

Pangea Real Estate Index (PREX)

– index guidelines and principles 2016

Pangea Real Estate Index (PREX) is an index family created in 2013 by Pangea Property Research, part of Pangea Property Partners. The purpose of PREX is to provide a useful benchmark tool for the Nordic listed real estate sector and contribute to overall transparency and comparability in the Nordic property market. Pangea Property Research ensures the administration of PREX in compliance with the index guidelines and principles below.

INDEX GUIDELINES AND PRINCIPLES

<i>Ownership</i>	› Pangea Property Partners
<i>Administration</i>	› Pangea Property Research, part of Pangea Property Partners
<i>Underlying data</i>	› Stock market data from Thomson Reuters
<i>Index classification</i>	<ul style="list-style-type: none"> › PREX includes all property and construction companies listed on NASDAQ OMX Nordic and Oslo Børs, the main markets › PREX is divided into multiple sub-indices based on type of operations, sector focus and geography › To be classified as a property company, more than 50% of revenues must be related to management of cash flow properties owned by the company › To be classified as a construction company, more than 50% of revenues must be related to construction and development activities › To be classified as an office, retail, residential or warehouse company, more than 50% of rental income must be related to that segment. Otherwise, the property company is categorized as a mixed property company. › To be classified as a Swedish, Norwegian, Finnish or Danish property company, more than 50% of rental income must be related to that country › If a rental income split is not available for any company, market value is used. If a market value split is not available for any company, lettable area is used. › The reclassification of companies is made yearly in accordance with new information in the annual reports
<i>Return calculations</i>	<ul style="list-style-type: none"> › PREX is a market value weighted (market cap based) price index, i.e. based on equity market returns excluding dividends › PREX can also be ordered as a total return index, i.e. including reinvested dividends › PREX is denominated in local currencies (SEK, NOK, DKK and EURO) and daily weighted returns are calculated in order to minimize currency affects
<i>Base date</i>	› 1 Jan 2000 (index = 100.0)
<i>Index weights limitations</i>	› PREX has no upper or lower index weights limits for individual companies, i.e. companies can never be too small or too large
<i>Listings/ delistings</i>	› New companies are included in PREX when registered by Thomson Reuters and delisted companies are excluded when de-registered by Thomson Reuters
<i>Update frequency</i>	› PREX is updated weekly (every Monday morning) or upon request
<i>Price information</i>	› Contact Mikael Söderlundh, ms@pangeapartners.se or 073-7707790