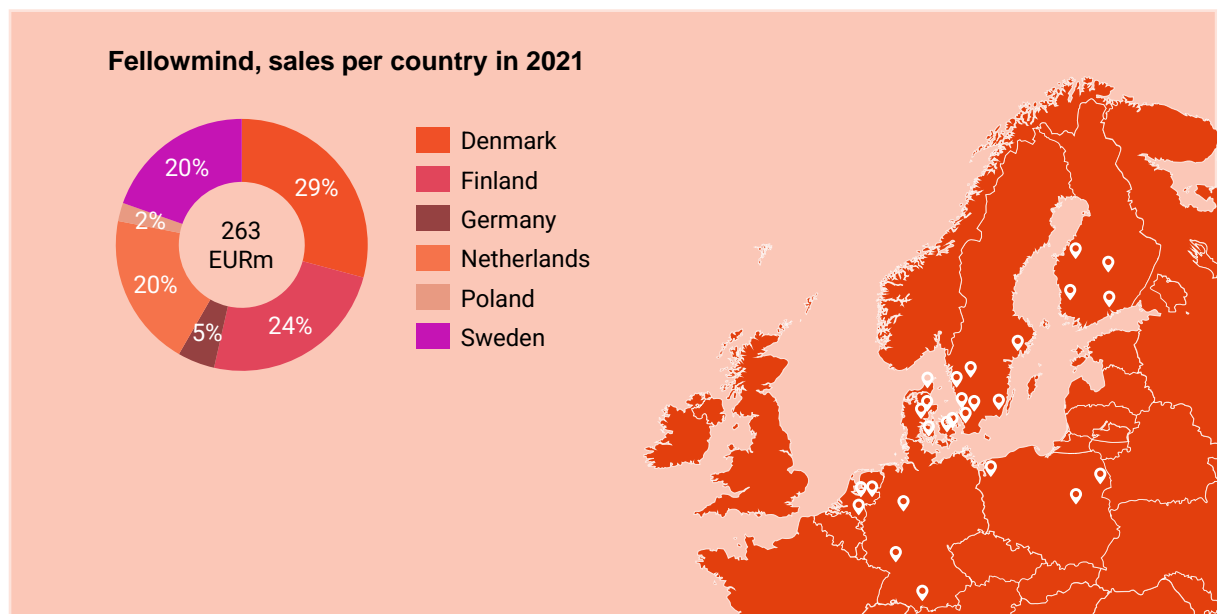
Example – Fellowmind entry in Poland

Fellowmind entered Poland in 2020 by acquiring Bonair AS, specialist in Microsoft Dynamics 365. Poland represents a very large and deep market for IT talent and IT hubs, which is why Poland represents an interesting growth market for Fellowmind from a cross-border collaboration perspective, as many western European customers are looking to near-shore IT infrastructure to Poland. Fellowmind, furthermore benefits from getting access to a large talent pool.

The strategic rationale behind the acquisition of Fellowmind Poland was to establish a nearshoring platform, to deliver IT expert resources on international projects in addition to servicing local customers.

Fellowmind is currently investing in reshaping the Polish platform to be ready for larger international growth and collaboration with all the other Fellowmind offices. Due to this, significant non-recurring costs have been incurred over the last years, negatively impacting the financial results and making them non-representable of the underlying operating profitability.

Deep dives on each country division characteristics, offerings and profitability can be found in the appendix.



Corporate and administrative structure

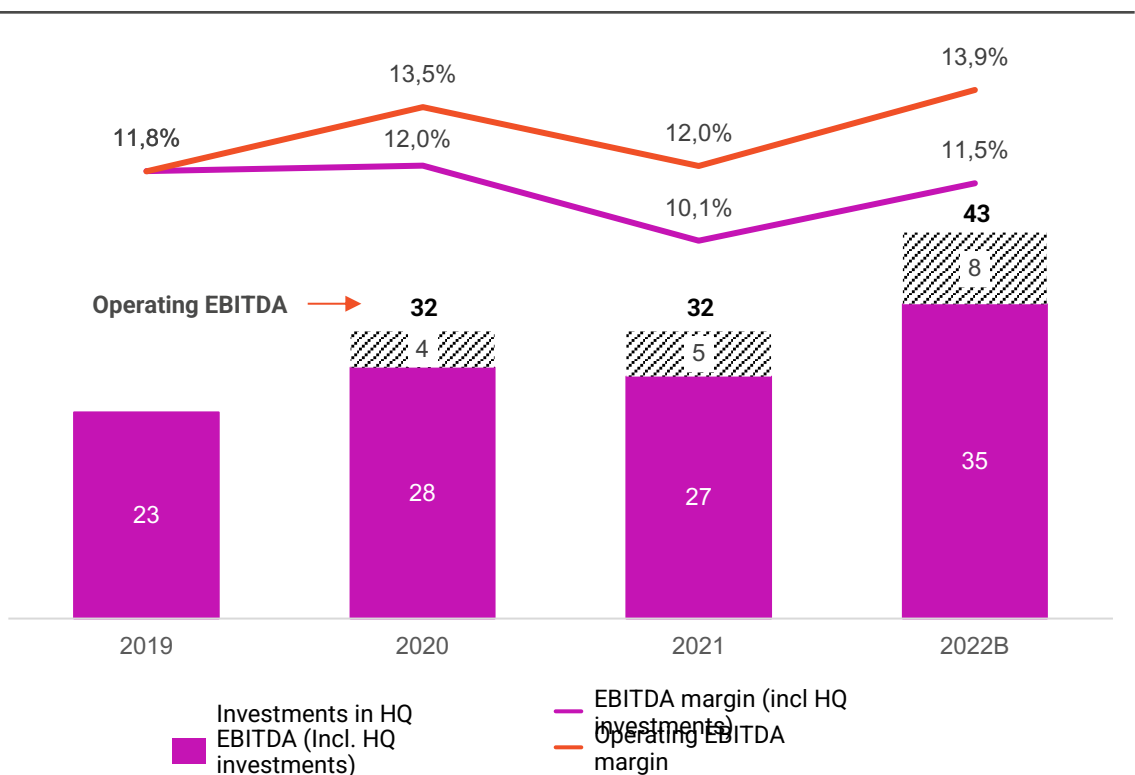
The strategy and direction of Fellowmind is developed bottom-up in the Executive Committee consisting of Emiel Putman (CEO Fellowmind Group), Bert Koorn (CFO Fellowmind Group), Max Sejbæk (Regional Director of Fellowmind Denmark and Germany), Ernst-Jan Stigter (Regional Director of Fellowmind Netherlands), Ville Hemmilä (Regional Director of Fellowmind Finland and Poland), Anna Kleine (Regional Director of Fellowmind Sweden) and Debbie Alders (Strategy Director)

Fellowmind is further steered by its Board of Directors, which consists of Chairman Theo Rinsema who is the former General Manager of Microsoft Western Europe as well as board members Preben Damgaard (co-founder of Navision (sold to Microsoft) and long standing chairman of ProActive (today Fellowmind Denmark); Ronny Roos, former CEO of Orango (today Fellowmind Sweden); Bo-Erik Ekström, former board member of eCraft (today Fellowmind Finland); Vladan Jankovic, long-standing board member of Fellowmind from before FSN invested. FSN Capital is also represented in the board via Marcus Egelstig and Nicholas Hjorth.

Since 2019, FSN and the group has invested heavily in expanding the central HQ functions, located out of Barneveld, Netherlands, to handle group Finance, HR, Marketing and the Microsoft relationship. However, given that the combined Fellowmind Group under FSN ownership was just established in December 2019, with several subsequent add-on acquisitions to the group, there are a large number of duplicate functions throughout the Fellowmind regions leading to duplicate operating expenses. An overview of the HQ organisation chart can be found in the appendix.

The investments in the central HQ serve the purpose of successfully integrating and steering the group across regions. These investments have so far not replaced local cost functions, yet FSN and the group plans to continue accelerating HQ investments in 2022, in order to successfully and sustainably extract further synergies in 2023 and 2024. In 2021, this strengthening and expansion of HQ is reflected in a lower Group EBITDA. The 2021 EBITDA has additionally been impacted by large investments in internal projects such as the re-branding to Fellowmind across all offices, integration into one unified IT tenant infrastructure, conversion to IFRS across all offices, and finally integration of acquisitions. The vast majority of these one-off costs are not adjusted for in the financials presented. While the HQ investments and the cross-boarder initiatives are already adding value, the return on the investments on material growth and profitability gains are first expected in the coming years.

Fellowmind EBITDA Development, EURm



External Analysis

Market introduction

The market for IT services is constantly evolving. Whether the changes are driven by new demand from customers, industry trends or competitive forces, each alteration of the market presents opportunities but also challenges for Fellowmind to address.

Through the exclusive partnership with Microsoft, Fellowmind has positioned itself within the sub-segments of the market that are expected to see some of the highest growth rates. Additionally, Fellowmind stands to benefit from Microsoft's growing market presence in a number of key technologies and regions. The competitive landscape within the IT service market is fragmented and Fellowmind faces consolidation opportunities and also competition both from other pure Microsoft partners, as well as general IT services companies that partner with multiple software platforms. Hence, Fellowmind's growth potential is both dependent on its competitive position relative to IT services peers in its respective regions, as well as Microsoft's positions relative to other software vendors.

At the same time, the increased demand for IT services, has increased competition for IT talent, why recruiting and retention of the right employees is a key growth enabler for Fellowmind going forward.



Market size and definition

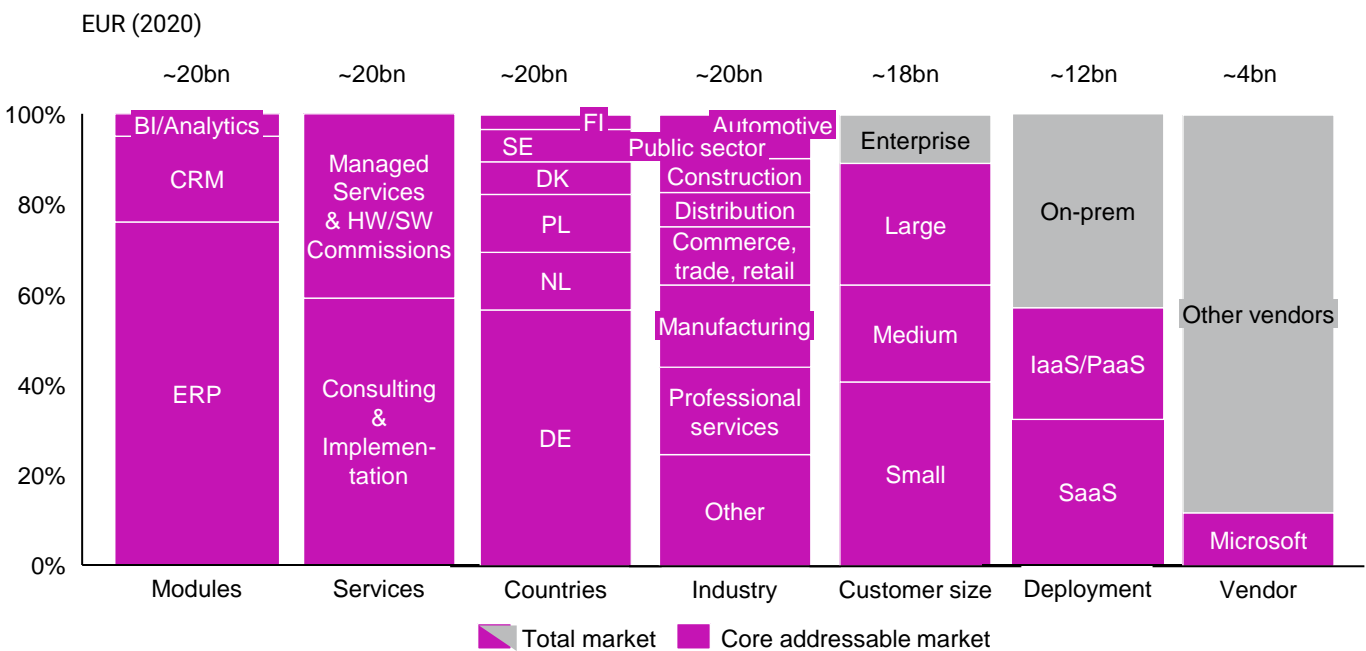
Fellowmind operates in the market for IT services as an IT consulting- and system integration provider. However, to understand the areas of the IT services market that Fellowmind focuses on, a distinction between the total addressable market and the core market segments is necessary.

Total addressable market (TAM): A significant part of Fellowmind’s focus is on the market for ERP, CRM and BI/analytics software services. ERP and CRM software form part of the traditional core business IT systems, providing a backbone to several business functions. These include finance, project pipeline, customer data etc. BI modules, are used for data analysis and visualisation. This can further interact with ERP and CRM modules for a more efficient data flow. In the total addressable market, these modules can all be deployed as either on-premises, IaaS/PaaS or SaaS. In 2020 the market size of the TAM, amounted to approximately EUR 20bn in the geographic segments where Fellowmind operates (DK, SE, FI, DE, NL PL). In addition to these areas, Fellowmind is providing cloud and infrastructure services in addition to managed services, which is not explicitly included in the chart below.

Core market: Fellowmind mainly services SMEs and large business customers making up most of the TAM - approximately EUR 18bn in 2020. These customers demand a high degree of flexibility and scalable solutions that Fellowmind can offer through Microsoft’s wide software offering. Furthermore, Fellowmind focuses exclusively on cloud-deployed software, which constitutes the core market. This segment is expanding rapidly as SaaS and IaaS/PaaS continues to overtake traditional on-premises solutions. In 2020, this market segment had a market size of 12bn in the geographic segments where Fellowmind operates.

Core serviceable addressable market (SAM): Since Fellowmind focuses on Microsoft’s cloud-deployed software, only Microsoft’s solutions within the relevant applications represent Fellowmind’s core SAM, which in 2020 approximately constituted EUR 4bn in the geographic segments Fellowmind operates in. This represented approximately 20% of the total addressable market but is likely to grow in share as Microsoft takes share from other software platform vendors.

Market segments



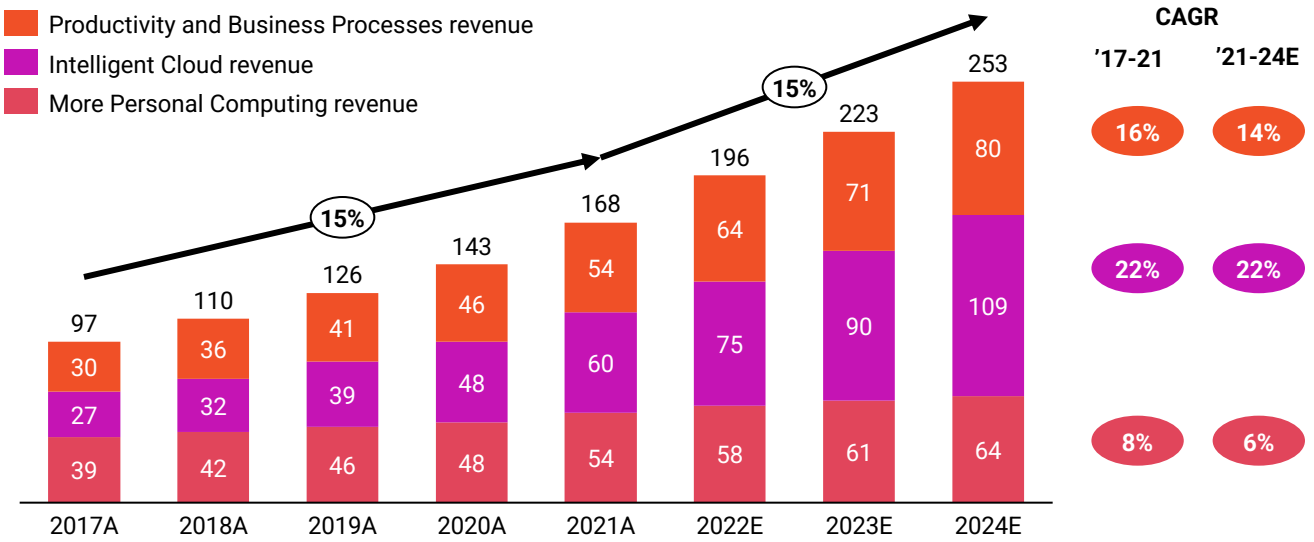
Microsoft market position

Approximately 80% of Fellowmind’s revenue is directly related to Microsoft technology, and Fellowmind is consequently highly reliant on the market position of Microsoft. Microsoft (MS) is one of the world’s largest software companies, listed on NASDAQ (Ticker: MSFT), with a broad offering of both software, hardware and data storage solutions. See appendix for an overview of the different offerings in the MS ecosystem

Microsoft has been growing at constant high rates in recent years, driven by a number of factors. The key growth driver in recent years has been intelligent cloud services, however other segments have also sold growth and is expected to continue doing so in the coming years. See appendix for specific sub-segment (Azure, Office 365, Dynamics 365 and the Power Platform) growth.

MS segment revenue development (USDbn)

Fiscal years ends 30th of June



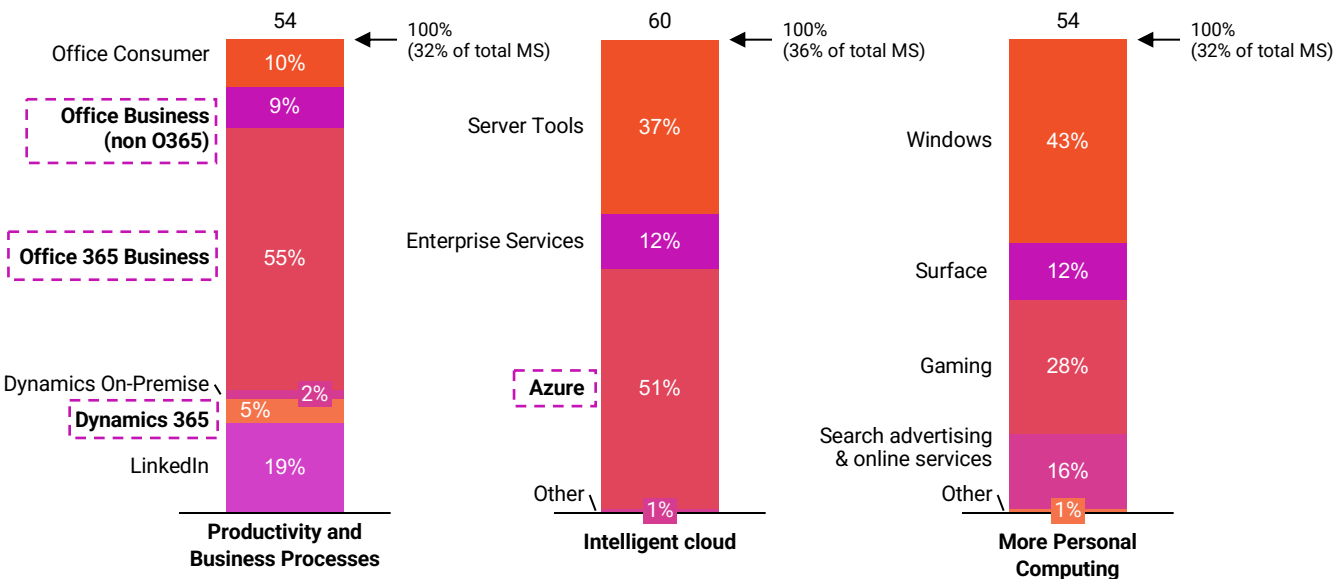
Source: MS annual reports and press releases

Broker consensus (source: Factset as of Jan 22nd 2022)

Segment splits (FY2021)

MS sub-segment revenue, USDbn and share of segment total

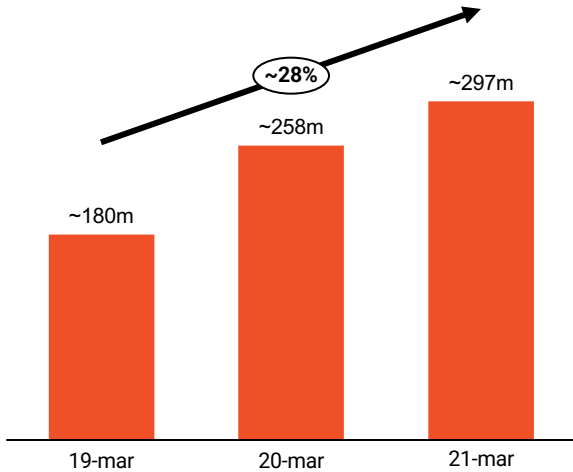
Core Fellowmind MS offerings



Source: MS annual reports and press releases

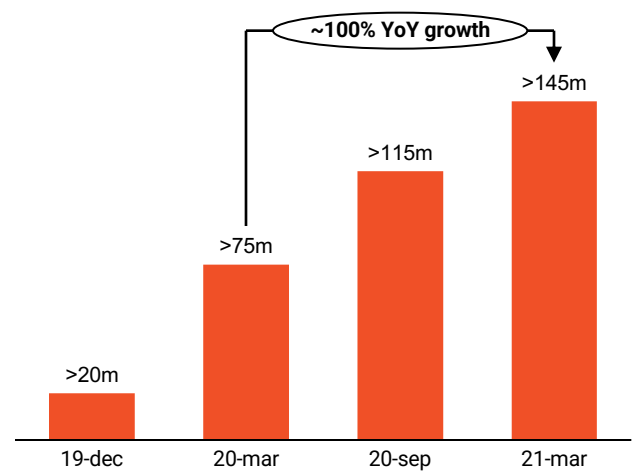
Microsoft has also steadily been increasing its end user base across core offerings, such as Office 365 and Enterprise Mobility and Security (EMS), an intelligent platform providing IT security and enabling employees to work in new and flexible ways. At the same time, it has also been expanding into new product offerings, such as Microsoft Teams, launched in 2017, however not really taking off until 2020.

Office 365 Commercial seats



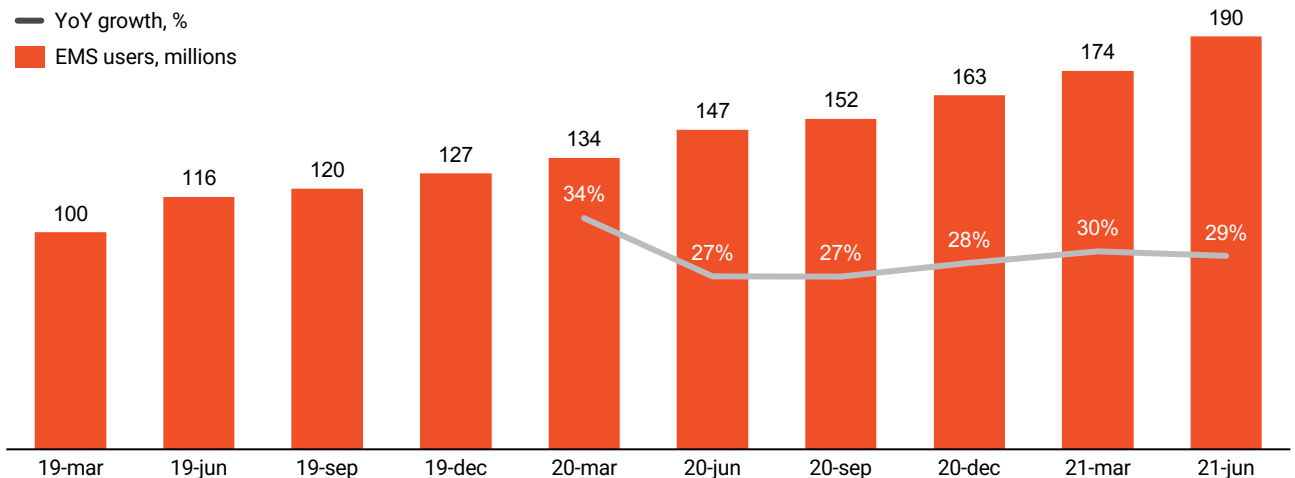
Source: MS annual reports and press releases

Teams daily active users



Source: MS annual reports and press releases

Enterprise Mobility and Security (EMS) users



Source: MS annual reports and press releases

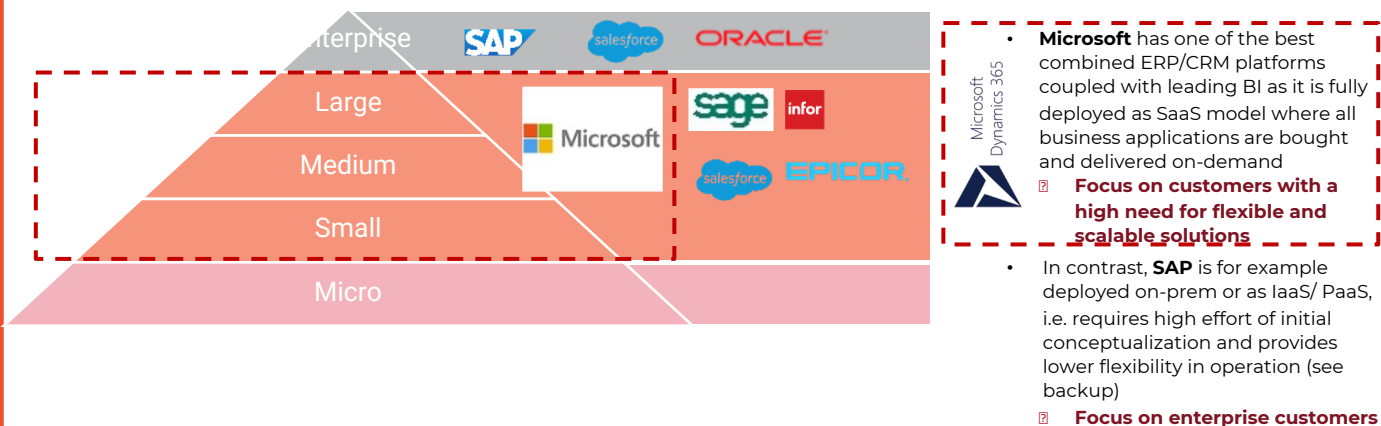
Microsoft’s business applications solutions within the Dynamics 365 universe (such as ERP and CRM) have historically mostly targeted SMEs but are increasingly also selected by large companies and the public sector, which has been contributing to end user growth. The modern workplace (Office 365) solutions, Power Platform (BI) and the Cloud infrastructure solution (Azure) are used by all customer types from small to large public and private customers.

A growth driver can also be interpreted from the constant high rating of Microsoft products, as a result of large investment in product development and innovation. Gartner, a leading IT research and advisory company, continuously publish “Magic Quadrants”, comparing IT providers in different applications in terms of “Completeness of vision” and “Ability to execute”. Their ratings are often used as an industry benchmark for monitoring which vendors are “winners” in their respective niches, making it a relevant benchmark for competitive position and performance. Selected Gartner Magic Quadrants for different IT applications have been included later in this section.

Another key factor benefiting Microsoft’s competitive position, is its integrated and single solution platform offering, which has enabled the company to solidify its position and gain market share, especially within the cloud provider market. The D365 Business Applications platform (where the various ERP and CRM related modules sit) has the unique advantage of being connected via Microsoft’s cloud offering Azure, as well as Microsoft’s BI solutions (Power BI and Power Apps). This makes integrations between business applications easier, data intelligence usage more efficient and in sum makes the business’s IT infrastructure future-proof.

“Amazon web services (AWS) has been losing a little momentum as IT customers are starting to realize the full potential of not having to deal with multiple partners licenses, they can get at a discount by buying all Microsoft needs under one volume license agreement”

-JP Morgan research, Microsoft Partner Survey (Q1 FY22)



By offering an integrated software suite through its extensive partner network of IT experts, Microsoft has secured strong customer NPS (18% compared to 16% industry average and leading amongst competitors). Additionally, it has enabled Microsoft to gain 1-2 p.p. market share per year in an otherwise notoriously sticky market.

Furthermore, it is also often financially beneficial for customers to go with one provider for all IT applications, as they can achieve discounts, which Microsoft has incorporated in its Azure subscription program; Microsoft Azure Consumption Commitment (MACC).

“There are notable changes in the Microsoft licensing programs from the older Enterprise Agreement (EA) to the new Azure program MACC . If you for instance commit to spend \$100M over 5 years (that is \$20M a year) it gives customers VERY strong incentives to go in and hit those consumption targets because they are getting effective Azure discounts of 60-70%”

-JP Morgan research, Microsoft Partner Survey (Q1 FY22)

Microsoft competitors

The market for software modules and cloud-based services is constantly evolving, as new products are developed and introduced by software vendors. With its broad product offering, Microsoft consequently faces diverse competition from a number of competitors within different operating segments.

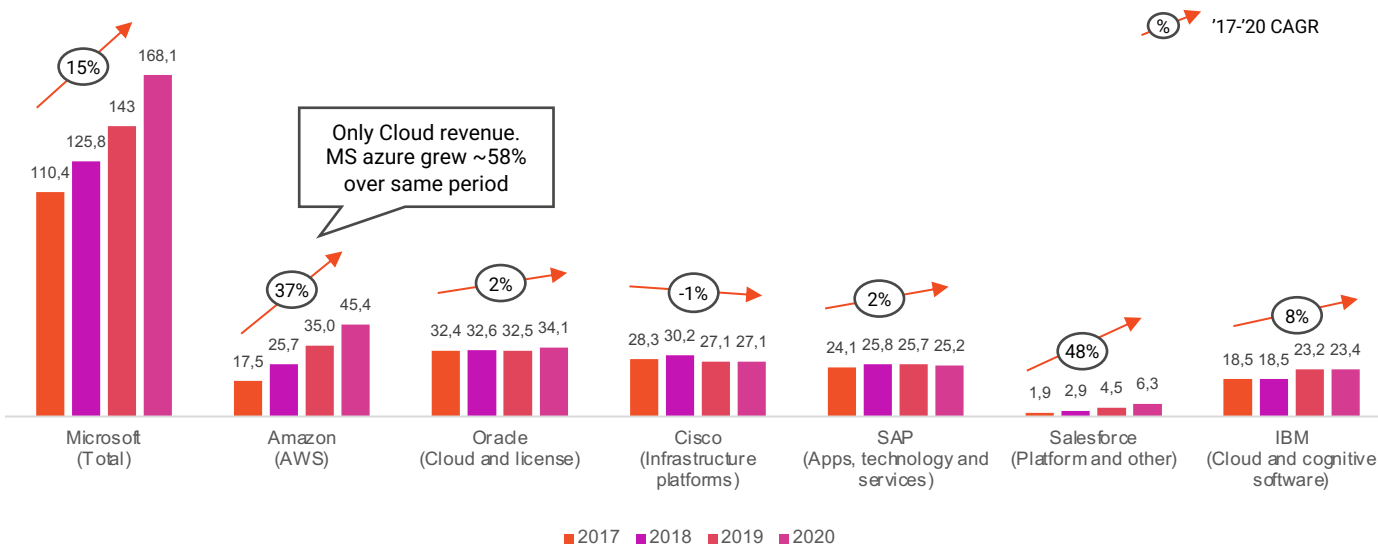
| Microsoft solutions | Competitors |
|-------------------------|-------------|
| Office 365 | |
| Microsoft Dynamics® 365 | |
| Azure | |

Source: MS annual report 2021

The long list of competitors also includes numerous web-based and mobile application competitors as well as local application developers. Despite the constant threat of rivalling software and products, Microsoft continues to rank among the market leaders in a number of diverse markets, however with varying positions across segments.

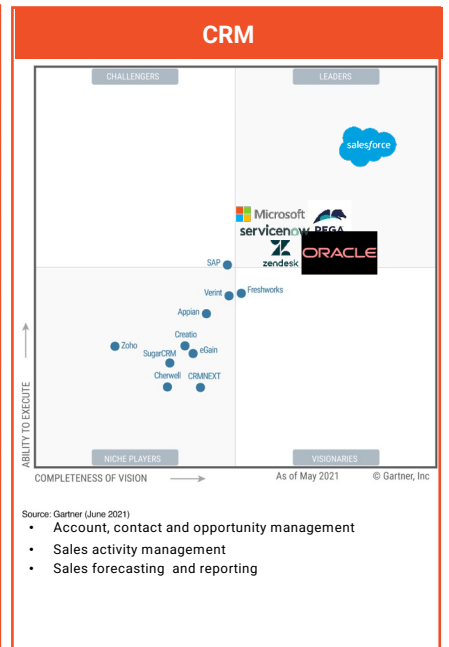
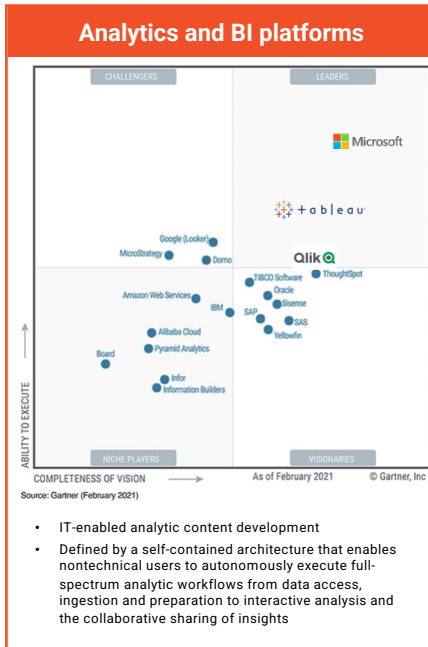
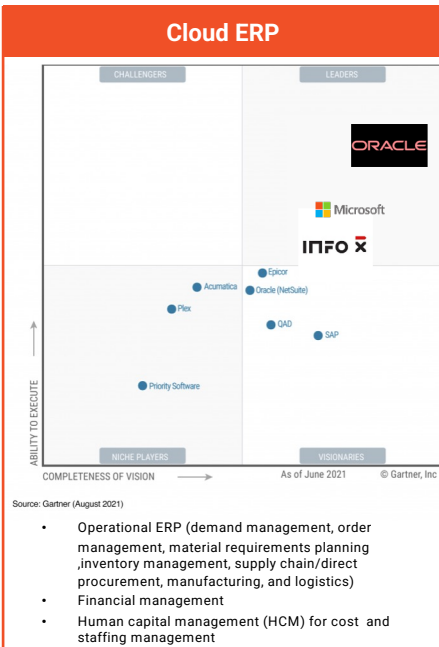
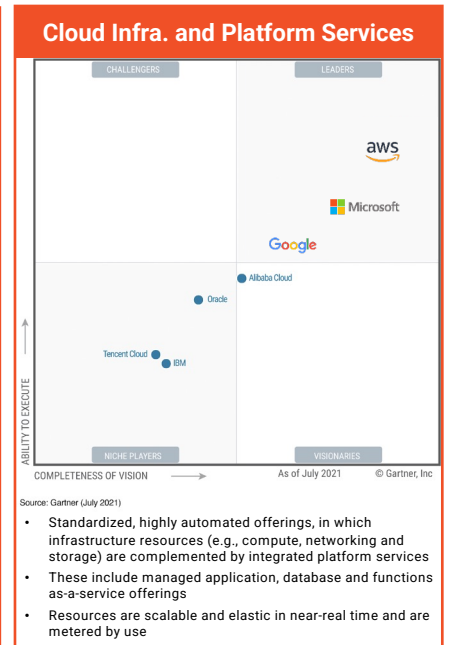
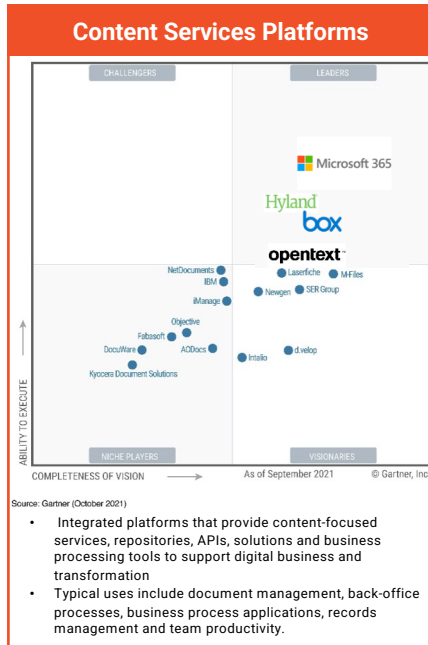
In recent years, Microsoft’s competitors have developed differently across core products development and growth. Looking at the cloud-related revenue, Amazon have experienced strong growth in recent years. Salesforce has also seen impressive growth in its CRM focused software solutions, however growing from a much smaller base, whereas the development for other competitors has been more moderate.

Revenue development 2017-2020 Software and Cloud vendors (USDbn)



NB: Microsoft’s fiscal year-end is in June, i.e., 2020 above refers to FY20/21 for Microsoft. Oracle’s fiscal year-end is in May, i.e. 2020 above refers to FY20/21 for Oracle. Cisco’s fiscal year-end is in July, i.e., 2020 above refers to FY20/21 for Cisco.



Gartner Magic Quadrants for selected IT segments



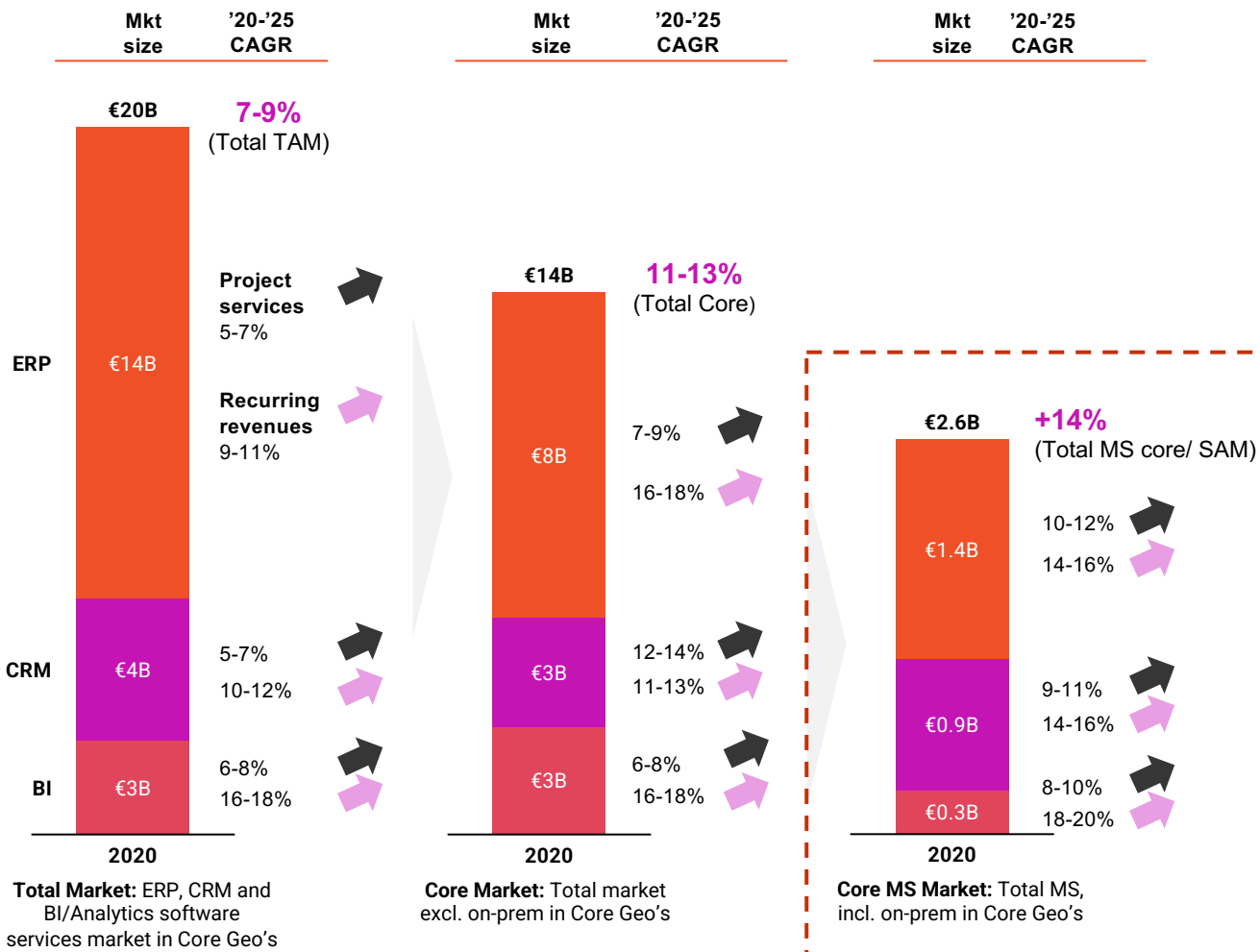
IT Services Market Growth

The market for IT services is growing at attractive rates driven by a number of factors. First, there is a rising corporate and public demand for software solutions that increase productivity and competitive advantage. Second, there is a proliferation of new software applications, which further fuels growth. A third growth driver is an increase in SaaS penetration rates driven by a shift from on-premise to cloud delivery models.

The total IT services market spanning all major software vendors (Microsoft, SAP, Oracle, Click, Salesforce, etc.), including both cloud software as well as legacy on-premise software, is projected to grow 7-9% p.a. in the period from 2020 to 2025. As Fellowmind only focuses on the cloud segments of the market, their core market is growing at 11-13% p.a. (including all major software vendors). When considering that Fellowmind focuses on Microsoft technology within the core cloud market, the projected market growth is above 14%, due to a continued pace of market share gains by Microsoft compared to other the major software vendors. Within the core MS market, recurring revenue is expected to grow the fastest, mainly driven by a higher demand for managed services. Furthermore, the BI segment is expected to see the highest growth of all (18-20% '20-'25 CAGR for recurring revenue), however also solid growth rates expected in CRM and ERP.

 Project services '20-'25 sub-segment CAGR
 Recurring revenue '20-'25 sub-segment CAGR

Markets included:

Market trends



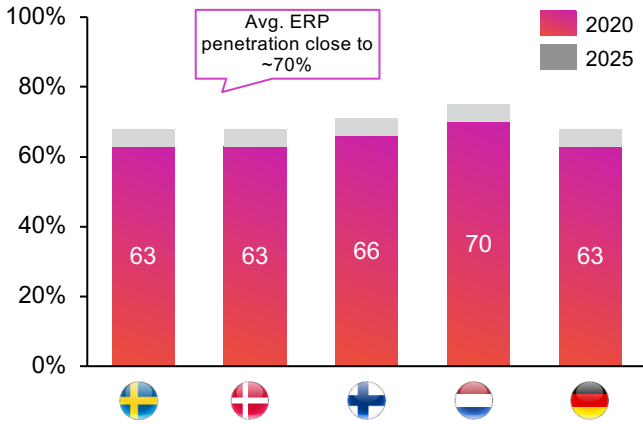
Key market trends and growth drivers

The market for IT services is constantly changing as a result of both macro trends, technological developments and competitive dynamics. This creates challenges for IT services companies, as they need to adapt their product offering, as both the underlying technology and customer needs undergo changes. These challenges, however, also present opportunities. By leveraging their industry expertise, Fellowmind and other IT services companies can take advantage of the key trends that are expected to alter the current market and fuel growth rates in the geographies and sub-markets where Fellowmind operates.

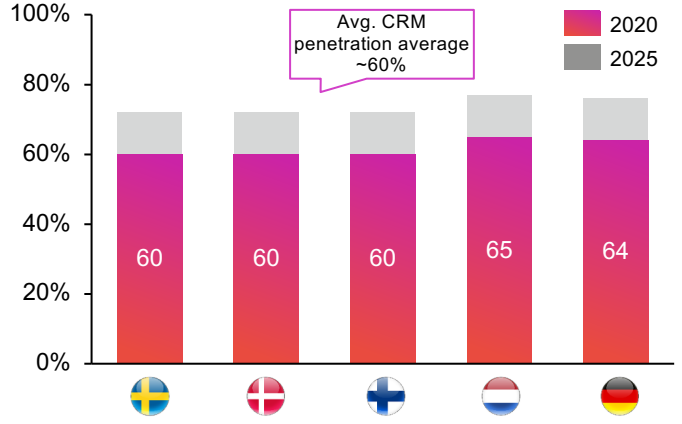
Continued penetration of ERP, CRM and BI

As companies continue to implement software solutions in operations, the need for implementation of different ERP and CRM software solutions continues to increase. Currently, penetration of modern ERP and CRM solutions is around 60-70% across a number of key markets. These penetration levels are expected to increase in the coming years as companies adapt to the latest technologies to secure long-term competitive advantages and profitability, which offer opportunities for IT service companies. To bridge the gap between data and decision making, companies can utilize BI software to visualize data. Currently, BI penetration is below 40% across key markets but is expected to increase rapidly in the coming years. Once again this represents huge opportunities for IT service companies.

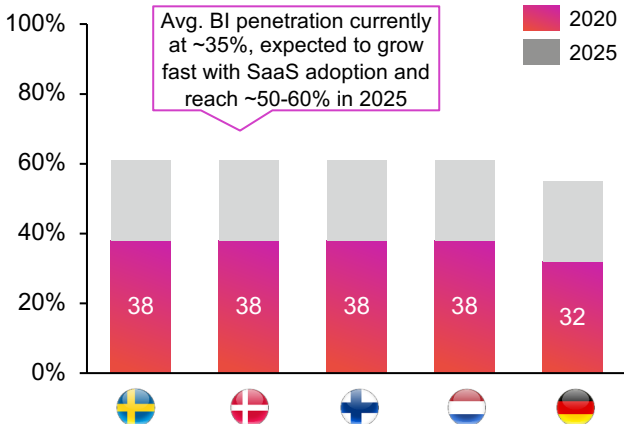
ERP penetration by country



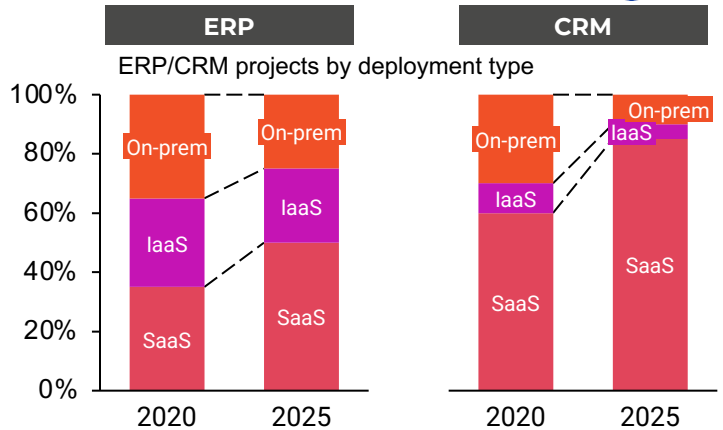
CRM penetration by country



BI penetration by country



SaaS Penetration for ERP and CRM



Modular software

Software is continuously being used in different products and has become a core part of companies' daily operations. The high degree of uniqueness of products and operations of different companies, creates demand for a high degree of software flexibility to solve specific business IT issues. As a result, software is increasingly becoming modularized. Hereby, software programs can be decomposed into smaller parts. Once the software is separated into smaller standardized modules, it is possible to hand-pick and utilize the modules in different ways to exactly fit the customers' unique needs. This represents a huge opportunity for IT services companies, as they can help companies understand their specific needs, tailor software solutions and assist in the implementation of the modularized software.

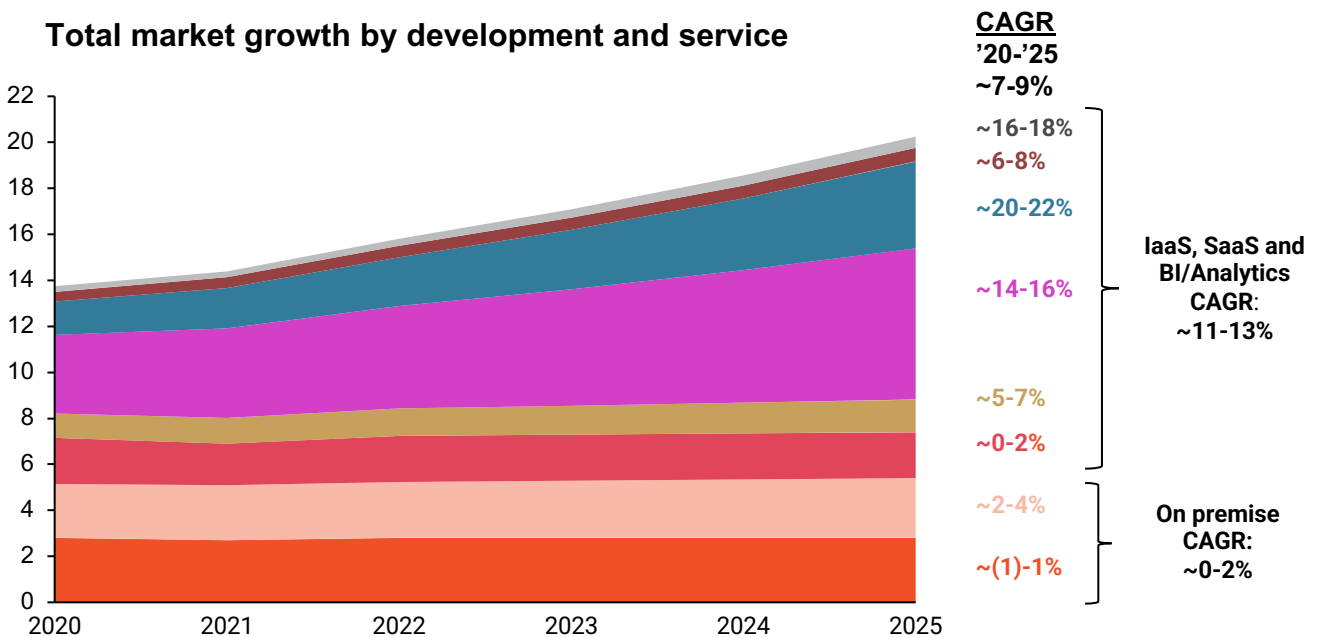
Higher SaaS deployment

Historically, companies have used on-premises software solutions, where software and technology is located on the premises of the company and managed by the company it-self. With this solution, customers pay once for perpetual access to the software and are subsequently responsible for everything related to the software including updates and maintenance. In recent years, customers are increasingly migrating to cloud solutions that enable companies and employees to access data from everywhere. This has opened the market for service providers to offer more managed add-on services in addition to the software subscriptions, since core support activities are now handled remotely. This has opened the market for offering "as-a-service" solutions - including Infrastructure (IaaS), Platform (PaaS) and Software (SaaS). A figure showing the different services typically included in IaaS, PaaS and SaaS can be found in the appendix, illustrating how the SaaS model expands the addressable market for IT services providers.

Since SaaS solutions are paid on a subscription basis, as an operating expense, this is often financially beneficial and more affordable (especially for smaller companies) compared to paying a one-time perpetual subscription fee, as an expensive CAPEX investment.

SaaS solutions thus make ERP and CRM more feasible for organizations that lack the resources to buy, deploy and manage the required infrastructure and software themselves. Hence, the SaaS model is expected to increase rapidly going forward, however at the expense of on-premises solutions.

Total market growth by development and service



- On premise: implementation
- SaaS: Implementation
- On premise: Managed services
- SaaS: Managed services
- IaaS: Implementation
- BI/Analytics and VAS: Implementation
- IaaS: Managed Services
- BI/Analytics and VAS: Managed Services

Higher need for Managed Services

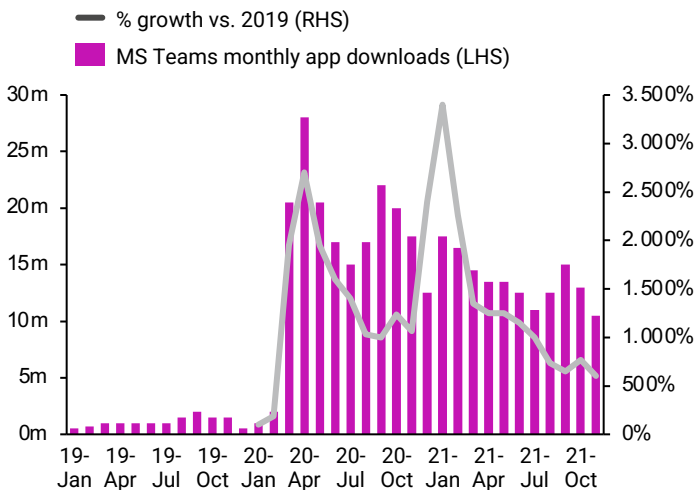
As in many other specialized expertise areas, companies are increasingly choosing to outsource IT responsibilities to focus on their core business. For IT services companies like Fellowmind, this represents an opportunity to offer end-to-end solutions, by maintaining and anticipating the need for several IT solutions through managed services. As the SaaS trend continues, the need for managed services will increase as application installation, upgrades, infrastructure, and security is handled remotely. This will increase the number of companies that use external providers to manage services and thereby create opportunities for IT service companies to obtain new attractive recurring revenue streams, at attractive margins.

COVID-19 accelerates the digital transformation

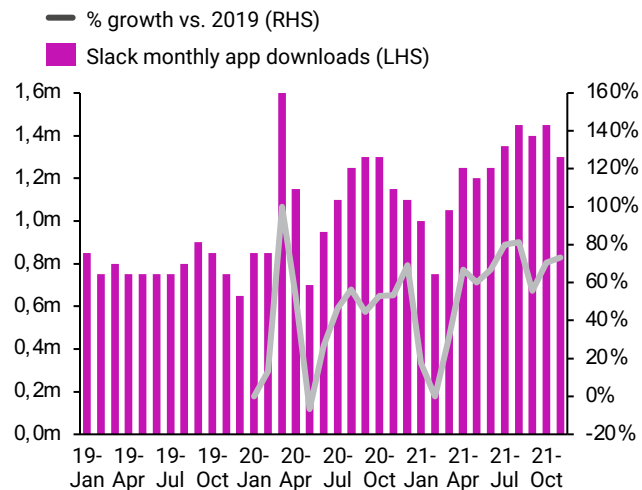
While the global COVID-19 pandemic has presented a huge financial challenge and risk to companies across industries, it has also sparked the need for investment in business connectivity. During the pandemic, companies across the world have experienced a surge in the digital solutions required to have a well-functioning organisation. Companies now need fully digital workplace solutions that enable people to work together despite being separated physically.

Consequently, the demand for communication applications that enable remote work has increased dramatically, including communication software solutions such as Microsoft Teams, Zoom and Slack. Here it is noteworthy that Teams has become the fastest growing product in Microsoft’s history, seeing skyrocketing download traffic already in the beginning of the COVID-19 pandemic.

Collaborative software application growth: MS Teams and Slack monthly app downloads



Source: Sensor Tower



Source: Sensor Tower

IT functions across organizations have hence become an even more vital part of daily operations. As a derived effect, digital needs are increasingly also being put high on the C-level agenda as a key strategic and operational consideration.

Overall, these aspects, coupled with the aforementioned trends, have led to increased demand for IT services and in many industries, become a vital factor to secure business longevity. Although these changes and the integration of digital workplace solutions have been accelerated by the pandemic, changes are not expected to be temporary.

“Continued fallout from COVID is shifting more job roles and more companies to full time-remote. This drives a continuing general need for cloud-based products like Azure and Office 365 as well as increasing demand for remote product like Teams”

-JP Morgan research, Microsoft Partner Survey (Q1 FY22)

A Bloomberg survey of larger companies in the U.S., Europe and Asia shows that 84% plan to travel less post-pandemic and instead do more meetings, workshops, site visits etc., through virtual communication tools. Here, the ease and efficiency of virtual software, cost savings and lower carbon emissions were cited as the primary reasons for business travel cutbacks.

In light of these structural changes, the market for collaborative software is expected to continue growing at accelerated rates compared to pre-pandemic, with some analysts pointing to ~20% CAGR until 2025.

Analysts also highlight that post-pandemic business leaders are expected to put extra emphasis on operational resiliency and productivity where the right IT infrastructure can allow companies to be more agile, making IT a key driver of competitive advantage.

Higher need for IT security

As the digital transformation continues in the coming years, IT security will be among the biggest concerns for management across organizations. The World Economic Forum has continuously highlighted cyberattacks and data fraud and theft among the top ten risks to doing business across regions, with cyber attacks ranking as the number one risk in Europe in the latest report (2019).

IT security also continues to rank high on the CIO IT investment priority list (see appendix). As cloud migration continues, CIOs point to Identity and Access Management as the largest beneficiaries. Here, Microsoft's could stand to benefit, from its efforts developing solid security systems for its Azure offering. Furthermore, having fewer providers in its IT infrastructure is favorable when it comes to IT security, benefiting Microsoft through its integrated offering.

A number of factors drive this increased security awareness. During the pandemic, the surge in employees working remotely and using their own devices to access corporate material, have increased the overall surface area that needs to be protected. As a result, the demand for endpoint security solutions and security software has increased. expected to continue going forward.



Competition























Competitive overview

The market for IT service is fragmented with a broad range of both small local and global players. With its broad offering, addressing both strategic IT issues, implementation and managing of core IT infrastructure, Fellowmind competes against all types of players within the software value-added reselling value chain, encompassing both strategic and implementation IT consultancies and IT distributors/ licensing partners.

Additionally, as Fellowmind operates across 6 geographic areas, competitors include global, regional and national players. Thus, the list of competitors is long and comprises larger global companies such as Avanade (see deep dive in appendix) and Capgemini, regional companies exemplified by Crayon, TietoEvry and NNIT and smaller national players in each geographic segment.

Examples of IT Services companies are listed below. A longer list of public peers and valuation multiples can be found in the appendix.

| Company | HQ | Geographic presence | Description | Partners |
|---|---|--------------------------|---|---|
|  |  | Global | Avanade was founded as a joint venture between Microsoft and Accenture in 2000. Today, Avanade is the leading provider of innovative digital and cloud services, business solutions and design-led experiences with more than 50,000 employees. As a 16-time winner of Microsoft partner of the year with 18 Microsoft gold competencies, Avanade is the global market leader within the Microsoft partner network. | Main partner:  |
|  |  | Global | Capgemini is a global leader in consulting, technology services and digital transformation. With deep industry expertise, the company addresses the entire breadth of their customers' business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. | + 30 partners, including:      |
|  |  | Global with Nordic focus | With more than 3,300 employees in nearly 40 countries, Crayon operates a global and vendor-agnostic IT consultancy. The company focuses on software resale and consulting, helping clients to procure and optimize both on-premises and cloud software. The majority of Crayon's revenue today is related to Microsoft products. | + 10 partners, including:     |
|  |  | Nordic | TietoEvry is a digital services and software company with local presence and global capabilities that employs around 24,000 people globally. The company offers IT consulting, cloud and infrastructure solutions, cybersecurity as well as analytics. | + 45 partners, including:      |
|  |  | Nordic | NNIT provides a wide range of IT and consulting services generally focused on the Life Sciences and Healthcare industries. The company develops, implements, operates, and advises on IT solutions in 12 countries. The company employs more than 3,000 people and offers a broad range of solutions including D365 and Power platform. | + 50 partners, including:      |
|  |  | Europe with DACH focus | Bechtle ranks among the DACH Region's leading IT service providers and offers around 40,000 hardware and software products. Additionally, the company offers IT consulting and managed services. The majority of Bechtle's revenue is generated in the DACH countries but the company is present in several other European countries. | + 35 partners, including:     |

Competitive dynamics

The competitive dynamics in the IT services industry is impacted by both macro and micro factors, imposing challenges as well as opportunities for the individual players.

Competition for IT talent

One core challenge is competition for IT talent. Scarcity of IT talent is driven by the high demand for IT services coupled with a long-lead time of training and education IT professionals. Scarcity of IT talent was already a topic before the outbreak of the COVID-19 pandemic and has only become a more salient issue with the increased global market demand for IT transformations. To secure future growth, IT companies hence must set clear strategies for how to facilitate recruitment and retention of top talent employees - especially within the most attractive IT expertise areas. At the same time, employees are increasingly demanding more purpose driven work, wanting to feel more connected to their workplace and have more influence. Several employees are also requesting more flexible working structures to improve work-life balance. Consequently, IT companies are faced with the challenge of offering top IT talent the most attractive work opportunities to stay relevant. This increased demand on IT labour has also led some IT companies to look for talent in alternative locations, such as Southern and Eastern Europe as a compliment to their home market resources.

In addition to this, as IT has shifted from being a pure operational efficiency issue to a C-suite strategic consideration, some IT consultancies have started to look towards other employee backgrounds, such as business, to offer holistic business transformations to customers.

Fellowmind's unique value proposition to IT talent revolves around a culture of putting people at heart and providing in exciting international careers. Fellowmind also offers a workplace where talent can develop cutting-edge knowledge of everything the Microsoft ecosystem has to offer across Europe. Finally, in partnership with FSN, Fellowmind has created an Employee Investment Program, enabling all employees to become shareholders in the group and take part in the financial returns the investment case provides to its shareholders.

Industry consolidation

Another key market development is industry consolidation. Driven by the attractive synergy potential and strategic logic of combining IT service players across industry verticals and geographies, a number of transactions have been carried out within recent years. A list of selected precedent transactions within the IT services market since 2018 can be found in the appendix. Fellowmind is the leading consolidator of the Microsoft partner landscape.

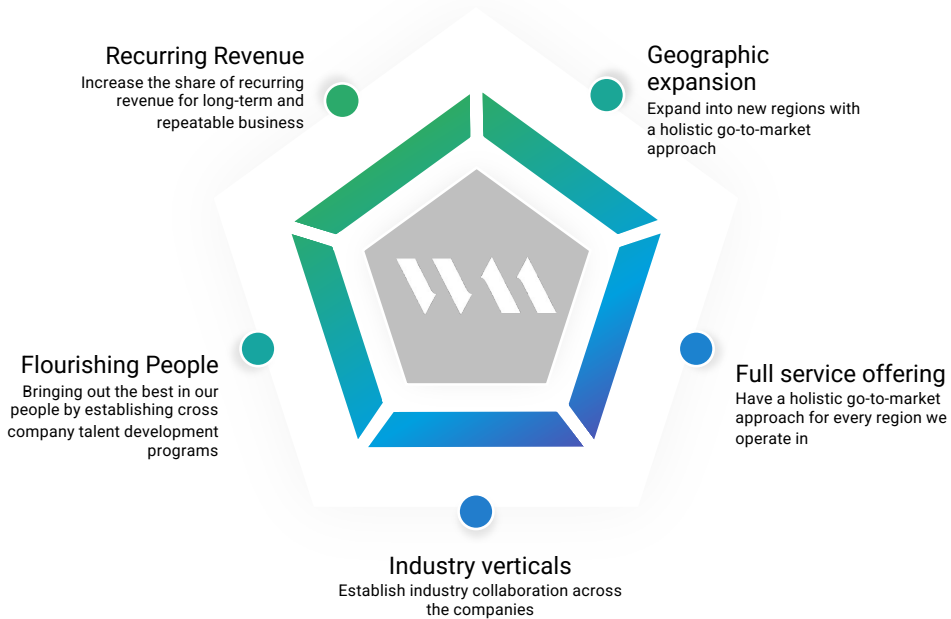
Higher entry barriers in MS partner network

In parallel with the consolidation, also seen within the Microsoft partner network, Microsoft has limited the number of close preferred partners to a carefully selected group of larger partners. By doing this, the partners obtain a closer relationship with Microsoft that facilitates knowledge sharing. This enable partners to offer more comprehensive Microsoft solutions to the end customers and improving the value proposition of Microsoft's products. Consequently, entry barriers are increasing within the Microsoft partner network, making it harder for newly started IT services players to gain competitive advantage within the Microsoft partner network.

Strategy

Strategic priorities

Since the beginning of the partnership between FSN and Fellowmind, the company has been guided by 5 strategic priorities to drive performance.



Throughout the last two years, the company has been focused on improving on all five dimensions - however both management and FSN believe that there is still further room for improvement and several additional value creation levers across the board. With the ambition of becoming a top global Microsoft Partner and the connected partner of choice for customers, Fellowmind needs to continuously review its strategic priorities to keep up with market trends and customer demands.

People focus is at the heart of Fellowmind’s mission of creating meaningful connections by combining both digital and human transformation in their work to offer customers holistic business digital transformations.

This also goes internally where Fellowmind has a strong focus on its people – its “Fellows”. With a mindset that - *by putting people at heart, they can bring their talent to the world and when people have the freedom to flourish, business and society flourishes* – Fellowmind is trying to promote a culture where everyone has the freedom to flourish and where people feel connected and engaged. High employee engagement is associated with high employee retention and is a key performance indicator at Fellowmind, which is monitored frequently. To make employees feel more involved and connected, all employees are also invited to become co-owners of the company through the “Fellowmind People” investment program.

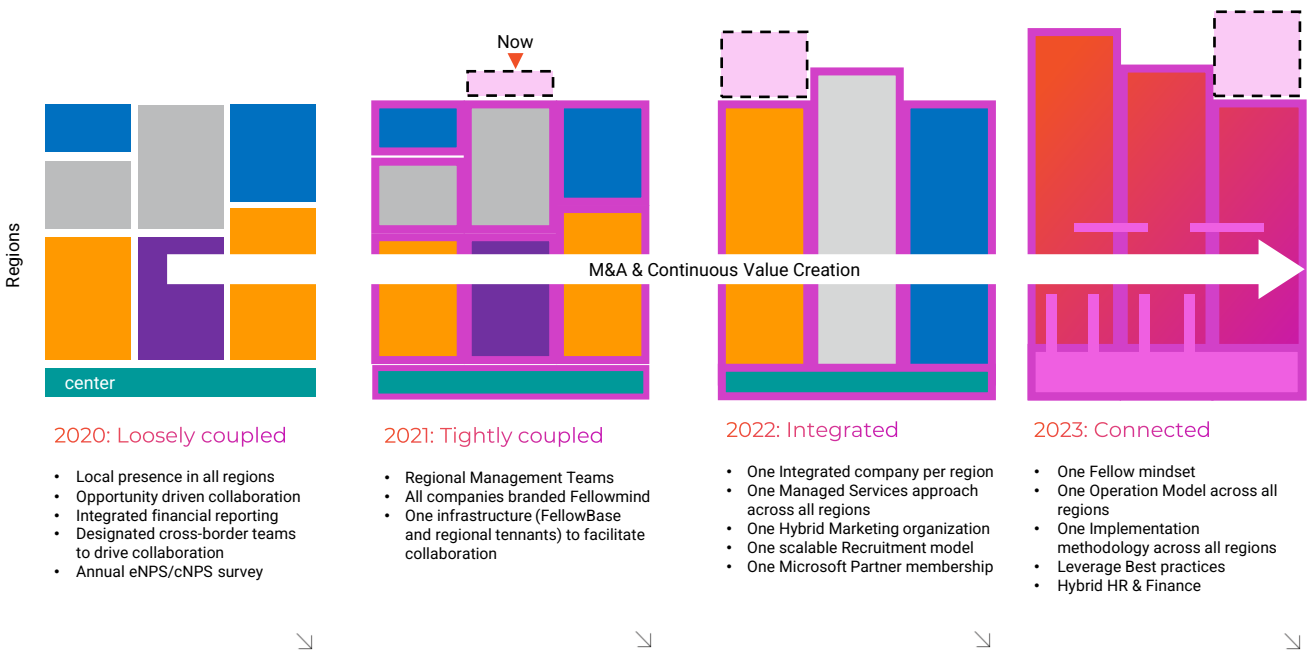
However, with ambitious growth targets to become a leading global player, it is crucial for Fellowmind to continue working on its people goals with a target to maintain and grow the rate of hiring and retention. For Fellowmind this entails cementing its position as the employer of choice when it comes to pursuing a career in Microsoft-related IT Services.

Increasing the share of recurring revenue has also been a key strategic priority. Recurring revenue is generally considered as preferable, as it makes financials and operations more stable and predictable, lowering the risk that business will take a drastic turn from one month to the next. It is thus easier to optimize utilisation of consultants when business is recurring and well known into the future, which is also a key profitability driver. For that reason, finding a way to deliver and grow the managed services business has been a key priority for Fellowmind, as it allows them to provide IT services through longer term and highly predictable contracts. However, since managed services is a relatively small part of the business today, the service offering is still being stream-lined across regions. Developing a more uniform procedure for delivering managed services, as a more scalable model to clients both locally and across borders, could thus be highly attractive for Fellowmind going forward.

Another key strategic priority has been to integrate the regional businesses and become "One Fellowmind". Before 2021, the original businesses merged by FSN had been loosely coupled, more or less running as individual businesses with collaboration driven by individual opportunities and some central headquarter functions. However, with the changing of all names to Fellowmind on November 16th 2021, Fellowmind took an important step on the path to becoming a truly integrated company.



Fellowmind's integration and transformation journey



Like in most merger situations, several post-merger integration (PMI) topics will have to be addressed before Fellowmind can truly become a connected company, including both cultural, administrative, and technical challenges such as data integration and IT platforms. With the group now operating under one brand, on one common IT infrastructure and all offices reporting in a homogenous way in accordance with IFRS, the integration journey is very well underway.

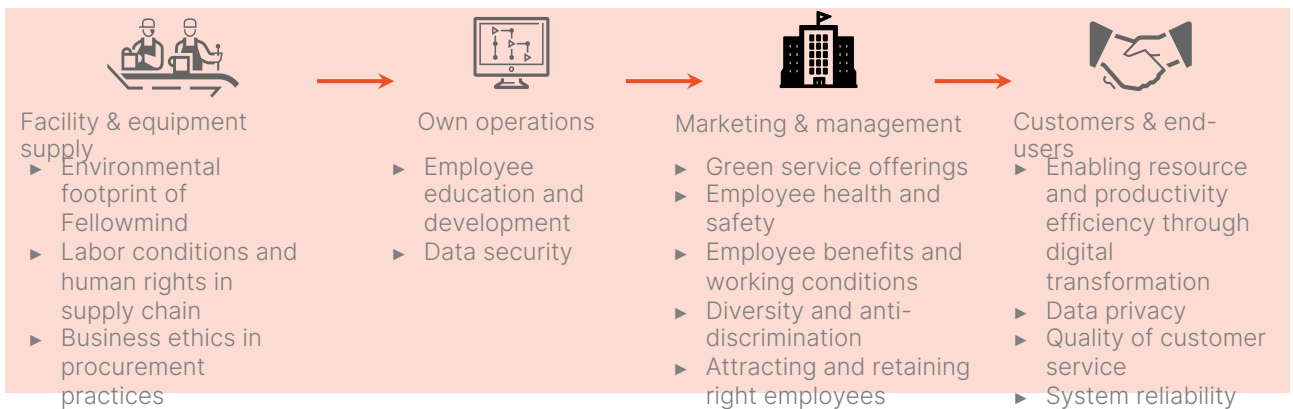
ESG

Another core topic with increasing importance to both Microsoft, Fellowmind and FSN is environmental, social and governance (ESG). Based on its current footprint, the company has set 5 specific ESG goals which are continuously revisited and monitored (see appendix for performance and ambitions).

1. The best workplace in the industry
2. Enabling the green transition
3. Personal connection with our customers
4. Enhancing meaningful connections
5. Ethical and reliable business partner

As an IT service and software provider, Fellowmind’s main ESG impact occurs through the services and solutions offered to customers, by providing better data accessibility, quality and protection. At the core of Fellowmind, lies the belief that digital technology creates space for people to have more valuable and meaningful connections instead of making them work on repetitive tasks. Fellowmind also invests heavily in its own employee engagement to promote the health and well-being of all Fellows. Environmental impacts are mainly related to day-to-day office activities, commuting and business travel as Fellowmind hardly has any own data centres. Fellowmind is Committed to net zero greenhouse emissions in 2030 and is taking concrete steps to limit its internal environmental footprint. Furthermore, data integrity, protection and security are important governance aspects, while business ethics must be ensured in procurement and in relation to customers.

Fellowmind ESG impact



Fellowmind selected environmental initiatives



Food

Fellowmind are conscious in what is drunk and eaten at the offices. The environmental impact is an important driver for deciding on the products offered to employees in the offices.



Mobility

Fellowmind minimize transportation and travel emissions and compensate carbon output.



Offices

Electricity consumption is monitored and reduced where possible. Further initiative to investigate how they contribute to biodiversity in the surroundings of offices.



Waste

Fellowmind is continuously looking at ways to reduce waste and make sure that electronic waste is processed in a sustainable way

ESG risks & opportunities

Fellowmind’s management is conscious that they, as a company, have a responsibility to ensure compliance with material ESG topics. At the same time, they also see great potential in ESG related opportunities, including the ability to help customers become more efficient and sustainable. As we transition to a low-carbon economy, Fellowmind can contribute by providing software solutions that promote resource efficiency through data collection and analysis. Examples are clients in agriculture, who are particularly exposed to physical climate risk, for which Fellowmind’s solutions can help gather data to improve resilience. In addition, Fellowmind provides know-your-customer (KYC) solutions that can help financial institutions verify the identity of their customers and prevent theft and corporate crime.

Fellowmind ESG impact

| | | | |
|---|--|--|--|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Importance to Stakeholders</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">material</p> | | <ul style="list-style-type: none"> ▶ Improved user working conditions ▶ Health and safety in production and supply chain ▶ Anti-corruption and anti-competitive behaviour | <ul style="list-style-type: none"> ▶ Data privacy and security ▶ Enabling customer resource efficiency and productivity |
| | <ul style="list-style-type: none"> ▶ Human rights in supply chain | <ul style="list-style-type: none"> ▶ Employee health and safety ▶ Environmental impact of products and services purchased ▶ Supply chain transparency | <ul style="list-style-type: none"> ▶ Diversity and anti-discrimination ▶ Employee education and development ▶ Quality of customer service |
| | <ul style="list-style-type: none"> ▶ Sustainable mineral extraction | <ul style="list-style-type: none"> ▶ GHG efficiency and water use of own data centres ▶ Conflict minerals ▶ E-waste management in supply chain | |
| | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">important</p> | <p>Importance to Company</p> | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">material</p> |

The IT industry overall experiences fierce competition for talent. This presents both opportunities and risks. Employee education and development, but also meaningful work, will likely be important differentiators to become a successful employer. Moreover, promoting diversity is also seen as increasingly important, and could be an opportunity to attract the right talent to enhance business performance over time.

Fellowmind’s primary ESG risk is related to IT breaches. Today, it is crucial for almost all companies to have the right policies and systems in place to ensure data privacy and security. Incidents not only impact customers, but also Fellowmind’s core business. There are several stakeholders, including national and international authorities, with an interest in data privacy and security, hence increasing the importance of sound management.

In a recent customer survey among Fellowmind customers within financial services and manufacturing, it was made apparent that commitment to sustainability was a key priority for customers. Findings also included that many customers had significant sustainability related IT needs, requesting support related to living up to regulations, integration of actions in the supply chain, and developing new products and services connected to sustainability.

In the financial industry, it was for example noted that old systems need to be replaced with new platforms that are more flexible and user-friendly, to enable work with processes and data connected to sustainability. Furthermore, there is a need for support to integrate and implement regulations, such as the EU taxonomy and the TCFD (Task Force for Climate-Related Financial Disclosures) . In the manufacturing industry, there is also a particular demand for systems that address production issues connected to sustainability performance, such as a software that optimizes machine usage of materials and resource efficiency. Another example is to calculate and present CO2 data to be used on product specification texts, on the invoice to customers. Customers also indicate sustainability as a key factor when it comes to employee branding. See appendix for specific customer sustainability examples.

“There is a war on talent and sustainability will be a new parameter both for customers and employees.”

- Fellowmind customer interview

With that in mind, Fellowmind’s management has considered whether they should start to offer management consultancy services related to sustainability and if new sustainability focussed services should be developed.

Microsoft sustainability

Having a strong sustainability profile is also about having the right partnerships. On this parameter, Fellowmind mainly depends on its partnership with Microsoft, especially when it comes to data centres and software offerings. Microsoft has been carbon neutral since 2012 and committed to be carbon negative by 2030 and by 2050, to remove all the carbon the company has emitted, either directly or by electrical consumption since it was founded in 1975. To reach this, Microsoft has set high ambitions for decarbonization of its data centres. Furthermore, Microsoft has set a goal to promote sustainable development and low-carbon business practises globally through their own sustainable business practises and cloud-enabled technologies.

In late 2021, Microsoft launched its first public preview of their “Cloud-for Sustainability” - a new SaaS offering, which bundles a suite of tools for companies to view, analyse and manage carbon emissions from multiple data points and sources. Furthermore, it includes software offerings to help businesses work toward their sustainability goals

Introducing Microsoft Cloud for Sustainability. Now available for preview.

Record, report, and reduce your organization's environmental impact.

[Try for free](#) [Watch overview](#)

[Capabilities](#) [Resources and news](#) [More solutions](#) [Try preview](#)

Accelerate your sustainability journey

Microsoft Cloud for Sustainability is an extensible software-as-a-service solution that helps you record, report, and reduce your organization's environmental impact through automated data connections and actionable insights.

Record

Connect data to more accurately represent the emissions footprint of your operation and value chain.

Report

Visualize and report your environmental impact and sustainability progress in near real time.

Reduce

Learn how to advance your efforts to reduce emissions, gain efficiencies, and make lasting changes.

Strategic considerations

Having successfully established itself as a European powerhouse for IT services within the Microsoft ecosystem, Fellowmind is in an opportune position to grow in several directions. At the same time, there are supply challenges related to both IT and other professional talent, putting a constraint to near term growth.

In parallel, Fellowmind is at a pivotal stage in relation to its journey to become a fully integrated company. Significant investments in shared services and the HQ have been made, yet the full return on investment in increased profitability and growth lies ahead and it will require time and planning to unlock all synergies. With a busy agenda of strategic initiatives to be rolled out in the coming years, it is thus crucial that Fellowmind allocate resources most efficiently to optimize both growth and profitability, why the most attractive synergy areas must be prioritized.

To get a grasp on how further value creation initiatives could impact the performance and value of Fellowmind and to provide Fellowmind and FSN with further guidance on the most attractive value creation levers, the following strategic consideration could be explored in the advisor's final presentation.

1. How to best capture growth opportunities while also strengthening profitability

How should Fellowmind allocate available resources towards different service offerings and geographies to take advantage of the most attractive growth and profitability enhancement opportunities? To which degree should further M&A be considered and what would be the strategic rationale?

(Note: It is not necessary to identify specific targets in a potential M&A strategy)

2. How can Fellowmind continue its growth journey by attracting top talent

How and where should Fellowmind target new talent to enable continuous growth and what should Fellowmind do to secure retention of its current workforce? What are key initiatives Fellowmind can take to tackle the challenge of IT talent scarcity in its current markets and how can it position itself towards other professions?

3. How should Fellowmind leverage its new position as "One Fellowmind"

How can Fellowmind leverage its pan-European position and combined group reach to strengthen its value proposition to customers and improve its international brand position? What should be key priorities to become a truly connected company to unlock further synergies?

4. What relevant ESG value creation efforts should Fellowmind pursue?

How can Fellowmind utilize industry relevant ESG topics to strengthen the green profile of the company and drive growth?

Financials

Financial performance

Fellowmind refers to the entire Fellowmind Group, for which below P&L figures have been proforma adjusted to include historic reported financials for the 12 operating companies. Financials for Applabs, acquired in December 2021, have not been consolidated into below numbers. Applabs had EUR ~5.9m in revenue, ~4.2m in Gross margin and ~1.1m EBITDA in 2021.

Consolidated P&L (EURm)

| | 2019A | 2020A | 2021A | 2022B |
|---------------------------------------|-------|-------|-------|-------|
| Revenue | 195 | 238 | 263 | 305 |
| <i>Of which Recurring Revenue</i> | 45 | 59 | 69 | 82 |
| Cost of sales | 44 | 56 | 63 | 68 |
| Gross profit | 151 | 182 | 200 | 237 |
| Operating expenses – Project delivery | 97 | 113 | 128 | 148 |
| Operating expenses – SG&A | 31 | 40 | 46 | 54 |
| <i>Of which HQ investments</i> | | 4 | 5 | 8 |
| EBITDA (Operating) | 23 | 32 | 32 | 43 |
| EBITDA (incl. HQ investments) | 23 | 28 | 27 | 35 |
| Additional items | | | | |
| Depreciation | 1 | 2 | 1 | 2 |
| Amortization | 2 | 1 | 2 | 3 |
| Cash and cash equivalents | | 33 | 31 | 57 |
| Trade receivables | 33 | 38 | 44 | 46 |
| Inventory and work in progress | 3 | 4 | 5 | 4 |
| Trade payables | 10 | 12 | 15 | 13 |
| Advance payments and deferred revenue | 8 | 9 | 11 | 10 |
| CAPEX | 4 | 4 | 5 | 6 |
| Debt | 59 | 115 | 135 | 135 |

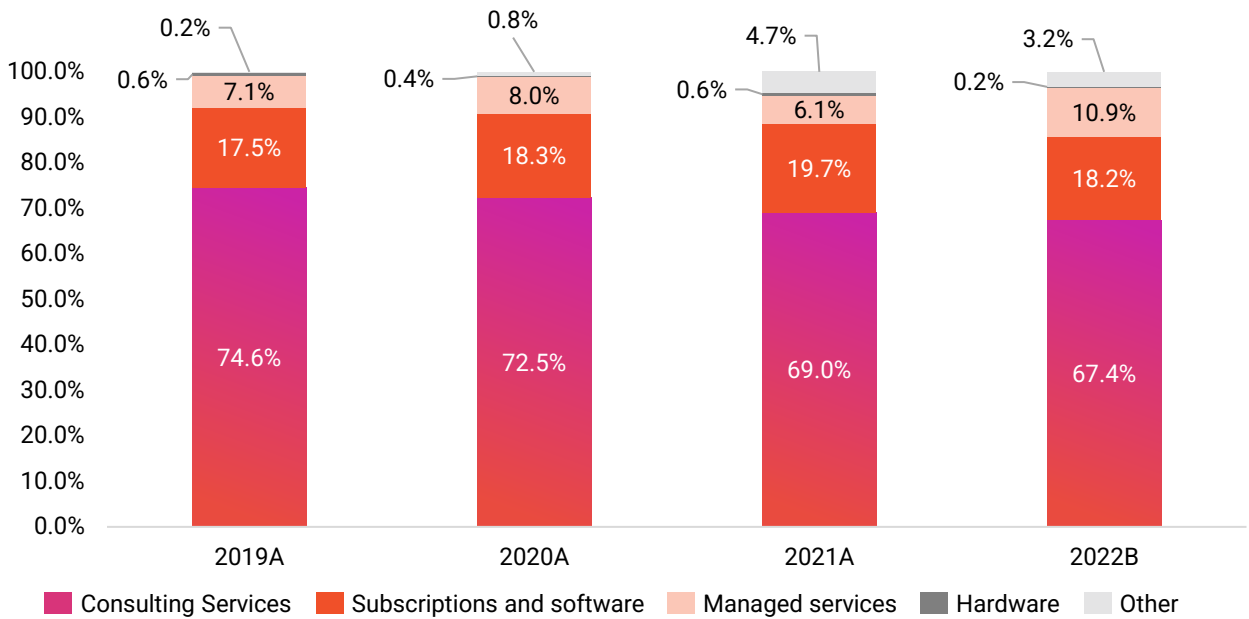
Revenue

The majority of Fellowmind's consolidated revenue is generated through consulting services, which made up ~69% of the revenue generated in 2021. Besides consulting, subscriptions and software contributed ~20% whereas managed services made up ~6% of the revenue in FY21.

Of the countries where Fellowmind is operating, Denmark and Finland accounted for more than 50% of the revenue generated. The Netherlands and Sweden accounted for approximately 20% respectively, whereas Germany and Poland contributed only 7% of revenue in 2021.

In FY22 management expects a topline growth of ~16%, thereby obtaining a growth rate that slightly exceeds the CAGR from 2019 to 2021. Key drivers are expected to be the increase in revenue generated by managed services as well as a solid increase in consulting related revenue.

Service split (% of revenue)

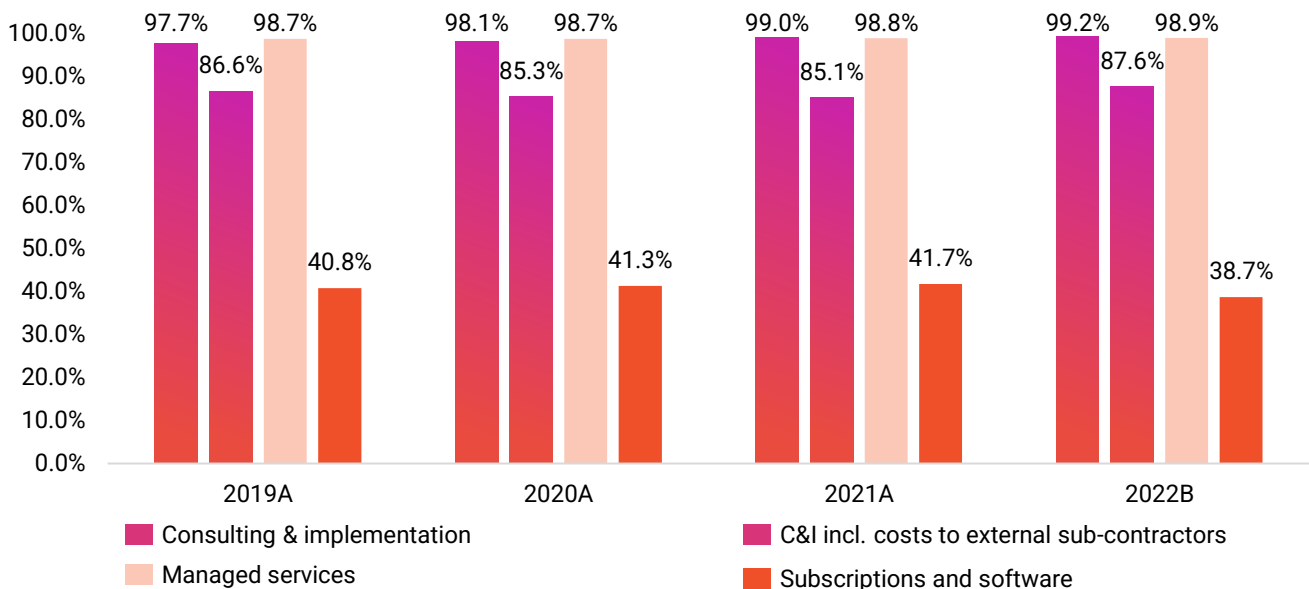


Gross margins

Historically, the overall gross margin has remained fairly stable at around 78%. For consulting and managed services, the gross margin is approximately 99%, whereas the gross margin on subscriptions and software is around 40%. However, when looking at the gross margin for consulting and implementation, it is important to take the cost to external sub-contractors into account. In 2021, expenses related to external sub-contractors amounted to approximately ~10% of revenue. Thus, including the costs to external sub-contractors, the gross margin for consulting services amounted to approximately 85%.

In 2022, the gross margin is expected to increase. This development is primarily driven by the use of fewer sub-contractors (subcontractors increased during 2020 and 2021 as the covid-pandemic caused a temporary hiring slow-down due to market uncertainties). Other drivers include a shift in services to areas where margins are generally higher, such as managed services with a ~99% gross margin.

Gross margin development



Operating expenses

Operating expenses can be categorized into project-related OPEX and SG&A OPEX. Project-related OPEX are salaries and OPEX related to consultants and project delivery, whereas SG&A OPEX are expenses to internal administration, HR, sales, marketing, finance, etc. For the individual operational units, SG&A OPEX lies at approximately 15.5% of revenue. The overall level of SG&A, however, is approximately at 17.5% due to significant HQ related OPEX. Over time, the number of duplicate functions across the organization is expected to decrease which in turn will lower the SG&A OPEX level.

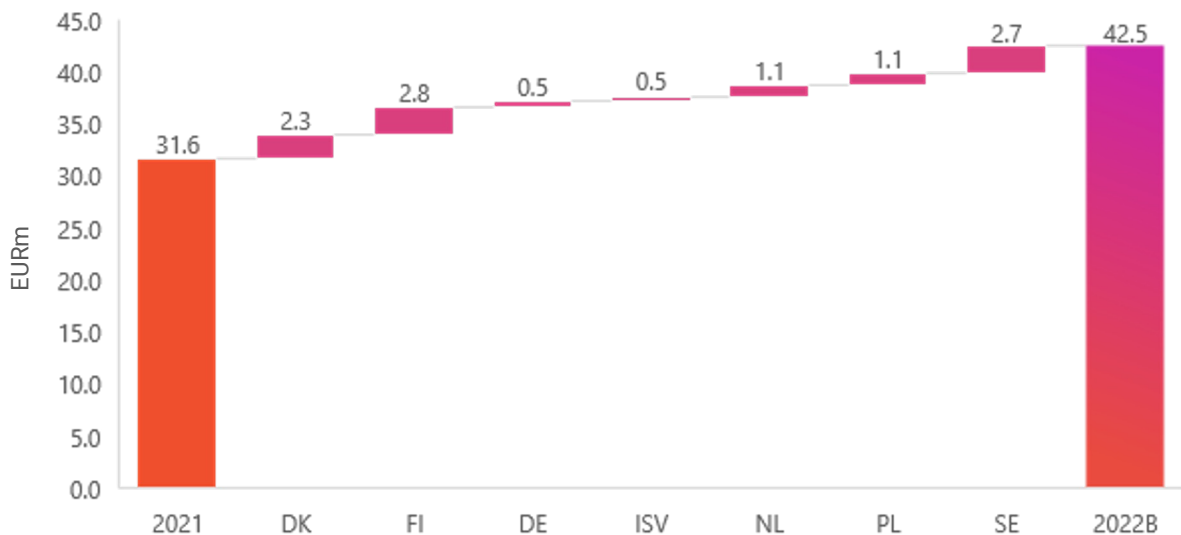
Wages constitute by far the largest expense, mainly related to wages to consultants. During the pandemic in 2020 and parts of 2021, the number of new hires and the accompanying training of these employees have been at a lower level than pre-pandemic. Going forward, management expects an increase in the number of FTEs and an increase in training.

EBITDA

Small EBITDA decrease from 2020-2021, driven by a year with year with high M&A activity and integration costs as well as large investments in the HQ function, including centralization of significant marketing costs from Regions to Center (overall marketing costs for the activities under the Fellowmind brand remain flat). Excluding HQ investments, EBITDA was EUR 32m. Furthermore 2021 saw some negative effects from COVID-19, expected to return to normal in 2022. Hence, operating EBITDA margin is expected to increase to 13.9% in 2022, driven by operating leverage and further operational efficiency. Looking at a long-term perspective, management has a target EBITDA margin of 18%.

The EBITDA growth in 2022, is additionally expected to be driven by strong organic growth across regions, except for Poland as part of repositioning and integration roadmap. For the Danish and Dutch activities, the strong performance is expected to continue. In Sweden, a large step-up in EBITDA is projected as the activities recover from out phasing of a legacy customer in Q420. The EBITDA growth in Finland is expected to return following a year of OPEX investments and project integration.

Expected EBITDA (incl. HQ investments) development in 2022



CAPEX

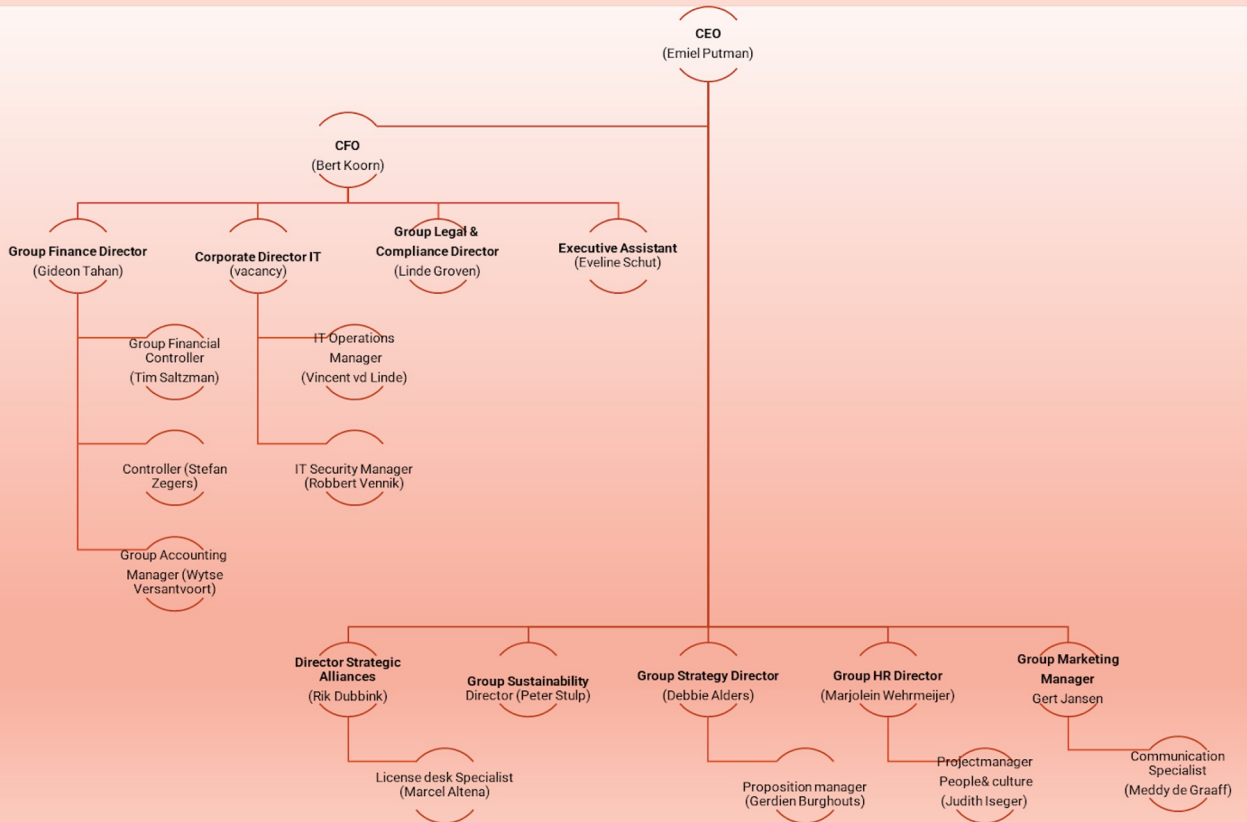
Fellowmind generally has a limited CAPEX requirement, and the level has remained stable in recent years. CAPEX in 2021 was dominated by one-off elements relating to the rebranding of Fellowmind. One-off capital expenditures are expected to continue in 2022 as a result of regional integrations, relocations and a rebranding

Cost centers

Fellowmind has recently introduced a harmonised cost centre setup across the entire organisation. This harmonised reporting by cost centre will provide a tool to obtain an understanding of the best practises and best-in-class operations between the regions where Fellowmind operates.

Appendix

Fellowmind Headquarter Organizational Chart



MICROSOFT DYNAMICS Ecosystem Map November 2022

ERP Solutions

Dynamics 365 Finance

Finance management for small and large sized companies

- Revenue Recognition
- Credit Management
- Intercompany
- Treasury
- Organization administration
- Accounts receivable
- Budgeting
- Audit workbench
- Accounts payable
- Cash and bank management
- Credits and collections
- Cost management
- Financials embedded Power BI
- Consolidations
- General ledger
- Fixed assets
- Expense management
- Payroll
- Asset leasing
- Human Resources management
- Tax
- Power Apps mobile support
- Finance insights
- Mobile offline
- Microsoft Dataverse support

Dynamics 365 Supply Chain Management

Supply chain management for small and large sized companies

- Asset management
- Master planning
- Inventory visibility
- Retail headquarters management
- Transportation management
- Inventory management
- Production control
- Product information management
- Procurement and sourcing
- Service management
- Cost allocation
- Sales and marketing
- Warehouse management
- Vendor collaboration
- Time and attendance
- Self Service integration
- Microsoft Teams integration
- Scale Unit Manager
- Fixed Reality integration
- IoT recognition sign-in for production floor workers
- IoT Integration

Dynamics 365 Project Operations

Project management

- Project sales management
- Project accounting
- Subcontractor Management
- Inventory-based projects
- Invoice summary page
- Price list management
- Microsoft Project integration
- Project contracts
- Customer segmentation and targeting
- Requirements management
- Resource planning
- Schedule table
- Officer management
- Lead management
- Time and expense management
- Client management
- Teams collaboration
- Comprehensive project upgrade
- Upgrade from Dynamics 365 PSA

Dynamics 365 Commerce

Retail management

- AI product recommendation
- Digital commerce
- Fraud protection integration
- Pricing
- B2B & B2C e-commerce
- Stores management
- Dynamics 365 Commerce app marketplace
- Assortment management
- Inventory movement between in-store locations from POS
- Customer segmentation and targeting
- Product categories
- Retail server
- Call centers
- Loyal customer management
- Cloud scale unit
- Cloud POS & Modern POS
- Replenishment management
- Online stores
- Retail HD
- Microsoft Teams integration
- PayPal payments connector

Dynamics 365 Human Resources

Human resource management

- People management
- Task management
- Compendium management
- Compliance
- HR programs optimization
- Alerts management
- Leave and absence management
- Employee and manager self-service
- Organization and personnel management
- Employee transfer management
- Personnel management
- Benefits management
- Learning
- Business processes management
- Performance management
- Skills management
- LinkedIn integration
- Skills management
- Microsoft Power Platform integration
- Microsoft Teams integration
- Skills support
- Fixed assets

Dynamics 365 Business Central

Enterprise resource management for small and medium sized organizations

- Bank and payment reconciliations
- Warehouse management
- Assembly management
- Inventory management
- Analytics
- XBRL
- Task management
- Project management
- Finance management
- Self service portal
- Accounts payable
- Treasury
- Inventory management
- Planning functionality
- Workflow
- Accounts receivable
- Budgeting
- Project management
- Human resource management
- CRM
- Microsoft Power Platform integration
- Microsoft Teams integration
- Skills support
- Fixed assets

Microsoft Cloud for Industry

Microsoft Cloud for Healthcare

Capabilities to manage health care providers organizations

- Connected patient health
- Patient insights
- Virtual health
- Health team productivity
- Financial insights
- Operational analytics

Microsoft Cloud for Financial Services

Capabilities to manage financial services organizations

- Unified customer profile
- Remote sales and service
- Customer onboarding
- Banking customer engagement
- Loan manager
- Financial crime protection
- Risk analytics
- Collaboration manager

Microsoft Cloud for Nonprofit

Capabilities to manage nonprofit organizations

- Volunteer engagement
- Nonprofit management
- Nonprofit marketing template
- Deliver effective programming
- Accelerate mission outcomes

Microsoft Cloud for Manufacturing

Capabilities to manage manufacturing organizations

- Frontline worker empowerment
- Connect emissions data sources into one view
- Connection catalog
- Dynamics automation service
- Operational-specific dashboards
- Public reporting
- Actionable insights
- Emissions reporting
- Digital selling

Microsoft Cloud for Sustainability

Help companies measure, monitor, and take charge of their carbon emissions

- Connect emissions data sources into one view
- Connection catalog
- Dynamics automation service
- Operational-specific dashboards
- Public reporting
- Actionable insights
- Emissions reporting
- Digital selling

Microsoft Cloud for Retail

Capabilities to manage retail organizations

- E-commerce personalization
- Digital advertising
- Digital and smart stores
- Loss and fraud prevention
- Anywhere commerce conversion
- Multichannel fulfillment
- Integrated customer service
- Shopper analytics
- Inventory management
- Retail media

CRM Solutions

Dynamics 365 Sales

Sales management solution

- Client management
- Engagement platform
- Contact management
- Forecasting and gamification
- Digital selling
- Field sales manager workspace
- Order management
- Proposal management
- Lead management
- Product management
- Microsoft Relationship Sales integration
- Sales accelerator workspace
- Visual insights
- Simplified opportunity-to-velocity process
- Pipeline management
- Customer 360 view
- Relationship intelligence
- Business process flow
- Document management
- Outlook add-in
- Microsoft Teams integration

Microsoft Relationship Sales

Scale customer relationships at scale with relationship selling

- LinkedIn Sales Navigator integration
- Relationship visualization
- Opportunity risks management
- Cortana
- Next best action
- Smart Links integration
- Internal communications support

Dynamics 365 Customer Service

Customer service management

- Voice channels
- Customer service center
- Connect customer service
- Agent experiences & productivity
- AI-suggested cases
- Queue management dashboard
- Empower frontline workers
- Customer assets management
- Service orders management
- IoT alert AI-based suggestions
- Contracts/Others management
- Service operations optimization
- Module order pricing
- Return management
- Billing
- Procurement management

Dynamics 365 Field Service

Field service and maintenance management

- Connected field service
- Competence planning & management
- Proactive service delivery
- Service scheduling dashboard
- Empower frontline workers
- Customer assets management
- Service orders management
- IoT alert AI-based suggestions
- Contracts/Others management
- Service operations optimization
- Module order pricing
- Return management
- Billing
- Procurement management

Dynamics 365 Marketing

Customer engagement management

- AI powered analytics
- Customer journey orchestration
- Personalized insights
- Deep personalization experience
- Client management
- Digital marketing
- Marketing campaign management
- Learning
- Deeply personalized email campaigns
- Marketing automation
- AI/B testing
- Support approvals using Microsoft Automate
- Microsoft Teams for virtual events support
- Customer journey orchestration
- Personalized insights
- Logistic management
- Customer Insights integration

Services

Inventory Visibility Add-in for Dynamics 365 SCM

External micro service for inventory

- Inventory allocation
- Allocation rules
- Backend shared inventory pool
- Hyper Scale
- External Signals support
- Scheduling with finite capacity
- Capability-based resource allocation
- Internal manufacturing support
- Out-of-the-box integration with Dynamics 365 Apps
- Electron-based process configuration
- Regulatory Configuration Services (RCS) support
- Multiple e-invoice formats (XML, JSON, TXT, CSV)
- External web services including certification handling
- Configurable exception message handling

Dynamics 365 Electronic Invoicing

External micro service to setup e-invoicing

- Out-of-the-box integration with Dynamics 365 Apps
- Electron-based process configuration
- Regulatory Configuration Services (RCS) support
- Multiple e-invoice formats (XML, JSON, TXT, CSV)
- External web services including certification handling
- Configurable exception message handling

Resource Scheduling Optimization Add-in

Extended schedule optimization solution

- Dynamics 365 Field Service, Customer Service, and Project Service Automation support
- Improved customer overnight and emergency scheduling
- Single Resource Optimization
- Simulation
- Achieve scale
- Technician efficiencies and reduced cost

Tax Calculation Service

External micro service for taxes

- Out-of-the-box integration with Dynamics 365 Apps
- Configuration of tax service through the RCS
- Configurable tax matrix to auto-determine tax codes, rates, VAT ID
- Configurable calculation designer to build formulas and conditions
- Multiple tax registration numbers
- Tax on transfer orders

Financial Dimension Service

External micro service for financial dimensions

- Improve reporting financial dimensions management
- Support large numbers of importing journals
- Options on the data parallel

Intelligent Fulfillment Optimization

External micro service for fulfillment

- Multiple channels
- Quickly adapt to order changes
- Supplier availability issues tracking
- Proactive react on spike in demand

Collaboration Solutions

Connected Field Service

Solution to integrate Dynamics 365 Field Service and Azure IoT

- Reduce downtime
- Address issues faster
- Resource optimization
- Azure IoT Hub support
- Extensible IoT provider framework
- IoT diagnostics
- Simulator

Dynamics 365 Universal Resource Scheduling

Schedule any data in Customer Engagement

- Multi-resource scheduling
- Facility scheduling
- Azure IoT Central support
- Fulfillment preferences
- Schedule board tab
- Resource crew scheduling

Field Service Mobile app

Mobile solution for Field Service

- Server data in real time
- Signature support
- Email integration
- Push notifications
- Windows 10 support
- Access Documents

Dynamics 365 Omnichannel for Customer Service

Connect with customers from Microsoft

- Communication panel management
- Next best action
- Single interface
- Agent configurator
- Agent dashboard / work items
- Video / audio calls / support

Dynamics 365 App for Outlook

Customer Engagement for Microsoft Outlook

- Contacts and leads
- Link email to contacts
- Relationship assistant
- Email templates
- Global search
- Phone calls and tasks

Dynamics 365 Connector for LinkedIn

Seamless synchronization for Microsoft LinkedIn

- LinkedIn authentication
- Matching strategy management

Dynamics 365 Unified service desk

Framework for call centers

- Next best action
- Agent scripting
- Application integration
- Configurable toolbars
- Audit trails
- Session management
- Configurability
- UX themes

Configurable business documents reporting

Microsoft Office-based templates

- Prefixed templates
- Document lifecycle management
- Extended Data Model
- Routing

Dynamics 365 for phones and tablets

Unified CRM app for phones and tablets

- Unified interface
- Access to all apps
- Offline work support

Dynamics 365 Customer Voice

Enterprise feedback management application

- Personalized surveys
- Departmental capacity management
- Question builder
- Survey any device analysis
- Integrated customer data platform
- Partial responses
- Pause and resume survey
- Personalize survey
- Real-time insights
- Feedback solution templates
- Multichannel survey distribution

Customer portal for Dynamics 365 Supply Chain Management

Power Apps portals that create business-to-business (B2B) website

- Authentication and authorization
- View, edit, and act on business data
- Mobile workspaces management
- Optimize the office capabilities
- Easy to create mobile app from main interface
- Prefixed mobile workspaces

Finance and Operations (Dynamics 365) mobile app

Mobile app for ERP solutions

- Authentication and authorization
- View, edit, and act on business data
- Mobile workspaces management
- Optimize the office capabilities
- Easy to create mobile app from main interface
- Prefixed mobile workspaces

Lifecycle Services

Collaboration portal to manage the application lifecycle

- Environment management
- Business process library
- Updates management
- Implementation process control
- User management
- Customization analysis
- Asset library
- License sizing estimator
- System diagnostic
- Shopper analytics

Dynamics 365 Intelligent Order Management

Order management for ERP solutions

- Automate order fulfillment
- Smart fulfillment orchestration
- Real-time omnichannel inventory data
- Real-time visibility into orders
- Integrated operational efficiency dashboards
- Order journey visibility
- Integration management
- Shipment integration

Fundraising and Engagement

Solution for donor and constituent engagement for Dynamics 365 CRM

- Attract, retain, and grow donor and supporter bases
- Drive fundraising efficiency
- Donation management
- Event management
- Campaign management
- Transaction management
- Revenue management

Sales Analytics for Dynamics 365 Sales

Power BI app for Dynamics 365 Sales

- Sales Performance
- Sales Leaderboard
- Win/Loss Analysis
- Sales Pipeline
- Sales Activity
- Lead Analysis
- Account Analysis

Dynamics 365 Customer Service Community

Community management for Dynamics 365 Customer Service

- Full portal configuration
- Idea forums
- Content moderation
- Community feedback
- Manage security roles
- Modern Community portal template

Microsoft Dynamics 365 - Data Export Service

Exports schema and data from Dynamics 365

- Export profiles
- Metadata changes
- Full initial data synchronization
- Full incremental data synchronization
- Scalable, reliable and secure
- APIs for programmatic management

AI Solutions

Dynamics 365 Supply Chain Insights

AI-driven insights

- Digital twins of the supply chain
- Proactively avoid disruptions
- Supply chain maps
- Supply and demand simulations
- Multiple tiers of supplier's support
- Enrich demand and supply signals with external events
- Bridges connectors to common predictions
- Selective data sharing
- Secure collaboration

Dynamics 365 Customer Service Insights

AI-driven insights

- Automated AI-driven case resolution
- Customer satisfaction dashboard
- Intelligent workflow
- Topic details dashboard
- Case resolution dashboard
- Visual agents
- KPI summary cards dashboard
- Teams and Power Automate insights
- Knowledge search historical analysis
- Natural language support

Dynamics 365 Customer Insights

Power personalized insights

- Data enrichment / Segmentation
- Customer journey
- Profile visualization
- Next best interaction
- Customer cards
- Profile search & discovery
- Teams and Power Automate insights
- Synapse workspace
- Relationship management
- Next best offer recommendations
- Engagement insights
- Audience insights
- Metrics builder
- Integration with Microsoft Clarity
- Integration with Microsoft Advertising
- Consent Management

Dynamics 365 Sales Insights

AI-driven insights in sales

- Sales accelerator
- Power Analytics technology
- Natural language support
- Relationship intelligence
- Talking points
- Business data dashboard
- Predictive leads/opportunity scoring
- Assistant studio
- Conversation intelligence
- Advanced forecasting and pipeline intelligence
- Sales Coaching & Call Intelligence

Dynamics 365 Virtual agent for Customer service

Virtual agent configuration tool

- Power Analytics technology
- Virtual agent designer
- No code customizing
- Microsoft Dynamics integration
- Conversation tracing
- Transfer chats to manager
- Customer satisfaction (CSAT) dashboards
- AI-assisted authoring
- Integrated with Virtual Agents

Dynamics 365 Connected Spaces

Real-time observational data to improve in-store operations

- Intelligent decisions with actionable insights
- Shopper analytics
- Intelligent Command Center
- Inventory recommendations
- Venue/Zone management
- Equipment failures control
- Daily summary dashboards
- Customer acquisition funnel
- Integration with video camera's
- Anomaly detection
- Shift management recommendations
- Queue management analytics
- Trigger real-time alerts
- Unlock trends and patterns

Dynamics 365 Fraud protection

AI anti-fraud solution

- Advanced AI technology
- Fraud protection network
- Loss prevention scale motion
- Transaction acceptance booster
- Behavioral and mobile fingerprinting
- Test and verify rules
- Risk decisioning dashboard
- Customer escalation support tool
- Payment Service Provider (PSP) support
- Integration wizard
- Loss prevention

Mixed Reality Solutions

Dynamics 365 Remote Assist

Mixed reality remote assistance in real life

- HoloLens-based
- Knowledge and service insights
- Video calling
- File sharing
- Service and repairs
- Surveys and walkthroughs
- Remote cooperative work
- Asset Capture
- Mobile support
- Power Apps integration
- Integration with Teams

Dynamics 365 Power Visualize

Place a 3D digital twin in your world

- 3D animation
- View product in context
- Prefixed integration with Dynamics 365 for Sales
- 3D animation
- View product in context
- Share key sales details
- Notes support
- Mobile support
- Prefixed integration with Teams

Dynamics 365 Guides

Holographic instruction tool

- Touch activity menu
- One-to-one callouts
- Capture work process tool
- 3D models scaling
- Non-linear (branching) workflows
- Guides constructor
- Attachment's support
- Instructor cards management
- Spacial Triggers
- Power Apps integration
- Productivity dashboards

Dynamics 365 Import tool

Tool importing 3D models of GLB

- Optimize the converted 3D models
- Convert 3D models to GLB
- Send models to Microsoft HoloLens support
- View add-in support

Power Platform

Power Automate

Robotic process automation

- Alerts
- Synchronization management
- Transparent processes between systems
- Prefixed integration templates
- Steps recorder
- Microsoft Teams integration
- UI Flows Connector
- AI Builder integration
- Power Automate Desktop
- Partial content management solution
- Process-based flows
- Power Automate is part of Windows 11

Power BI

Business intelligence solution

- Prefixed dashboards
- Power Automate visual
- Power BI Insights Apps
- Embedded analytics
- Power BI integration
- AI visualization
- Power BI Mobile
- Power BI Service
- Smart Narrative
- Microsoft Dataverse for Analytics
- AutoPilot Insights
- Native PowerPoint integration

AI Builder

Artificial intelligence solution

- Prefixed AI models
- Data connectors
- Power Apps integration
- Power Automate integration
- Form Processing
- Invoice processing
- Receipt processing
- Document processing
- AI Builder features in Microsoft Teams
- Signature detection

Power Apps

Business solutions tool

- Process automation
- Application constructor
- Microsoft Dataverse for Apps
- Build-in Dynamics 365
- Build-in Microsoft Teams
- Build-in mixed reality
- Converted mobile app
- Testing and debugging tool
- Async On/Off events
- Export to different formats
- Collaborate with other makers

Power Apps portals

Portal management

- Partial content management
- Knowledge base management
- Authentication management
- Microsoft Azure Analysis Services import of data
- Interacting with tables
- Business rules & flows
- Business logic with code
- Data archival
- Workflow

Power Apps mobile

Mobile solution for Power Apps

- Model-driven apps
- Canvas apps
- Teams integration with Dynamics 365
- Optimization tool for offline capabilities

Microsoft Platform

Microsoft 365

Office solutions

- Excel
- Outlook
- Word
- Skype
- Planner
- Teams

Microsoft Azure

Cloud computing solution

- Cognitive Services
- Machine Learning
- DevOps
- Logic Apps
- AppSource
- Registration Suite
- Automation Tool

Microsoft Graph

Gateway to data and intelligence

- Manage employee profiles
- Excel integration
- Convert documents
- Registration Suite
- Microsoft Graph API

Microsoft Viva

Employee experience platform

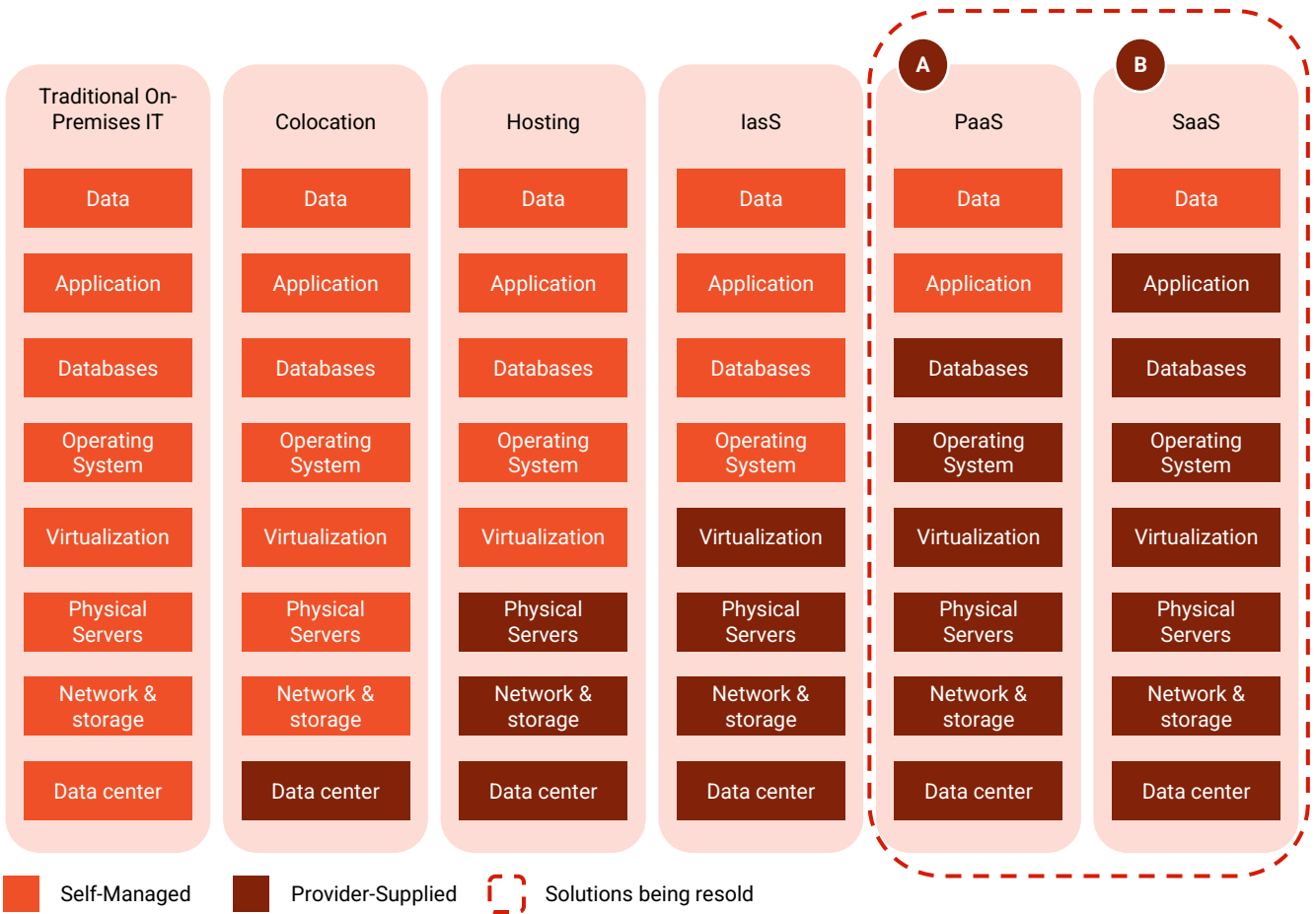
- Viva Connections
- Viva Topics
- Viva Learning
- Viva Insights

Microsoft Loop

Powerful and flexible canvas with shared components

- Shared spaces
- Atomic units of productivity
- Flexible canvases
- Teams integration with Dynamics 365
- Teams integration

Software delivery models overview



A PaaS: Platform as a Service

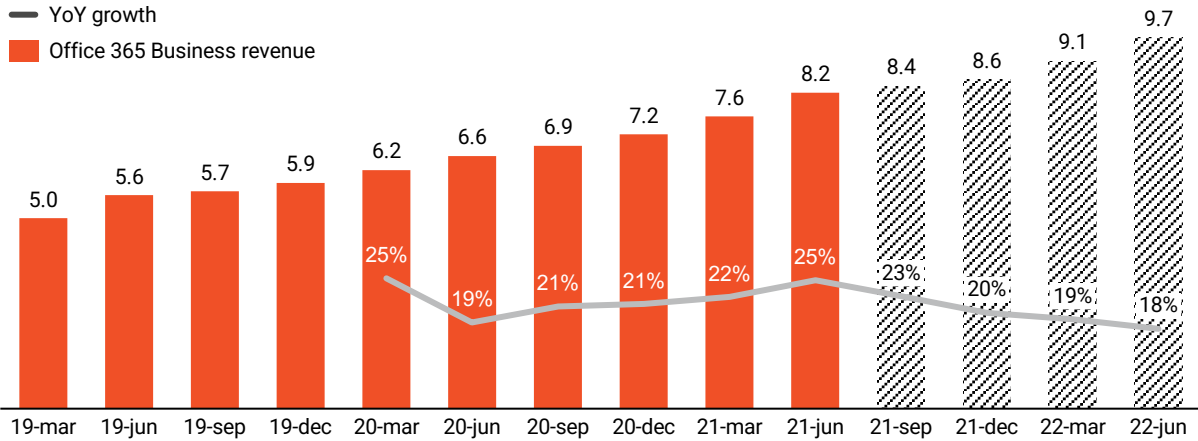
- Client gets infrastructure and software for application development
- Example: Cloud development environment Microsoft Azure, Codenvy, Google App Engine,, AWS applications, Docker, Oracle databases, etc.

B SaaS: Software as a Service

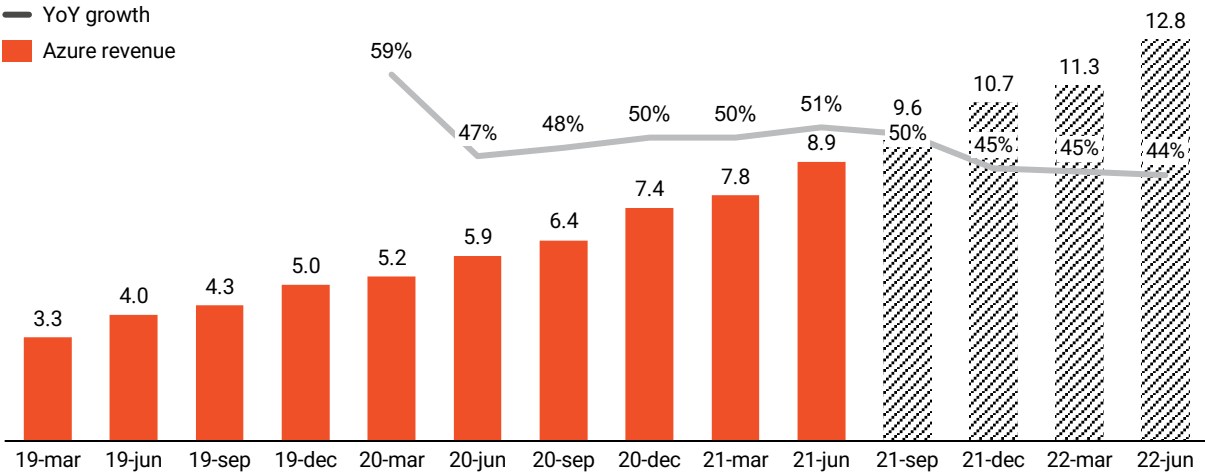
- Clients get a ready-to-use applications (in the cloud)
- In the past, users had to buy and install the programs on their local PC – today, most can be opened in the browsers/ platform
- Example for end users: Office 365 from Microsoft, Google service

Quarterly revenue growth for core Fellowmind Microsoft products

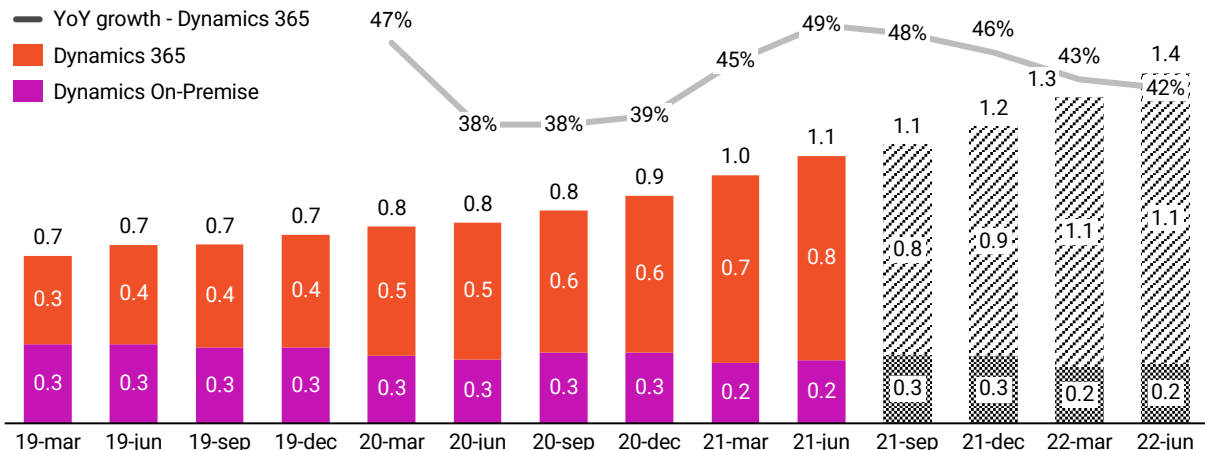
Office 365 Business



Azure

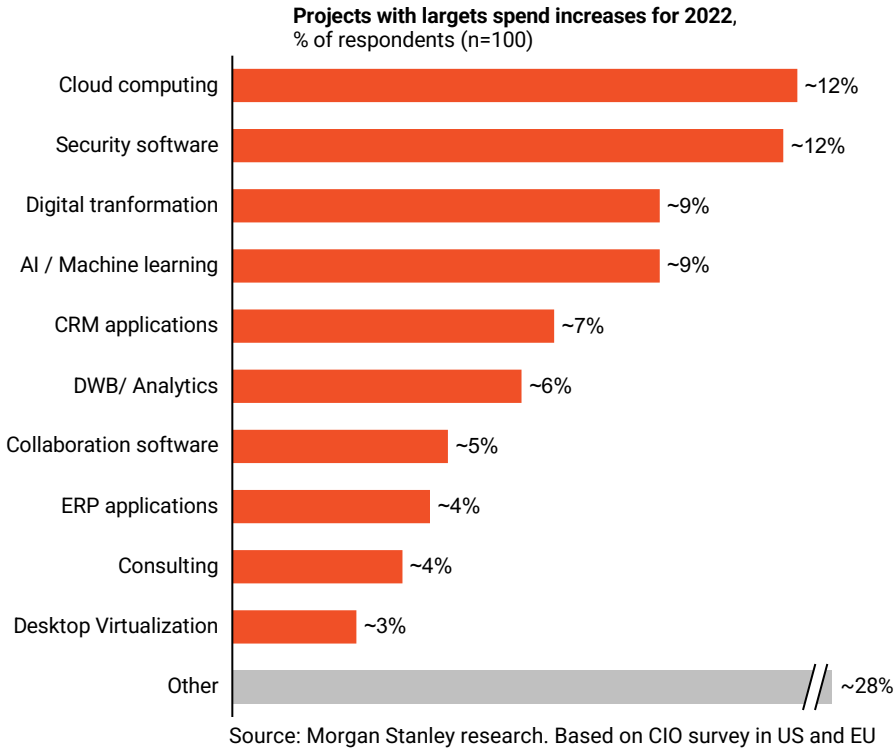


Dynamics 365

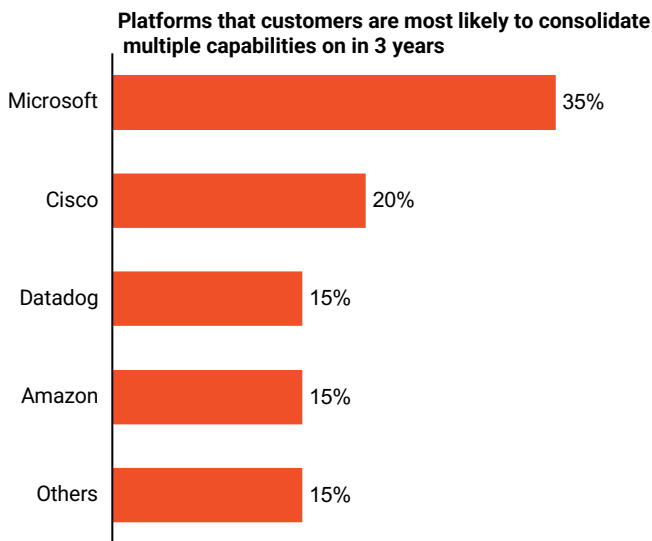


CIO and Microsoft partner surveys

CIO top IT investment priorities



Software vendor consolidation trends



Source: Morgan Stanley research. Based on Microsoft partners/ VaR survey in US and EU (n=20)



Introduction to Avanade

Avanade is a global IT services company headquartered in Seattle, USA. It provides IT consulting and software and cloud implementation services, focused on the Microsoft platform within artificial intelligence, business analytics, cloud, application services, digital transformation, modern workplace, security services, technology and managed services offerings.

The company has a strong footprint in the US, but is also present across Europe, APAC and other Americas with 80 offices across 26 countries. With 50,000 professionals worldwide, it is the largest Microsoft Partner globally.

The company was founded in 2000 as a joint venture between Accenture and Microsoft. Historically, Avanade has earned most of its revenue as a subcontractor to Accenture, servicing their Microsoft related IT projects. Today the company is majority owned by Accenture in a strategic alliance with Microsoft with whom they in 2019 announced the formation of the "Accenture Microsoft business group" – fueled by Avanade - bringing together Accenture's broad industry experience and transformation skills with Microsoft's powerful digital technologies and Avanade's specialization in the Microsoft ecosystem.

Avanade does not report financials, but according to their website the company has + 2 USD billion in revenue and has grown 20 percent average year-on-year since 2000. To support this growth, Avanade has made 17 acquisitions since 2000.



| FACT BOX | |
|--------------------|---------------------------|
| Headquarter | Seattle, Washington, U.S. |
| Founded | April 4, 2000 |
| CEO | Pamela Maynard |
| Employees | ~50,000 |
| Revenue | +2 USD billion |
| Ownership | Accenture (majority) |

Avanade M&A activity

- 2003 **DCG** – online business consulting and integration
- G.A. Sullivan** – Information technology firm
- 2005 **En t'egrat**– Microsoft Dynamics specialists
- 2007 **HOB**– IT consulting firm
- 2008 **Quadreon**– Microsoft Dynamics specialists
- 2010 **Ascentium**– Microsoft Dynamics specialists
- 2011 **ECONNEX**– Microsoft Dynamics specialists
- 2012 **Azaleos**– Communication services
- 2015 **KCS.net**– Information technology firm
- CloudTalent**– Strategic cloud advisory
- 2017 **Infusion**– Software engineering and design
- 2018 **Loud&Clear**– Technology and experience design
- 2019 **Alnamic**– Microsoft Dynamics 365 and AX specialists
- 2020 **Altius**– Data, AI, Cloud and IoT specialists
- Concert**– ERP solutions
- AZEO**– Data, AI, Cloud and IoT specialists
- 2021 **QUANTIC**– Microsoft business applications

ESG: Selected efforts and performance

| KEY ESG GOALS | EFFORTS 2020 | PERFORMANCE | AMBITIONS 2021 |
|--|--|---|---|
| 1. The best workplace in the industry | After conducting a company-wide employee engagement, the results have been used to define specific focus areas per business unit to further increase the work engagement at Fellowmind. The outcome of the scan proves that we score extremely high on psychological safety, social support from colleagues and extremely low on bureaucracy. These are main components of our unique company culture. | Female ratio 2020: 24,5% Employee NPS (eNPS) <small>How likely are you to recommend Fellowmind as an employer to acquaintances?</small> 24 35 50 <small>2020 2021 ~ 2024</small> | Increase diversity, from all new hires at least 30% will be female. In 2021 we want to increase eNPS from 24 to 35. |
| 2. Enabling the green transition | Fellowmind has serviced many customers in implementing technology to reduce waste and improve efficient use of resources in many industries, like in the waste industry itself. | For the agriculture industry we teamed up with Microsoft on their FarmBeats program. The program enables farmers to improve production and reduce carbon footprint by adding IoT, bringing together (sensor) data and develop smart dashboards. | Fellowmind will conduct a research to identify the top climate related topics according to the EU taxonomy for our main verticals. Fellowmind will start registering its own carbon footprint and identify priorities for reducing the footprint. |
| 3. Personal connection with our customers | An extensive research amongst our customers was held in 2020. Next to measuring NPS, it also included an in-depth questionnaire to really understand customers' needs. Results show that our people make the biggest positive impact on customer satisfaction. | Customer NPS (NPS) <small>How likely are you to recommend our business to a friend or colleague?</small> 27 35 50 <small>2020 2021 ~ 2024</small> | Be a business partner for our customers and take them along the journey of digital transformation by servicing them with a holistic offering. Increase our NPS to 35 in 2021. |
| 4. Enhancing meaningful connections | Fellowmind started an initiative to organize activities for people who lost connection with society. We want technology to work for people in our digitized society who have difficulties in keeping up with the changes. | During the first Covid-19 lockdown, our German team developed a learning platform for teachers who were forced to teach virtually. The platform has courses ranging from technical instructions to best practices, making sure children are served with an engaging experience. | Fellowmind will allocate a budget to support initiatives to help people who lost connection with society. |
| 5. Ethical and reliable business partner | The Fellowmind Code of Conduct and Whistleblower Policy are established. An e-Learning portal is created to support this process. All incidents on data security, privacy and ESG are formally reported to the Board. An IT security baseline is in place, covering most critical security related demands. | Within our business units, the ESG Policies are implemented, a growing percentage of over 90% of all Fellows now formally accepted the policies in the e-learning portal. | Draft and implement a Fellowmind GDPR policy. Implement and audit the Fellowmind IT security baseline. |

CASE example: Chatbots take strain off Denmark's emergency helplines

In a health crisis medical helplines — as many people are now discovering first hand — quickly get overwhelmed.

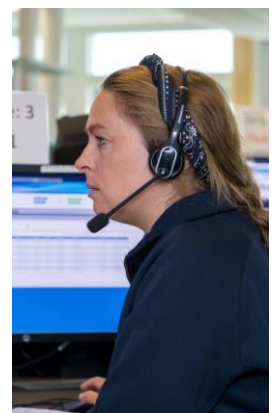
"We were worried because the call volumes more than doubled for us," says Freddy Lippert, chief executive of Copenhagen Emergency Medical Services, who is responsible for both the emergency call line in Copenhagen and an advice line for less urgent medical problems. Both became completely jammed as people began to ring about Covid-19, even before the pandemic had really begun to spread in the country.

"We put more staff on but we couldn't keep up with the volume. Our biggest worry was that people with other diseases weren't able to get through."

In the Copenhagen area, around 50 staff are taking calls. So when Fellowmind and Microsoft offered a free chatbot that could help handle the call volume, Lippert jumped at the offer. It worked well enough that the chatbot service was soon rolled out beyond just the initial Copenhagen area to all of Denmark.

The chatbot answers people's questions about their symptoms and advises them when they need to get additional help.

The chatbots is also able to do more than just take the stress off call handling — it can be used as a diagnostic tool. Lippert's team is already using it to spot hotspots of Covid-19 development around the country.



Customer case examples for best practice use of software for sustainability

Utilizing cloud to improve energy efficiency in district heating

"In one of the interviews, we got in touch with a customer who works with district heating. They have taken a cloud service that can connect their different products. By connecting the products, the district heating plants can communicate with each other and thus streamline production. By using the cloud service, one can see when the need increases and when there is a lack of energy in the network. The company is asking for a subscription service that includes invoicing to customers. At present, they experience that there is too much manual work to make the service function effectively"

An IT platform for financial services one stop shop for sustainability

"In several of the interviews, it was expressed that there is a need for a platform that can bring the company's existing customers together with other companies. One example was a company in Financial Services that wanted to create a one stop shop in sustainability for their customers. Customers would be helped to make sustainable choices regarding more than just their loans or investments. By connecting other companies such as manufacturers of solar cells or sustainable transport companies and creating a financing solution for this, the company can help their customers reduce their environmental impact. At present, it can be difficult for customers to find out for themselves how they can reduce their climate impact as it requires knowledge in many different areas"



Long-list of comparable listed companies (I/II)

Note: Below valuation multiples are from FactSet as of March 23, 2022. Some of the comparable listed companies have seen declines to valuations following the market uncertainty driven by the war in Ukraine. Fellowmind has not experienced any significant impact by the war in Ukraine, neither operationally nor through their customer exposure. Hence, the situation in Ukraine is not expected to impact Fellowmind going forward.

| Company | Description | Market cap (EURm) | EV (EURm) | Sales growth | EBITDA margin | EV/Sales | | EV/EBITDA | | EV/EBIT | | P/E | |
|---------------|--|-------------------|-----------|--------------|---------------|----------|------|-----------|-------|---------|-------|-------|-------|
| | | | | Forward 2Y | 2021A | '21A | '22E | '21A | '22E | '21A | '22E | '21A | '22E |
| Accenture | Provider of management consulting, technology and outsourcing services | 208,216 | 207,874 | 13.1% | 18.8% | 4.2x | 3.6x | 22.5x | 19.2x | 27.9x | 23.6x | 34.6x | 29.2x |
| Atea | Engaged in the provision of IT infrastructure products and services | 1,673 | 1,726 | 3.6% | 4.1% | 0.4x | 0.4x | 9.8x | 8.9x | 15.8x | 13.6x | 19.5x | 17.7x |
| Atos | IT services company offering a broad range of services | 3,723 | 6,506 | 1.0% | 9.8% | 0.6x | 0.6x | 6.1x | 6.3x | 17.0x | 14.9x | neg. | 12.4x |
| Bechtle | German-based IT service provider and e-commerce trader | 6,560 | 6,630 | 17.9% | 8.1% | 1.2x | 1.0x | 15.5x | 14.5x | 20.2x | 18.7x | 28.3x | 26.4x |
| Bouvet | Provider of consultancy and development services within IT | 756 | 722 | 9.1% | 15.2% | 2.6x | 2.4x | 17.0x | 17.0x | 20.5x | 18.7x | 27.0x | 25.1x |
| CANCOM | German-based provider of IT infrastructure and services | 2,205 | 1,643 | 8.2% | 9.3% | 1.3x | 1.2x | 13.5x | 12.4x | 20.5x | 17.7x | 40.6x | 35.3x |
| Capgemini | Provides consulting, technology services and digital transformation | 34,130 | 38,703 | 8.8% | 16.1% | 2.1x | 1.9x | 13.2x | 11.8x | 16.5x | 15.0x | 21.1x | 19.8x |
| CDW | Provides IT products, expertise and different services | 22,249 | 28,840 | 11.1% | 8.4% | 1.5x | 1.3x | 18.3x | 15.3x | 19.3x | 16.3x | 22.4x | 19.2x |
| CGI | Provides consulting, systems integration and other IT services | 18,331 | 20,285 | 4.0% | 20.3% | 2.3x | 2.2x | 11.3x | 10.8x | 14.2x | 13.4x | 18.4x | 16.7x |
| Cognizant | IT services provider offering consulting and outsourcing services | 44,839 | 43,921 | 9.1% | 18.5% | 2.6x | 2.4x | 14.2x | 12.8x | 17.1x | 15.3x | 22.6x | 20.5x |
| Computacenter | Provider of IT infrastructure and IT consulting services | 4,037 | 3,955 | 4.2% | 5.1% | 0.5x | 0.5x | 9.5x | 9.2x | 12.8x | 12.5x | 17.8x | 18.2x |
| Crayon | Company engaged in IT and digital transformation services | 1,680 | 1,793 | 27.3% | 2.4% | 0.7x | 0.5x | 27.8x | 18.8x | 41.5x | 24.7x | 70.0x | 34.4x |
| Digia | Providing and implementing ICT products and services | 205 | 219 | 5.0% | 14.2% | 1.4x | 1.3x | 9.9x | 9.7x | 14.9x | 14.4x | 17.4x | 17.0x |
| DXC | Vendor-independent IT services provider with a broad offering | 7,755 | 10,059 | -0.8% | 15.8% | 0.7x | 0.7x | 4.2x | 4.1x | 8.4x | 7.4x | 10.0x | 8.1x |
| Fujitsu | Provides services focused ICT and infrastructure services | 28,639 | 28,021 | 3.1% | 11.6% | 1.0x | 1.0x | 8.9x | 7.8x | 16.4x | 12.4x | 21.0x | 16.6x |
| HCL | Provides software consulting, support and other services | 38,072 | 37,098 | 13.0% | 24.2% | 3.7x | 3.3x | 15.5x | 14.0x | 19.2x | 17.0x | 24.2x | 21.6x |
| IBM | Offers software, IT services, consulting, and hardware | 266,122 | 310,548 | 4.8% | 30.6% | 6.0x | 5.6x | 19.5x | 20.8x | 39.1x | 29.7x | 16.3x | 13.0x |

Long-list of comparable listed companies (II/II)

| Company | Description | Market cap (EURm) | EV (EURm) | Sales growth | EBITDA margin | EV/Sales | | EV/EBITDA | | EV/EBIT | | P/E | |
|-----------------|---|-------------------|-----------|--------------|---------------|----------|------|-----------|-------|---------|-------|-------|-------|
| | | | | Forward 2Y | 2021A | '21A | '22E | '21A | '22E | '21A | '22E | '21A | '22E |
| Infosys | Provider of consulting, technology, and outsourcing solutions | 94,115 | 92,414 | 15.5% | 26.8% | 6.7x | 5.7x | 24.9x | 21.5x | 28.0x | 23.9x | 36.3x | 30.8x |
| Insight | Provides IT hardware, software and consulting services | 4,029 | 4,618 | 5.3% | 4.3% | 0.5x | 0.5x | 12.5x | 11.8x | 14.0x | 12.9x | 15.3x | 14.0x |
| Knowit | Support customers in the digital transformation through IT services | 837 | 849 | 15.2% | 11.7% | 1.8x | 1.5x | 15.7x | 11.8x | 21.3x | 19.2x | 19.7x | 18.3x |
| Netcompany | Offering IT solutions and business consulting services | 3,079 | 3,355 | 33.3% | 24.3% | 6.9x | 4.5x | 28.3x | 21.1x | 31.5x | 24.5x | 37.2x | 28.4x |
| NNIT | Danish-based provider of IT services and consulting | 303 | 374 | 5.3% | 7.2% | 1.0x | 0.9x | 13.4x | 9.6x | 19.6x | 28.3x | neg. | 30.8x |
| Rackspace | Offers colocation, managed cloud and hosting | 2,188 | 5,597 | 8.8% | 24.1% | 2.0x | 1.9x | 8.5x | 8.7x | 12.7x | 13.1x | 11.3x | 11.8x |
| Siili Solutions | Finland-based provider of a wide range of IT services | 94 | 92 | 9.4% | 12.1% | 0.9x | 0.8x | 7.6x | 6.4x | 12.1x | 9.3x | 13.6x | 10.9x |
| Softcat | Provider and reseller of software, hardware and related IT services | 4,282 | 4,202 | 9.4% | 10.4% | 2.9x | 2.6x | 27.5x | 26.1x | 28.6x | 27.0x | 35.9x | 34.1x |
| Softchoice | Canada-based IT services and solutions provider | 1,220 | 1,299 | 10.2% | 7.6% | 1.6x | 1.4x | 20.5x | 14.5x | n.m. | 18.7x | 32.3x | 21.0x |
| Sonata Software | Provides IT consulting and a broad range of software services | 1,003 | 938 | 21.8% | 8.8% | 1.5x | 1.2x | 17.4x | 13.8x | 19.0x | 15.4x | 25.2x | 19.4x |
| Sopra Steria | Offers consulting, systems integration and application outsourcing | 3,451 | 4,272 | 5.8% | 11.8% | 0.9x | 0.9x | 7.7x | 7.0x | 11.3x | 9.7x | 16.0x | 12.3x |
| TCS | IT consultancy firm offering services and process outsourcing | 163,524 | 157,585 | 13.1% | 27.8% | 7.2x | 6.3x | 25.7x | 22.4x | 28.1x | 24.4x | 36.8x | 31.8x |
| Tech Mahindra | Offers a variety of technology solutions and services | 19,827 | 18,784 | 15.0% | 18.2% | 3.7x | 3.2x | 20.2x | 17.2x | 24.8x | 20.9x | 25.9x | 22.0x |
| TietoEVERY | IT service company providing IT, R&D and consulting services | 3,028 | 3,695 | 2.5% | 18.5% | 1.3x | 1.3x | 7.1x | 7.3x | 10.0x | 10.7x | 11.4x | 10.9x |
| Unisys | US-based IT solutions and consultancy company | 1,456 | 2,236 | 5.7% | 18.0% | 1.2x | 1.1x | 6.7x | 6.3x | 16.0x | 11.7x | 12.6x | 9.9x |
| Wipro | Provides IT services including software development | 39,959 | 37,767 | 14.2% | 22.2% | 4.2x | 3.6x | 19.1x | 16.9x | 23.5x | 20.6x | 28.5x | 25.2x |

Long-list of precedent transactions

| Date | Target | Target description | Target country | Bidder company | EV (EURm) | EV/Sales | EV/EBITDA | EV/EBIT |
|--------|---------------------|--|----------------|--------------------------|-----------|----------|-----------|---------|
| Jun-21 | ProData Consult | Denmark-based IT consultant company | Denmark | Axcel Management | 270.0 | 1.0x | 13.5x | 15.0x |
| Jun-21 | Vitari | Engaged in providing IT consultancy services | Norway | Exsitec Holding | 10.8 | 0.9x | 12.0x | 18.0x |
| May-21 | Cybercom | Sweden-based IT consultancy company | Sweden | Knowit | 239.7 | 1.5x | 9.7x | 13.0x |
| Apr-21 | Conoa | Company specialized in next-generation IT infrastructure | Sweden | Proact IT | 10.3 | 1.5x | 10.4x | 10.4x |
| Dec-20 | AddPro | Provider of infrastructure, application and integration solutions | Sweden | Axcel Management | 106.6 | 1.4x | n.a. | n.a. |
| Dec-20 | Nagarro | German-based digital product engineering company | Germany | Allgeier | 806.5 | 2.0x | 13.1x | 19.0x |
| Nov-20 | Cognite | IT services and consultancy company | Norway | Accel | 465.5 | 13.5x | n.a. | n.a. |
| Oct-20 | HiQ International | IT and management consultancy company | Sweden | Triton Partners | 365.8 | 2.1x | 14.1x | 17.0x |
| Sep-20 | Embriq | Company engaged in designing, developing and managing IT solutions | Norway | Commonfund Inc. | 38.2 | 0.9x | n.a. | 18.8x |
| Aug-20 | 4C Consulting | Belgium-based company engaged in IT consultancy | Belgium | Wipro | 68.0 | 2.1x | n.a. | n.a. |
| Apr-20 | Proactive | Denmark-based provider of IT consulting services | Denmark | Fellowmind | 40.2 | 1.1x | 10.8x | 13.2x |
| Dec-19 | SCISYS | UK-based software and IT services company | United Kingdom | CGI | 88.0 | 1.3x | 15.4x | 31.4x |
| Dec-19 | EVRY | Provides software solutions and IT consulting services | Norway | Tieto | 1,961.5 | 1.5x | 15.7x | 18.4x |
| Nov-19 | FFW | Company engaged in providing digital solutions and consultancy | Denmark | Findos Investor | 33.9 | 1.3x | n.a. | 29.3x |
| Oct-19 | Novosco | Provides cloud, managed and computer support services | United Kingdom | Cancom | 79.9 | 1.9x | 12.9x | 23.1x |
| Jul-19 | Altran Technologies | Global leader in Engineering and R&D services | France | Capgemini | 5037.0 | 1.7x | 12.3x | 16.7x |
| Jun-19 | Luxoft | Provider of software development services and IT solutions | Switzerland | DXC Technology | 1,644.1 | 2.2x | 19.7x | 33.7x |
| Jun-19 | EG | Provider of proprietary software solutions | Denmark | Francisco Partners | 495.7 | 3.0x | 14.0x | 65.5x |
| Apr-19 | Acando | Management and IT consultancy company | Sweden | CGI | 414.0 | 1.5x | 15.2x | 16.5x |
| Feb-19 | KMD | Engaged in development of IT solutions and services | Denmark | NEC | 1,185.7 | 1.7x | 16.4x | 30.4x |
| Aug-18 | Basefarm | European managed service provider for mission critical IT | Norway | Orange Business Services | 350.0 | 3.5x | 17.2x | 97.8x |
| Jul-18 | Vincere Groep | Provides managed services with focus on cloud and security | Netherlands | Dustin Group | 65.0 | 1.0x | 12.4x | 35.7x |
| Jun-18 | IT Relation | Denmark-based provider of IT outsourcing services | Denmark | Hg | 268.5 | 4.0x | 28.4x | 40.8x |
| Jun-18 | ProData Consult | Empower companies with IT expertise through consulting services | Denmark | Polaris | 67.1 | 0.5x | 11.3x | 14.9x |

Country Divisions



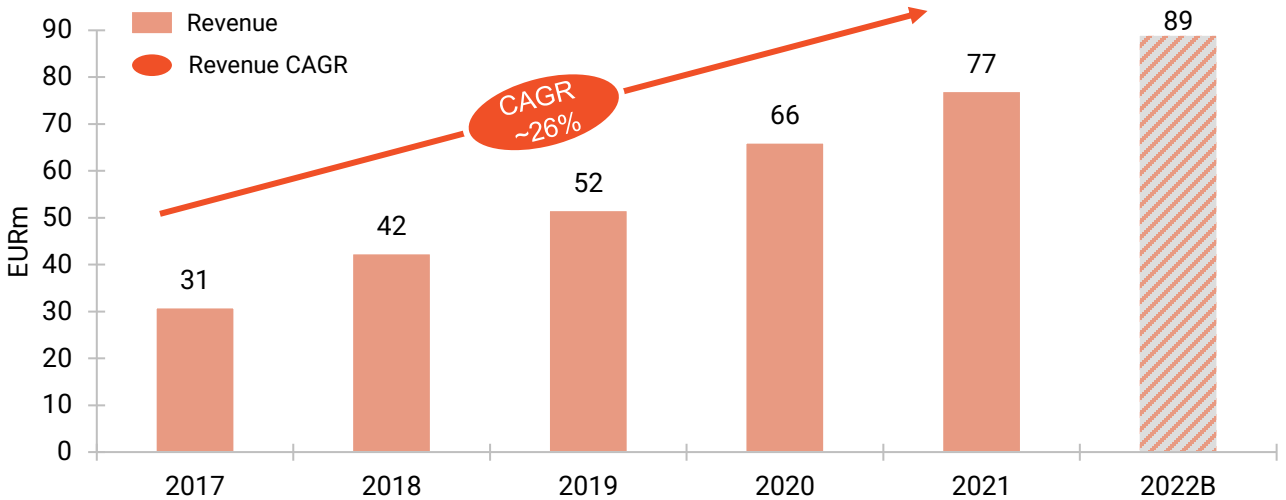
Fellowmind Denmark

Fellowmind Denmark, formerly ProActive, was founded by Max Sejbæk in 1997. ProActive joined the Fellowmind group through a merger in 2020 upon a long-standing dialogue with Fellowmind Netherlands around the strategic rationale behind a consolidation of the European Microsoft Partner landscape.

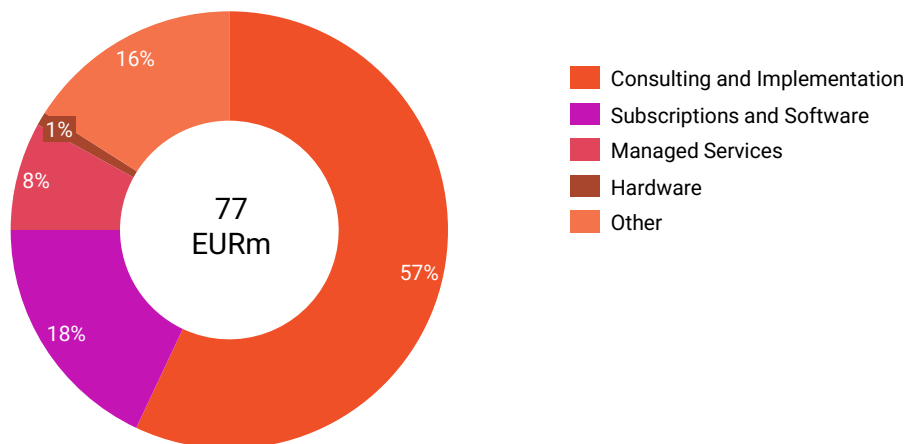
Shortly after the acquisition of ProActive, the Danish company, Daxiomatic joined the Danish business unit, ProActive, and the two business units formally changed their name and created Fellowmind Denmark in November 2021, appearing as one business unit. As a further complement to Fellowmind's broad portfolio, Danish CESCO joined Fellowmind Denmark in 2021, offering an even more integrated approach to their customers' digital transformation journey.

Fellowmind Denmark offers a very broad range of Microsoft services from Dynamics 365 (ERP, CRM, BI) and Modern Workplace technology (Office 365, SharePoint and Teams) to Cloud infrastructure and security (Azure) as well as managed services, ensuring customer satisfaction and business stability at all times. Fellowmind Denmark has had a lot of success servicing small to large private customers as well as large public customers such as the Danish home guard and municipalities.

Fellowmind Denmark, financial development



Fellowmind Denmark, sales by services

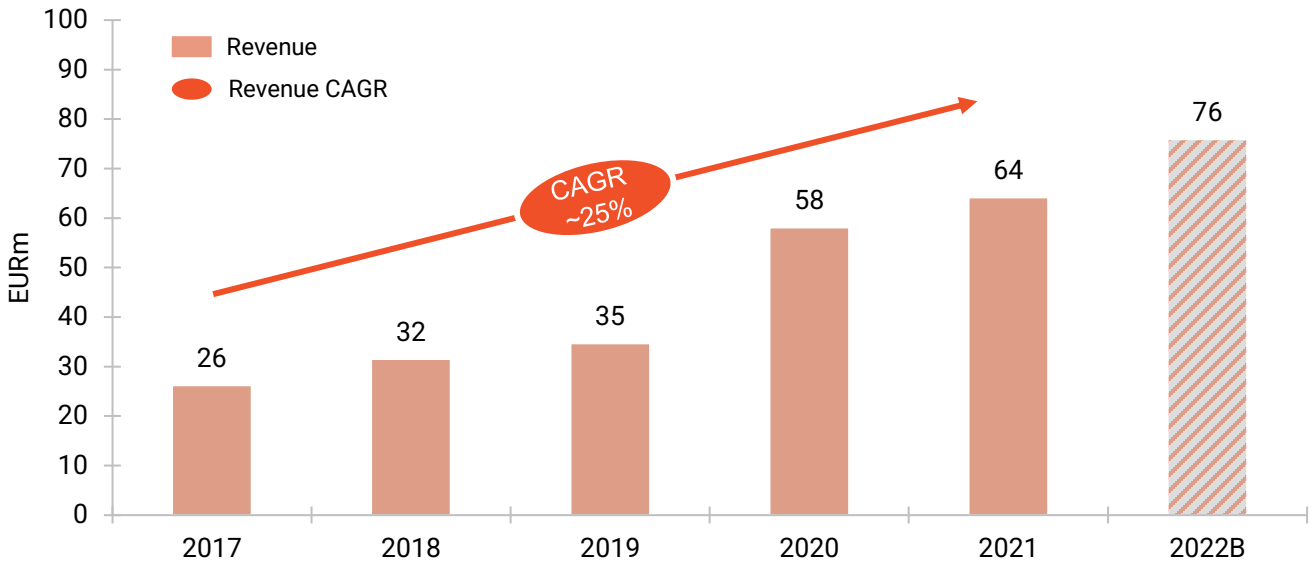


Fellowmind Finland

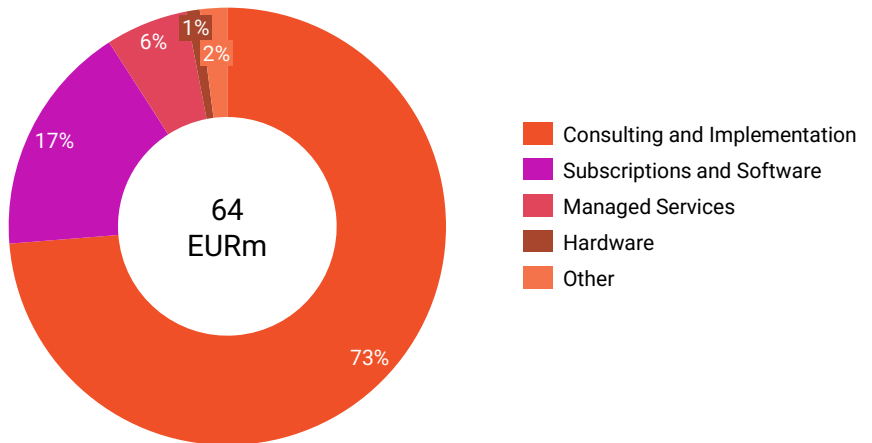
Fellowmind Finland, formerly eCraft, was founded in 1999, but still retains a very “young and techy” culture. Succeeding the acquisition of eCraft in 2019, Fellowmind grew its presence in Finland further with its acquisition of Project IT and the Finland-based analytics and business intelligence consultancy company, Softaidea.

Fellowmind Finland is today a holistic Microsoft partner, with spearhead competences in a number of areas with high growth expectations, such as Microsoft Field Service and AI. Fellowmind Finland has made early and significant investments into next-generation capabilities within Artificial Intelligence (AI) and Machine Learning (ML) and has +75 FTEs employed in their BI division including a group dedicated to specialized AI and ML capabilities.

Fellowmind Finland, financial development



Fellowmind Finland, sales by services



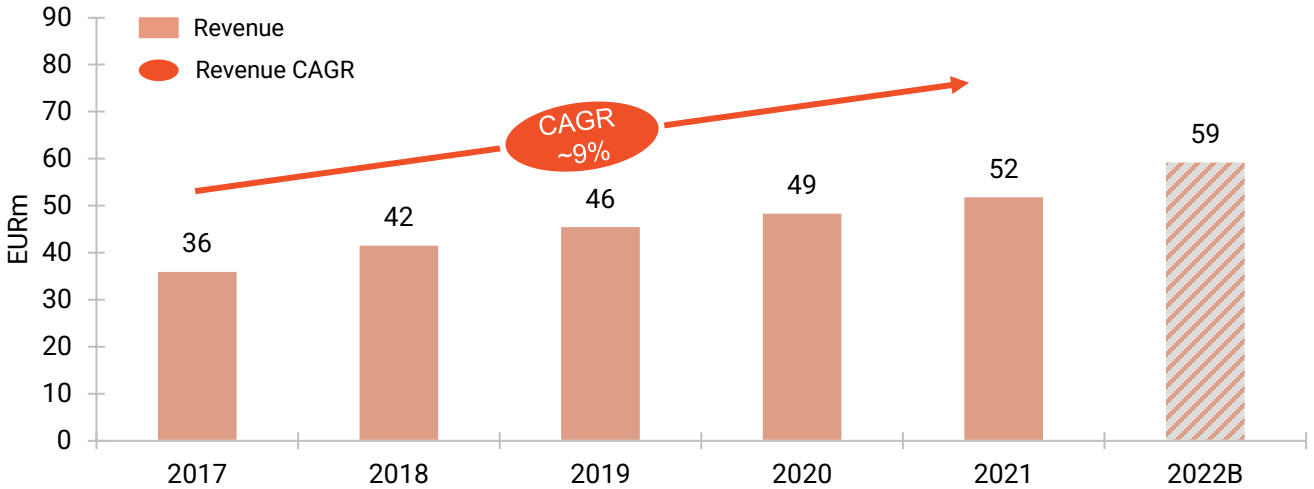
Fellowmind Sweden

Fellowmind's original business in Sweden "Orango", was founded in 2007 in Malmö. It has previously been under PE ownership when it was acquired by Sobro, a Sweden based PE firm, in 2016. Durring Sobro's holding period, Orango acquired two other Swedish IT services companies, Itero business solutions and Pdb Datasystem.

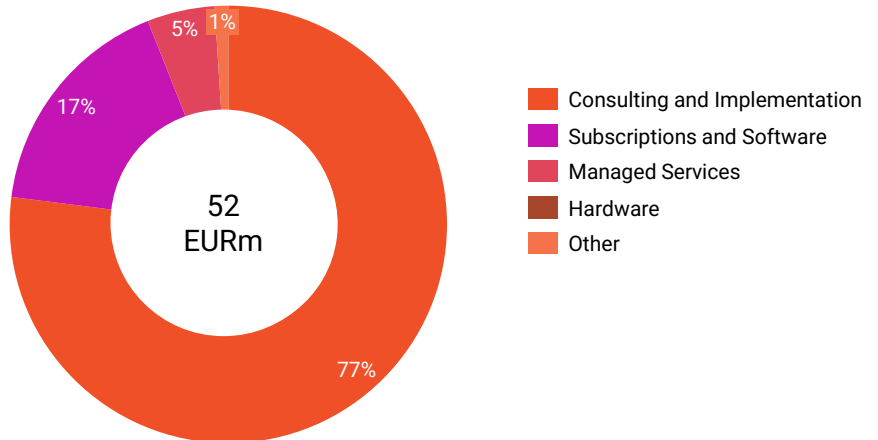
Since FSN's entry and the merger with Fellowmind and eCraf, Fellowmind Sweden has grown its presence in Sweden significantly with its acquisition of Sweden-based DQC in November 2020. By joining the Fellowmind group, Fellowmind Sweden has developed from traditionally focusing on ERP to also having gained access to deep CRM and Azure competencies.

This has given Fellowmind Sweden its position as a leading Swedish Microsoft Dynamics 365 (ERP, CRM and BI) partner. Fellowmind Sweden has a strong vertical focus and exclusive partnerships with leading global Independent Software Vendors, including Annata 365, targeting the Automotive and Heavy Equipment industries. Fellowmind Sweden has earned a high credibility in the market, being ranked "Sweden's best provider of business solutions" by Radar Group 5 times.

Fellowmind Sweden, financial development



Fellowmind Sweden, sales by services

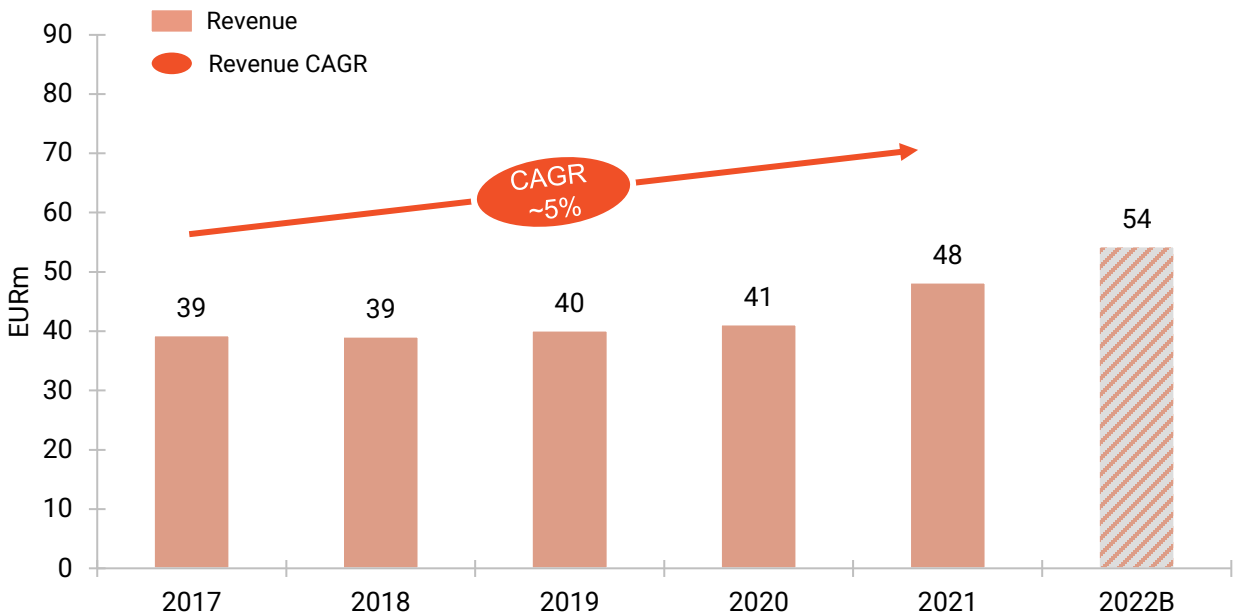


Fellowmind Netherlands

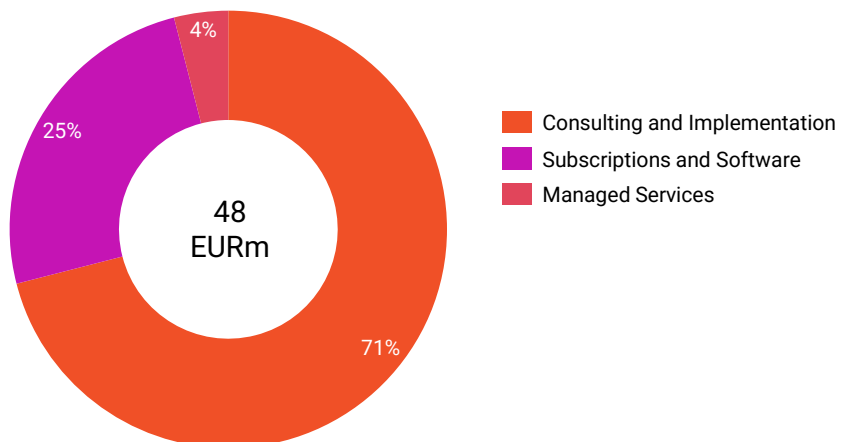
Fellowmind’s journey started in the Netherlands in 2005, where it was founded by Emiel Putman, current CEO of the Fellowmind Group. Fellowmind Netherlands has its roots in CRM but has expanded into new geographies and areas of expertise (ERP and Modern Workplace, incl. Sharepoint, Office 365 and Teams) over the years through a buy and build strategy. Since its establishment, Fellowmind Netherlands has focused on large customers both within and outside of the Netherlands.

Fellowmind Netherlands has for nine consecutive years been a member of the Microsoft “Inner Circle” - A sparring panel between MS and the top 1% MS Dynamics partners world-wide measured by revenue and technology leadership. Thus, they hold very strong insights in Microsoft’s product portfolio, and have a strong relationship with Microsoft.

Fellowmind Netherlands, financial development



Fellowmind Netherlands, sales by services

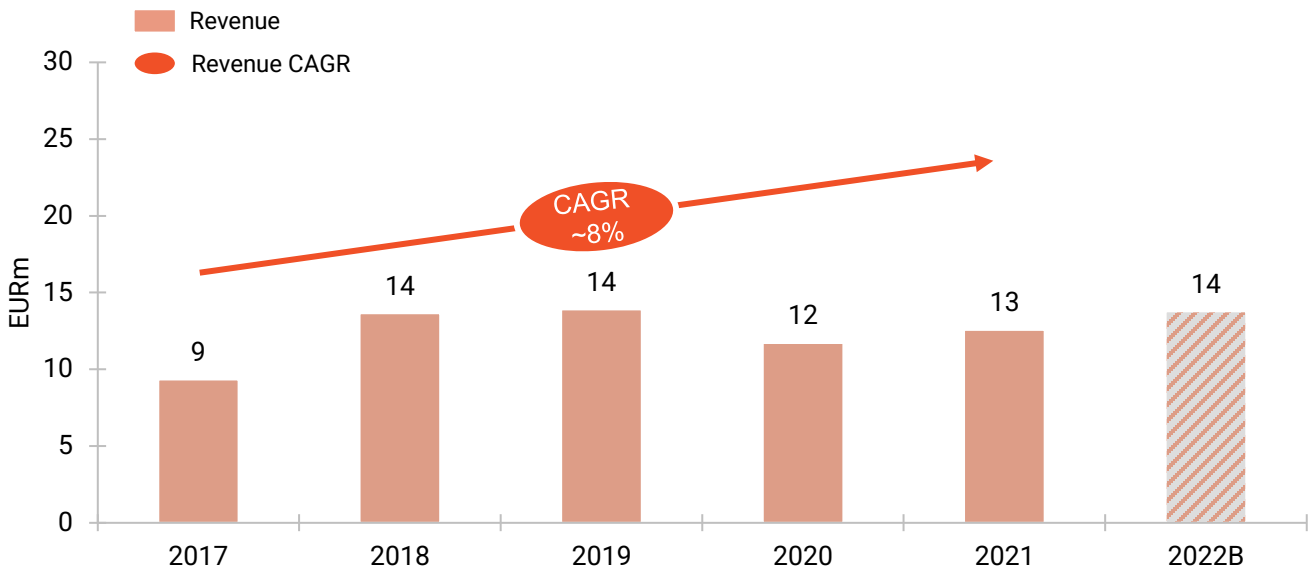


Fellowmind Germany

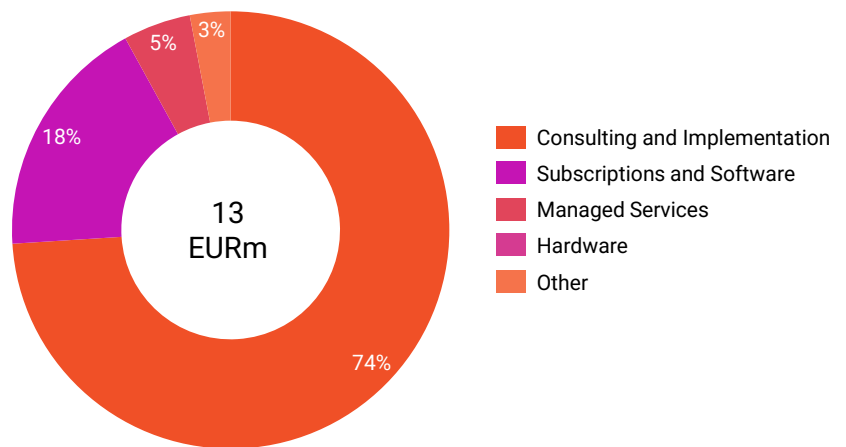
Fellowmind Germany was established by Fellowmind Netherlands around 2010 following large German customer wins (i.e. Bayer and the German army) which originally led to the opening of the German branch of Fellowmind. Through M&A, Fellowmind Germany expanded its offering from CRM focus to include Modern Workplace (Office 365, SharePoint, Teams) and Azure.

The German market has not come as far on the Cloud transition journey as for instance Scandinavia, which poses significant opportunities to grow rapidly in the future driven by more and more cloud transition projects. However, this also means that there are not many obvious M&A targets, as Fellowmind’s M&A strategy has been focused on acquiring companies with very strong cloud competencies and low exposure to legacy on-premise services.

Fellowmind Germany, financial development



Fellowmind Germany, sales by services



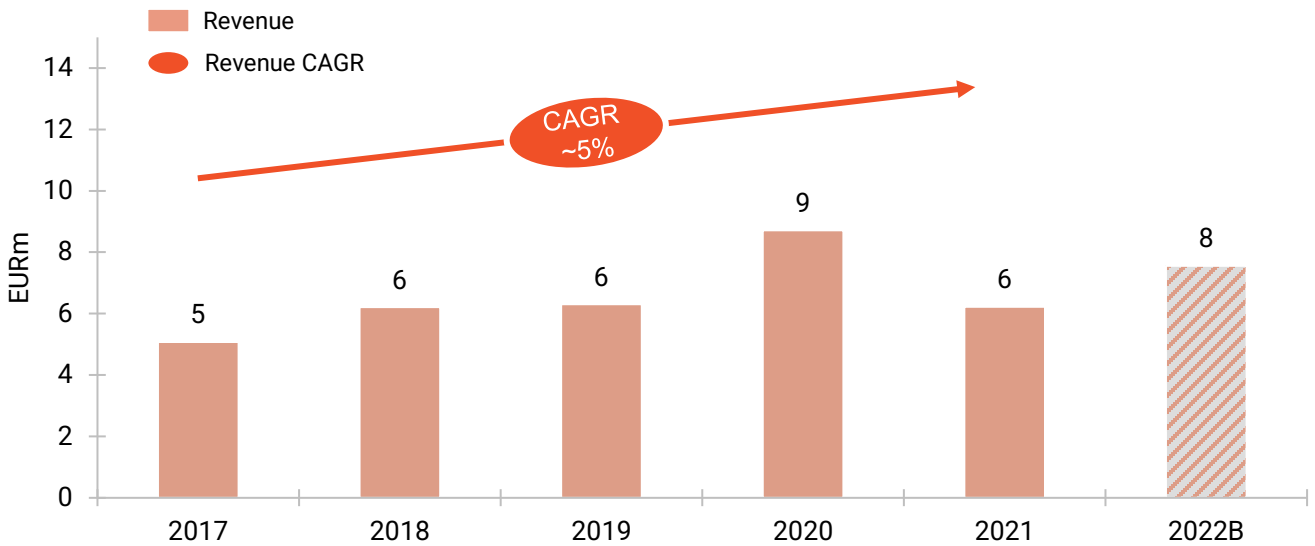
Fellowmind Poland

Fellowmind entered Poland with its acquisition in 2020 of the Poland-based company, Bonair AS, specialist in Microsoft Dynamics 365. Poland holds a very large and deep market for IT talent and Fellowmind has a strategic focus on expanding the pool of talent it can attract. Poland thus represents an interesting growth market for Fellowmind from a resource perspective, as a hub for skilled and lower cost IT labour.

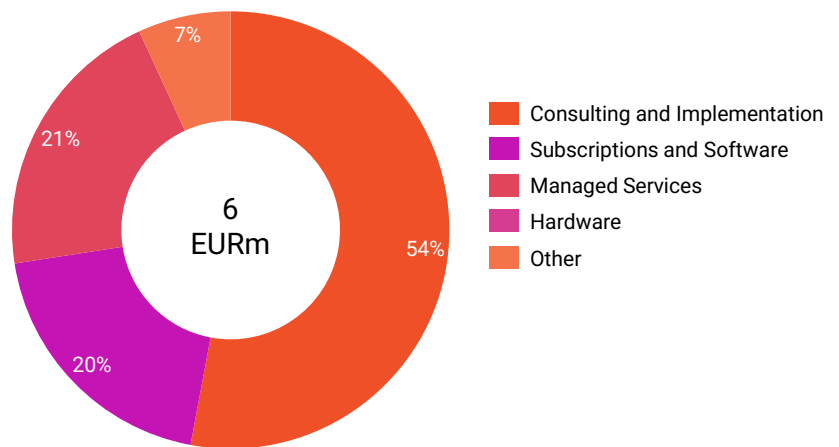
The strategic rationale behind the acquisition of Fellowmind Poland was to establish a nearshoring platform, to deliver IT expert resources on international projects in addition to servicing local customers.

Fellowmind is currently investing in reshaping the Polish platform to be ready for larger international growth and collaboration with all the other Fellowmind offices. Due to this, significant non-recurring costs have been incurred over the last years, negatively impacting the financial results and making them non-representative of the underlying operating profitability.

Fellowmind Poland, financial development



Fellowmind Poland, sales by services



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