

Modular Finance launches Holdings Free Float

An updated and qualitative measure of the Free Float of a stock is an important component in anything from index calculations to the analysis of individual companies. Based on Holdings' unique and detailed Nordic ownership database we now launch HFF with the goal of increasing both the transparency and the accuracy of the data. A description of the methodology and definitions follows below.

Free Float definition and methodology

The Holdings estimation of free float is based on public shareholder information together with proprietary analysis of each company's owner list. Our goal is to provide the most fair and accurate estimation of the number of shares available for trading on the open market at any given point in time.

Investor type

The shareholders are divided into two groups, strategic investors, and non-strategic investors. Shares owned by strategic investors are deemed less likely to be available to the market and will therefore be excluded from the free float.

Classification of Strategic Investors

Below is a table describing investor types that are considered to be strategic.

Strategic owner types	Description
Controlling shareholders	Shareholders owning > 10% of the capital or votes.*
Public sector	Shares owned by Governments, States or Municipalities.
Listed companies	Shares owned by listed companies, including the company's treasury shares.
Private Equity & Venture Capital	Shares owned by PE/VC-owners.
Board & Management	Shares owned by the company board and management as well as affiliated owners.
Affiliated Sphere owners	Clusters of owners that likely act together as a group and have some relation to the company, larger shareholders or founders.
Owners under lock-up	Shares that are subject to lock-up clauses.

* This applies to both the company total capital/votes as well as the specific share class

Classification of Non Strategic Investors

The table below lists examples of investor types that are not considered strategic.

Non strategic owner types	Description
Funds	Shares owned by mutual funds, ETFs, investment funds etc.
Pension funds	Shares owned by private or public pension funds.
Insurance companies	Shares owned by insurance companies.
Retail investors	Shares owned by individual retail investors or groups of retail investors.

Special cases

In cases when the standard classification of strategic investors is deemed to be misleading or inaccurate Modular Finance reserves the right to include or exclude owners as seen fit.

Formula

Holdings Free Float HFF= 100%-Number of shares owned by Strategic Investors/Number of shares in issue

Updating frequency

HFF is a dynamic measure where changes can be expected to be up to date in direct connection to new data being available.

Background

Modular Finance has a unique position to create a dynamic and up to date calculation of Free Float in Nordic companies thanks to the Holdings database that is widely used among investment professionals. The basis of a qualitative Free Float calculation is the underlying data. In terms of granularity, meta data and updating frequency Holdings has the clear ambition to be best in class and the distinguishable category leader.

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About Modular Finance

Modular Finance is a SaaS company focusing on the financial market in the Nordic region. Through our two business areas, Banking & Finance and Listed companies, we offer a number of niche products with a focus on user friendliness.

Attachments

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