

Diös

PICK PACK POST



Q2

INTERIM REPORT JANUARY-JUNE 2020

Highlights of Q2

January–June 2020

- **Revenue** increased by 1 per cent to SEK 928 million (922)
- **Property management income** decreased by 2 per cent to SEK 458 million (469)
- **Unrealised changes in value** of properties were SEK -143 million (131) and unrealised changes in value of derivatives were SEK 0 million (1)
- **The profit after tax** was SEK 246 million (493)
- **Earnings per share** were SEK 1.83 (3.63)

35.5

Equity ratio, %

5.7

Interest coverage ratio

54.9

Loan-to-value ratio, %

Profit for the period, SEKm

| | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|--|---------------------------|---------------------------|----------------------------|
| Revenue | 928 | 922 | 1,854 |
| Operating surplus | 589 | 583 | 1,187 |
| Property management income | 459 | 469 | 952 |
| Profit before tax | 315 | 606 | 1,302 |
| Profit after tax | 246 | 493 | 1,050 |
| Surplus ratio, % | 65 | 64 | 65 |
| Occupancy rate, % | 87 | 90 | 90 |
| Equity ratio, % | 35.5 | 35.8 | 36.6 |
| Loan-to-value ratio, properties ¹ , % | 54.9 | 54.5 | 54.0 |
| Equity per share, SEK | 63.3 | 58.9 | 63.1 |
| EPRA NRV per share, SEK | 73.8 | 68.6 | 73.4 |

¹ Definition changed during the period. For definitions of KPIs, see page 27.

Significant events Q2

- The Covid-19 pandemic has given us and our tenants a new reality to relate to, where we primarily has prioritized human health and safety. One-off rental discounts linked to the state rental the support has had an impact on property management income of SEK -24 million and the occupancy rate by -3 percentage points.
- The Annual General Meeting approves a dividend of SEK 1.65 per share.
- Tobias Lönnevall is elected at the Annual General Meeting as an ordinary board member.
- Executive management will be expanded by Sofie Stark, current Business Area Manager in Sundsvall, who will take on the role Director of Property Management, and Mats Eriksson as Director of Projects. Director of Property Management and Transactions Lars-Göran Dahl has announced that he is leaving the company at his own request in September.

Drive and proactivity

We have come to the end of a truly tumultuous three-month period. Thanks to our decisiveness, a proactive approach and engaging in close dialogue with our tenants, I can conclude that the outcome of the quarter is good based on the prevailing circumstances. We keep the momentum in our business through our diversified tenant base and our centrally located properties, and have been active with several new establishments.

Our income from property management was SEK 458 million. This is a decrease of 2 per cent, driven mainly by temporary rent discounts linked to the Swedish government's rent support scheme. Through high activity and courage, we have counteracted a revenue gap that has otherwise been larger. Our surplus ratio increased to 65 per cent thanks to lower property costs. The effects of discounted rents had a negative impact of SEK 24 million on our operating surplus for the period. The number of actual bankruptcies is relatively small, accounting for around SEK 7 million in annual rents, mainly in the consumer discretionary sector.

Covid-19 has given us a new reality to relate to, and our first priority has been on health and safety. The number of physical meetings has decreased both internally and externally, the number of people at our offices has been limited and we have expanded our digital solutions to ensure that we are able to continue to run our business in an effective manner. I would even go so far as to say that our tenant relations improved during the period despite the absence of physical meetings.

Our projects have continued as planned and are targeting to meet both increased demand for modern offices and residentials in our cities. Rental activity continues to do well with demand that, after a weak April, has come back strongly. The average contract term has increased to 3.9 years. In lettings, we have continued to perform well amid a strong resurgence in demand after a weak April. Net leasing, which includes bankruptcies, was SEK -2 million, which I believe reflects solid demand in our market, and especially sought after are centrally located offices with high quality.

The change in value for the period amounted to SEK -143 million, of which SEK -138 million is driven by lower inflation expectations. Successful lets, especially in the office segment, where vacancies have



continued to decline and rents are rising, had a positive impact on the figure while long-term market rents in certain areas of the retail segment have been revised down. Changes in yields have been marginal.

Financing requirements following SFF bond maturities in April and May as well as maturing commercial paper were met through increased bank financing, as access to capital markets was very limited during the period. The terms are attractive, indicating a high level of confidence from our banks. There are no further loan maturities in 2020. In addition to our existing loans, we have undrawn overdraft and other credit facilities of SEK 900 million.

In September, our Director of Property Management and Transactions Lars-Göran Dahl will be leaving the company. In connection therewith we will be reorganising our management team, with Sofie Stark taking over as Director of Property Management while Mats Eriksson will continue as Director of Projects with an expanded remit. Both will become part of the executive management team. Internal recruitment to senior positions shows that our leadership development initiatives are bearing fruit and will enable us to maintain our high pace of development, as both Sofie and Mats have intimate knowledge of the company.

Changed behaviours are a consequence of the pandemic. In response, we need to remain active and find relevant content to create flows of people through our cities. Our new Pick-Pack-Post business is a good example of this. I very much doubt that offices will be replaced by home working, but the redesigning of offices to create additional social areas and pressure on employers to enable employees to work away from the office are two current trends. A clear trend is rising rents for high-quality offices in central locations. The term of office rentals is currently between 3-10 years.

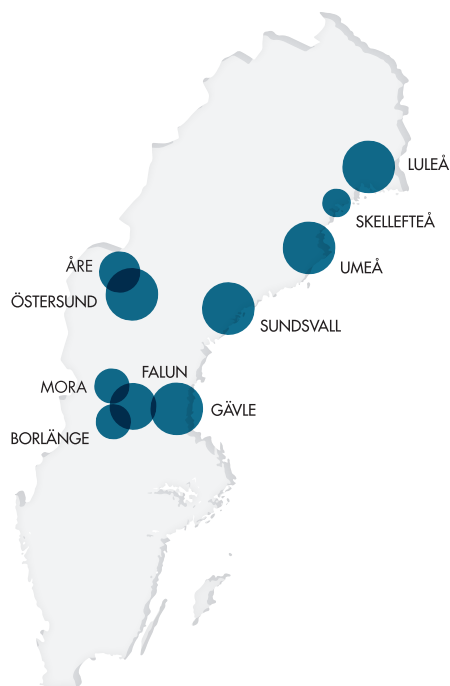
There is still considerable uncertainty about the future course of the pandemic and the economy. We continue to be proactive in our dialogues in order to support our tenants in the current situation. We are also in strong position financially. We have a well diversified portfolio and, above all, our employees has shown that it is possible to make a difference by taking an active approach. While remaining mindful and respectful of the challenges that lie ahead, it is clear to me, that through our unique position and ability to act, we continue to create shareholder value in many ways.

Knut Rost, CEO

Welcome to Diös

Diös is one of Sweden's leading property companies. We own, manage and develop centrally located properties in ten growth cities.

Our strategy is urban development. Through strong relationships, a local presence and a responsible approach, we develop commercial and residential properties in our cities. That enables us to create Sweden's most inspiring cities and build long-term value for our tenants, our owners and ourselves.



337

No. of properties



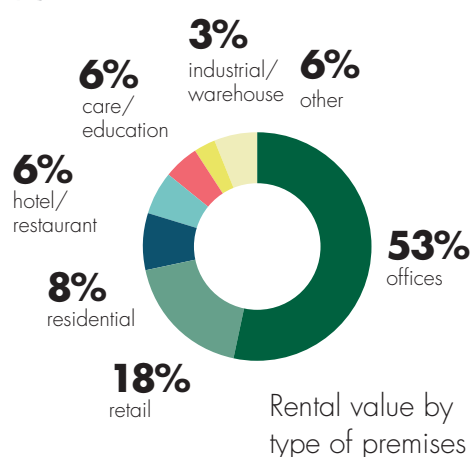
23.5

Property value, SEKbn



1,486

Leasable



Relationships and business

Through **good relationships**, we build a profitable long-term business. With **satisfied employees**, we build good relationships with our tenants. That's why we have a strong focus on building a company where people are happy, can grow and develop, and show commitment.

Our core values **simple, close and active** are the basis for everything we do.

We are convinced that **everything is possible!** That is the starting point for all our business dealings and all our relationships.

Long-term relationships are built on trust. Our aim is to have a reputation for honesty, expertise and professionalism in everything we do. We run our company on the basis of sound business ethics and zero tolerance of corruption. Our code of conduct is based on the ten principles of the UN Global Compact.

Welcome to our cities!

Promise and core values

Our promise is that everything is possible. We strive to be perceived as simple, close and active. Simple by being open and honest. Close by having a local presence, being available and taking an interest. Active by developing, growing and taking advantage of opportunities.

Corporate responsibility

For Diös, responsible business is about taking a comprehensive approach to economic, social and environmental considerations. We want to help combat climate change and make our cities safer while also creating new opportunities for businesses and new meeting places for people.



We want to create Sweden's most inspiring cities.

Income statement

> CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME, SEKM

| INCOME STATEMENT | 2020 3 mths April-June | 2019 3 mths April-June | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|---|------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| Rental income | 363 | 382 | 733 | 723 | 1,482 |
| Service income | 77 | 82 | 185 | 198 | 372 |
| Other income | 10 | - | 10 | - | - |
| Total income | 450 | 464 | 928 | 922 | 1,854 |
| Property costs | -151 | -150 | -339 | -339 | -667 |
| Operating surplus | 299 | 315 | 589 | 583 | 1,187 |
| Central administration | -19 | -18 | -36 | -35 | -73 |
| Net financial items | -51 | -40 | -95 | -79 | -162 |
| Property management income | 229 | 257 | 458 | 469 | 952 |
| Change in value, properties | -153 | 71 | -143 | 136 | 350 |
| Change in value, interest rate derivatives | -1 | 0 | 0 | 1 | 0 |
| Profit before tax | 75 | 329 | 315 | 606 | 1,302 |
| Current tax | -19 | -18 | -37 | -41 | -79 |
| Deferred tax | 1 | -48 | -32 | -72 | -173 |
| Profit after tax | 57 | 263 | 246 | 493 | 1,050 |
| Profit attributable to shareholders of the parent company | 56 | 260 | 246 | 489 | 1,041 |
| Profit attributable to non-controlling interests | 1 | 3 | 0 | 4 | 9 |
| Total | 57 | 263 | 246 | 493 | 1,050 |
| STATEMENT OF COMPREHENSIVE INCOME | | | | | |
| Profit after tax | 57 | 263 | 246 | 493 | 1,050 |
| Comprehensive income for the period | 57 | 263 | 246 | 493 | 1,050 |
| Comprehensive income attributable to shareholders of the parent company | 56 | 260 | 246 | 489 | 1,041 |
| Comprehensive income attributable to non-controlling interests | 1 | 3 | 0 | 4 | 9 |
| Total | 57 | 263 | 246 | 493 | 1,050 |
| Earnings per share, SEK | 0.42 | 1.93 | 1.83 | 3.63 | 7.74 |
| Number of shares outstanding at end of period | 134,071,020 | 134,512,438 | 134,071,020 | 134,512,438 | 134,512,438 |
| Average number of shares | 134,071,020 | 134,512,438 | 134,259,603 | 134,512,438 | 134,512,438 |
| Number of treasury shares at end of period | 441,418 | 0 | 441,418 | 0 | 0 |
| Average number of treasury shares | 441,418 | 0 | 252,835 | 0 | 0 |

There is no dilutive effect, as no potential shares (such as convertibles) exist.

The accounting policies are presented on page 22.

Columns/rows may not add up due to rounding.

Earnings

January–June 2020

PROPERTY MANAGEMENT INCOME

Property management income for the period, i.e. income excluding changes in value and tax, was SEK 458 million (469). This is a decrease of 2 per cent compared with the previous year. For comparable properties, our property management income decreased by 3 per cent year on year. Our property management income for the period was affected by net rent discounts of SEK 24 million attributable to grants provided under the government rent support scheme. The discounts are of a non-recurring nature.

REVENUE

Revenue for the reporting period was SEK 928 million (922), representing a 87 per cent (90) economic occupancy rate. For comparable properties, contracted rental income decreased by 2 per cent year on year. Rental income was affected by rent discounts of SEK 34 million attributable to the government rent support scheme. Other property management income totalled SEK 24 million (17) and consisted partly of pass-through of costs to tenants for works in rented premises and SEK 10 million in estimated grants for agreed rent discounts under the government rent support scheme.

| Revenue growth | 2020 Jan-Jun | 2019 Jan-Jun | Change % |
|---|-----------------|-----------------|-------------|
| Comparable properties | 892 | 904 | -1.4 |
| Acquired properties | 12 | 0 | |
| Sold properties | 0 | 1 | |
| Contracted rental income | 904 | 905 | |
| Other property management income | 14 | 17 | |
| Other income | 10 | - | |
| Revenue | 928 | 922 | |

PROPERTY COSTS

Total property costs were SEK 339 million (339). Tariff-based costs decreased year on year as a result of lower winter-related costs while costs for property tax increased due to revised assessed values. Of the total property costs, SEK 7 million (7) refers to work on leased premises where the costs are passed on to tenants.

OPERATING SURPLUS

The operating surplus was SEK 589 million (583), representing a surplus ratio of 65 per cent (64). For comparable properties, our operating surplus decreased by 1 per cent compared with the previous year.

CENTRAL ADMINISTRATION

The central administration costs amounted to SEK 36 million (35). Central administration includes costs for Group-wide functions such as senior management, IT, annual reports, auditors' fees, legal advice and so on.

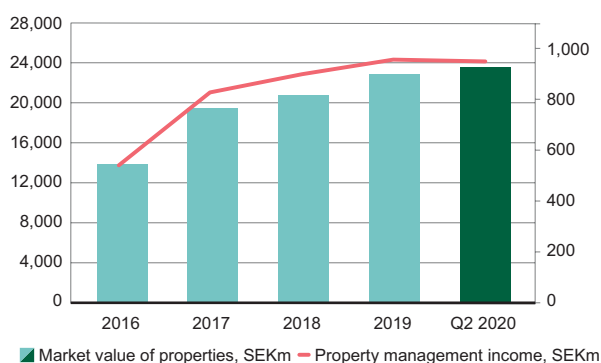
NET FINANCIAL ITEMS

Net financial items for the period were SEK -95 million (-79). The interest costs for the period, including costs for interest rate derivatives and loan commitments, represent borrowings at an average annual interest rate of 1.4 per cent (1.2). The net financial expense increased due to a higher Stibor-90 rate and increased interest-bearing liabilities while reduced bank margins offset the increase in costs.

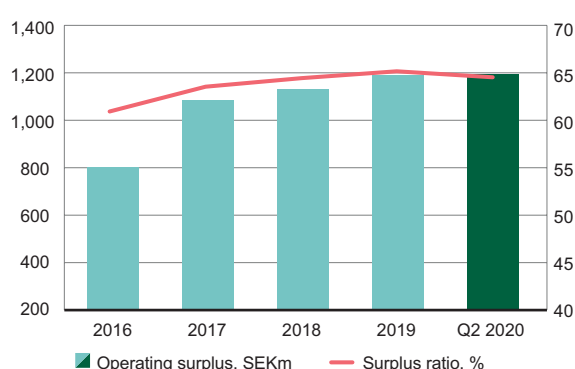
CHANGES IN VALUE, PROPERTIES

The average valuation yield at the end of the period was 5.86 per cent (5.91). At a portfolio level, this represents a change of -0.03 percentage points since year-end. The unrealised change in

MARKET VALUE AND PROPERTY MANAGEMENT INCOME



OPERATING SURPLUS AND SURPLUS RATIO



The figures for property management income, operating surplus and surplus ratio in Q2 2020 are on a rolling 12-month basis.

value was SEK -143 million (131). The change in value is to 97 per cent explained by a changed inflation assumption that has a negative impact on projected net operating income. The inflation assumption has been adjusted by our external valuation consultant Savills to reflect current and forecast inflation outcomes. Increases in net operating income in our office and residential segments that have a positive impact are offset by reduced market values in some parts of the retail segment due to increased uncertainty and the risk of reduced cash flows. The change in value represented -0.6 per cent (0.6) of market value. At 30 June, the market value was SEK 23,506 million (21,845).

During the period, 0 properties (5) were sold, resulting in a realised change in value of SEK 0 million (0), and 2 properties (6) were acquired.

CHANGES IN VALUE, DERIVATIVES

The portfolio of interest rate derivatives has been measured at fair value. If the contracted interest rate deviates from the market rate, a theoretical fair value gain or loss arises on the interest rate derivatives. The change in value has not been realised and does not affect cash flow.

During the period, unrealised changes in value on derivatives totalled SEK 0 million (1), which have been fully recognised in the income statement.

PROFIT BEFORE TAX

The profit before tax was SEK 315 million (606). The lower profit is mainly due to reduced unrealised property values compared with the previous year.

PROFIT AFTER TAX

The profit after tax was SEK 246 million (493). Current tax totalled SEK -37 million (-41). This is mainly attributable to tax in subsidiaries which do not have the right to offset losses against Group contributions. The deferred tax was SEK -32 million (-72). The change in deferred tax is due to the negative unrealised change in value.

SECOND QUARTER OF 2019

Property management income for the second quarter, i.e. income excluding changes in value and tax, was SEK 229 million (257). The operating surplus was SEK 299 million (315), representing a surplus ratio of 69 per cent (69).

- Revenue for the second quarter was SEK 450 million (464), representing an economic occupancy rate of 84 per cent (90).
- Total property costs were SEK 151 million (150).

Net financial items for the second quarter were SEK -51 million (-40). The profit before tax was SEK 75 million (329). Changes in the value of properties had a negative impact of SEK -153 million (71) while changes in the value of interest rate derivatives had an impact of SEK -1 million (0). Earnings after tax were SEK 57 million (263), of which SEK 1 million (-48) refers to deferred tax and SEK -19 million (-18) to current tax.

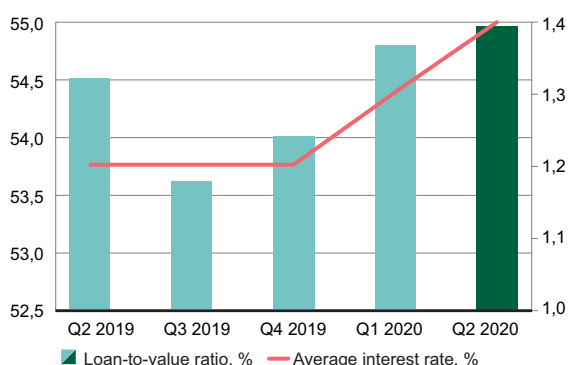
TAX

The nominal corporate tax rate in Sweden is 21.4 per cent. Thanks to the option of using tax depreciation allowances, recognising the full amount of expenses for certain types of conversion projects in the first year and using tax loss carry-forwards, tax paid is lower than nominal tax.

The remaining tax loss carry-forwards are estimated at SEK 0 million (0). The Group also has untaxed reserves of SEK 420 million (310). The fair value of the properties exceeds their tax base by SEK 7,136 million (6,604), less SEK 3,811 million (3,760) in deferred tax relating to asset acquisitions. The tax liability has been calculated using the new tax rate of 20.6 per cent, as no significant reversal of the tax liability is expected to be made in 2020.

While the reporting of taxes complies with the applicable accounting rules it should be noted that the amount of tax paid over the period generally differs from the reported amount. In addition, tax regulations are complex and hard to interpret. The application of the regulations may also change over time. Diös has no ongoing tax disputes.

AVERAGE INTEREST RATE AND LOAN-TO-VALUE RATIO



TAX CALCULATION FOR THE PERIOD

| SEKm | |
|---------------------------------------|------------|
| Profit before tax | 315 |
| Nominal tax rate 21.4% | -67 |
| Tax effect of | |
| Realised changes in value, properties | 0 |
| Other tax adjustments | -1 |
| Reported tax expense | -68 |
| Of which current tax | -37 |
| Of which deferred tax | -32 |

Our tenants

TENANTS

Our tenant base is well diversified geographically and in terms of industry. The number of commercial leases was 2,876 (2,981). The number of residential leases was 1,761 (1,713). The ten largest tenants represent 17 per cent (16) of Diös' total contracted rental income. At 30 June, 27 per cent of contracted rental income came from tenants engaged in activities on behalf of the central government, county councils or local authorities.

NET LEASING

Net leasing was SEK 29 million (13) for the period as a whole and SEK -2 million (7) for the second quarter. Noteworthy lets during the period included those to the Social Insurance Agency in the Sigrid 11 property in Borlänge and to Yrkesakademin AB in Holmen 8, Falun.

LEASE TERM

The average lease term for commercial premises at 30 June was 3.9 years (3.6).

VACANCIES

Vacancies remained unchanged during the period, with economic vacancies standing at 11 per cent (11) and physical vacancies at 14 per cent (14) at 30 June. Adjusted for project-related and non-leasable vacancies, the physical vacancy rate was 12¹ per cent. Economic vacancies are highest in office and retail premises while physical vacancies are highest in office and industrial/warehouse premises. The economic vacancy rate for the period, excluding discounts, was 9 per cent (9).

¹Project-related and non-leasable vacancies are sites that have been vacated for new builds and conversion, plus premises that have already been leased but are not yet occupied.

OUR LARGEST TENANTS

| TENANTS AT 30 JUNE 2020 | No. of contracts | Annual contract value, SEK '000 | Average lease term, years |
|-----------------------------------|---------------------|------------------------------------|------------------------------|
| Swedish Transport Administration | 25 | 70,299 | 9.2 |
| Östersund Local Authority | 118 | 37,765 | 2.5 |
| Swedish Police Authority | 30 | 30,189 | 8.9 |
| Swedish Public Employment Service | 32 | 28,874 | 1.8 |
| Swedish Social Insurance Agency | 20 | 25,142 | 3.5 |
| Folksam ömsesidig sakförsäkring | 42 | 22,337 | 4.1 |
| Falun Local Authority | 11 | 22,215 | 5.3 |
| Telia Sverige AB | 33 | 21,803 | 8.6 |
| Swedish Migration Board | 10 | 21,786 | 1.8 |
| Swedbank AB | 12 | 21,551 | 3.4 |
| Total, largest tenants | 333 | 301,961 | 5.8 |

⊗ Tenant engage in activities on behalf of the government, county councils or local authorities.

¹ Includes contracts with future access.

LEASES AND MATURITIES

| | Number of contracts | Contract value, SEKm | Share of value, % |
|------------------------------------|------------------------|-------------------------|----------------------|
| Leases for premises, maturity year | | | |
| 2020 | 440 | 91 | 5 |
| 2021 | 868 | 339 | 19 |
| 2022 | 588 | 325 | 18 |
| 2023 | 595 | 310 | 17 |
| 2024+ | 385 | 558 | 30 |
| Total | 2,876 | 1,623 | 89 |
| Residential | 1,761 | 145 | 8 |
| Other leases ¹ | 3,610 | 62 | 3 |
| Total | 8,247 | 1,830 | 100 |

¹ Other leases refer mainly to garage and parking spaces.

NET LEASING



Balance sheet and equity

> CONDENSED CONSOLIDATED BALANCE SHEET, SEK M

| ASSETS | 2020 30 Jun | 2019 30 Jun | 2019 31 Dec |
|-------------------------------------|----------------|----------------|----------------|
| Investment properties | 23,506 | 21,845 | 22,885 |
| Other non-current assets | 85 | 73 | 81 |
| Current receivables | 315 | 251 | 221 |
| Cash and cash equivalents | - | - | - |
| TOTAL ASSETS | 23,906 | 22,169 | 23,187 |
| EQUITY AND LIABILITIES | | | |
| Equity | 8,482 | 7,928 | 8,484 |
| Deferred tax liability | 1,566 | 1,433 | 1,533 |
| Interest-bearing liabilities | 12,814 | 11,781 | 12,145 |
| Overdraft facilities | 94 | 125 | 206 |
| Non-current lease liability | 50 | 44 | 53 |
| Current liabilities | 900 | 858 | 766 |
| TOTAL EQUITY AND LIABILITIES | 23,906 | 22,169 | 23,187 |

> CONDENSED STATEMENT OF CHANGES IN EQUITY, SEK M

| | Equity | Of which attributable to share- holders of the parent company | Of which attributable to non-controlling interests |
|--|--------------|--|---|
| Equity, 31 Dec 2018 | 7,839 | 7,790 | 49 |
| <i>Profit for the period after tax</i> | 493 | 489 | 4 |
| Comprehensive income for the period | 493 | 489 | 4 |
| <i>Dividend</i> | -404 | -404 | - |
| Equity, 30 Jun 2019 | 7,928 | 7,875 | 53 |
| <i>Profit for the period after tax</i> | 557 | 552 | 5 |
| Comprehensive income for the period | 557 | 552 | 5 |
| Equity, 31 Dec 2019 | 8,484 | 8,426 | 58 |
| <i>Profit for the period after tax</i> | 246 | 246 | 0 |
| Comprehensive income for the period | 246 | 246 | 0 |
| <i>Share buy-backs</i> | -29 | -29 | - |
| <i>Dividend</i> | -221 | -221 | - |
| Equity, 30 Jun 2020 | 8,482 | 8,424 | 58 |

Columns/rows may not add up due to rounding.



Our properties

PROPERTY PORTFOLIO

The property portfolio is concentrated to central locations in ten priority cities in northern Sweden. The portfolio is well diversified, consisting mainly of residential, office and retail properties. At the end of the period, the portfolio comprised 92 per cent (93) commercial properties and 8 per cent (7) residential properties based on rental value by type of premises.

PROPERTY VALUATION

At each closing date, all properties are measured at fair value. The aim is to determine the properties' individual values in a sale executed through a structured transaction between market players. Any portfolio effects are thus not taken into account. Diös' property portfolio is divided into a main portfolio and a subsidiary portfolio. The main portfolio comprises around 71 per cent of the property value, or SEK 16,760 million, and 126 properties. The valuation method requires that an external valuation of the entire main portfolio be made each year. The external valuation is made by valuation consultants Savills, who assess 25 per cent of the main portfolio each quarter. The remaining portion is valued internally. All properties in the main portfolio are also physically inspected by Savills within a three-year period. In addition to the regular inspections, physical visits are also made after major changes. Properties in the secondary portfolio are valued internally with assistance from Savills. All property valuations are based on a number of assumptions about the future and the market. Savills' calculations thus have an uncertainty range of +/-7.5 per cent. For Diös, this translates into a value range of SEK 21,743 million – SEK 25,269 million. No changes in terms of valuation methodology or approach were made during the period. The valuations were made in accordance with IFRS 13 level 3. For more information, see Note 11 in the Annual Report 2019.

CHANGE IN PROPERTY VALUE

| | 30 Jun 2020 | | 30 Jun 2019 | |
|---|-------------|------------------|-------------|--------|
| | SEKm | Number of | SEKm | Number |
| Value of property portfolio, 1 Jan | 22,885 | 333 | 20,802 | 330 |
| Acquisitions | 38 | 2 | 450 | 6 |
| Investments in new builds, extensions and conversions | 726 | | 583 | |
| Sales | - | | -120 | -5 |
| Unrealised changes in value | -143 | | 131 | |
| Value of property portfolio, 30 June | 23,506 | 337 ¹ | 21,845 | 331 |

¹Two properties were created through a reorganisation of the Umeå Magne 4 property.

CHANGES IN VALUE

Unrealised changes in value for the period totalled SEK -143 million (131). The negative change in value is mainly due to changed valuation assumptions in respect of inflation which amounts to SEK -138 million.

UNREALISED CHANGES IN VALUE

| | 30 Jun 2020 | | 30 Jun 2019 | |
|--------------------------------------|-------------|-----|-------------|-----|
| | SEKm | % | SEKm | % |
| Change in net operating income, etc. | -60 | 42 | 106 | 81 |
| Change in required rate of return | -83 | 58 | 25 | 19 |
| Total | -143 | 100 | 131 | 100 |

CHANGES IN THE PORTFOLIO

LIST OF PROPERTY TRANSACTIONS JAN-JUN 2020

| Property | Quarter | City | Area, sq.m | Price ¹ , SEKm |
|-------------|---------|------------|------------|---------------------------|
| Mimer 2 & 3 | 2 | Skellefteå | 2,859 | 38 |
| Total | | | 2,859 | 38 |

¹ Underlying property value.

INVESTMENTS

We invest continually in our properties to improve, adapt and increase the efficiency of our tenants' premises. During the period, our investments helped to increase the value of the portfolio by SEK 726 million (583).

IMPROVEMENT, NEW BUILDS AND TENANT ADAPTATIONS

Our investments in our existing portfolio comprise new builds, conversions and extensions as well as energy-saving measures. The investments result in a higher occupancy rate, increased customer satisfaction, lower costs and a reduced impact on the environment. During the period, SEK 726 million (583) was invested in a total of 699 projects (617). At the end of the period, 26 major¹ projects were ongoing, with a remaining investment volume of SEK 1,737 million and a total investment volume of SEK 2,795 million. During the period, decisions were taken on 160 new investments. The return on completed investments for the period was 7.9 per cent on the invested amount while the return on our ongoing projects, excluding new builds, was 7.3 per cent.

¹Initial investment volume > SEK 6 million.

VALUATION ASSUMPTIONS

| | 30 Jun 2020 | | | | | 30 Jun 2019 | | | | |
|---|-------------|---------|-------------|----------------------|---------|-------------|---------|-------------|----------------------|---------|
| | Office | Retail | Residential | Industrial/warehouse | Other | Office | Retail | Residential | Industrial/warehouse | Other |
| Yield for assessing residual value ¹ , % | 6.7-5.5 | 6.4-5.9 | 5.3-4.5 | 9.6-6.8 | 6.8-6.1 | 6.8-5.5 | 6.7-5.8 | 5.2-4.6 | 9.6-6.9 | 7.0-6.0 |
| Cost of capital for discounting to present value, % | 7.5 | 7.9 | 6.9 | 10.3 | 8.3 | 8.0 | 8.1 | 7.3 | 10.0 | 8.6 |
| Long-term vacancy, % | 4.7 | 4.0 | 1.9 | 14.5 | 5.6 | 5.0 | 3.8 | 1.8 | 15.2 | 5.8 |

¹ From lower to upper quartiles in the portfolio.

The valuation model is based on a five-year analysis period and a long-term inflation rate of 2 per cent.

| INVESTMENTS | 30 Jun 2020 | 30 Jun 2019 |
|---------------------------------------|-------------|-------------|
| Investments in new builds | 221 | 65 |
| Investments in improvement properties | 67 | 99 |
| Investments in tenant adaptations | 438 | 419 |
| Total | 726 | 583 |

PROJECTS IN PROGRESS AND DEVELOPMENT RIGHTS

Ongoing projects in premises with existing development rights cover a total floor area of around 100,000 sq.m. In addition to this, we have identified existing and potential development rights for a gross floor area of a further approximately 100,000 sq.m. The estimated investment volume for ongoing

and identified projects is around SEK 5,000 million.

During the first quarter, work began on the Swedish Transport Administration's head office at Intagan 1 in Borlänge. During the second quarter of 2020, we initiated the construction of a new build for the Swedish Police Authority on the Stigbygelin 2 property in Umeå. The project for Dalarna University at Mimer 1 in Borlänge is expected to start in the second half of 2020.

PROJECTS AND PROPERTY DEVELOPMENT

Projects refer to the creation of new spaces, property development refers to investments in existing properties in the form of conversions and extensions as well as energy-saving measures.

| Type | City | Property | Property type | Leasable area, sq.m | Occupancy rate, % | Planned investment, SEKm | Start of construction | Estimated completion | Environmental category |
|-------------|-----------|---------------|---------------|---------------------|-------------------|--------------------------|-----------------------|----------------------|-------------------------|
| New build | Sundsvall | Noten 9 | Hotel | 14,350 | 100 | 444 | Q1 2019 | Q2 2021 | BREEAM SE Very good |
| New build | Umeå | Magne 4 | Hotel | 14,500 | 100 | 410 | Q1 2019 | Q3 2022 | BREEAM SE Very good |
| New build | Östersund | Kräftan 8 | Residential | 4,184 | - | 147 | Q2 2019 | Q4 2020 | Nordic Swan Ecolabel |
| Improvement | Borlänge | Intagan 1 | Office | 31,000 | 100 | 500 | Q1 2020 | Q3 2022 | BREEAM In-use Very good |
| New build | Umeå | Stigbygelin 2 | Office | 9,646 | 100 | 350 | Q2 2020 | Q3 2022 | BREEAM SE Very good |

Projects with an initial investment volume >SEK 100 million.

CERTIFICATIONS AND ENERGY

During the second quarter, one property received environmental certification under BREEAM In-Use and two other properties are currently being certified. Our target for 2020 is to certify 12 new properties under the BREEAM In-Use environmental certification scheme. We now have 36 properties certified under the Miljöbyggnad and BREEAM In-Use standards, which represents 18 per cent of the total area of the property portfolio.

We have set ourselves the long-term objective of saving energy and we aim to have reduced our energy consumption by 15 per cent by the end of 2022. During the period we reported a 3 per cent reduction, which shows that we are on the right track. In order to achieve our long-term goal, we will increase the number of improvements we make and new systems we install during 2020 and 2021.

To reduce our environmental impact, we only buy origin-labelled electricity from renewable sources. A total of 98 per cent of the energy we buy comes from non-fossil energy production.

ENERGY USE AND CARBON DIOXIDE EMISSIONS

| | Unit | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun |
|------------------------------------|------------------------|---------------------------|---------------------------|
| Heating ¹ | kWh/sq.m | 45.9 | 46.5 |
| District cooling ² | kWh/sq.m | 7.3 | 7.8 |
| Electricity ³ | kWh/sq.m | 25.8 | 27.6 |
| Carbon dioxide, total ⁴ | g CO ₂ /kWh | 28.1 | 28.1 |
| Water | m ³ /sq.m | 0.2 | 0.2 |

¹ Heating has been adjusted to a normal year.

² District cooling does not include self-produced cooling.

³ Electricity from energy use and tenants where electricity is included in the lease.

⁴ Carbon dioxide from electricity, heating and air conditioning.

All values have been provided by the suppliers. Floor area refers to tempered area. The comparative figures have been updated for the current portfolio and thus show changes for comparable properties.



Financing

CAPITAL STRUCTURE

At 30 June 2020, 36 per cent (36) of Diös' total assets of SEK 23,906 million was funded through equity, 53 per cent (53) through debt securities and 11 per cent (11) through other items.

EQUITY

At 30 June, equity was SEK 8,482 million (7,928). During the period, Diös bought back its own shares at a cost of SEK 29 million (-).

The equity ratio was 35.5 per cent (35.8), which exceeds the target of 35 per cent.

INTEREST-BEARING LIABILITIES

Interest-bearing liabilities in the Group were SEK 12,815 million (11,782). Of total interest-bearing liabilities, SEK 11,336 million (8,982) referred to bank financing, SEK 419 million (1,240) to covered bonds and SEK 1,060 million (1 560) to commercial paper. The accrued cost of the commercial paper is SEK 1,059 million (1,559). At the end of the period, the loan-to-value ratio in the Group was 54.9 per cent (54.5). The average annual interest rate for the period, including the cost of derivatives and loan commitments, was 1.3 per cent (1.2) and the interest coverage ratio was 5.7 times (6.7).

FINANCIAL INSTRUMENTS

Out of the Group's total interest-bearing liabilities, SEK 2,250 million (4,000) has been hedged through derivatives. At 30 June 2020, the market value of the derivative portfolio was SEK 0 million (0). The financial

instruments limit the impact of changes in interest rates on our average borrowing cost. All financial instruments are measured at fair value and are classified in Level 2 in accordance with IFRS 13, which means that the measurement is based on observable market data (see Note 22 in the Annual Report 2019). Changes in value are recognised in the income statement.

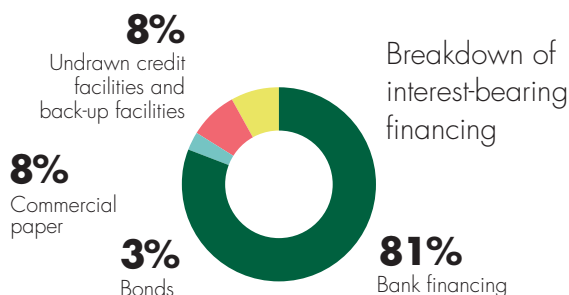
| SENSITIVITY ANALYSIS | If market interest rates increase by 1 percentage point | | |
|----------------------------------|---|---|------------------------------|
| | Change in annual average interest rate, % | Change in annual average interest expense, SEKm | Change in market value, SEKm |
| AT 30 JUNE 2020 | | | |
| Loan portfolio excl. derivatives | 0.9 | +118 | |
| Derivatives portfolio | 0.0 | 0 | +0.1 |
| Loan portfolio incl. derivatives | 0.9 | +118 | +0.1 |

FIXED-RATE TERMS AND LOAN MATURITIES

The average fixed-rate term, including derivatives, was 0.3 years (0.9) and the average loan maturity 3.1 years (2.1). Of the Group's outstanding loans, SEK 1,050 million (6,814) is subject to fixed interest rates, of which SEK 1,050 million (1,560) refers to commercial paper.

LIQUIDITY

Consolidated cash and cash equivalents at the end of the period were SEK 0 million (0) and drawn overdraft facilities were SEK 94 million (125). The agreed limit on the overdraft facility was SEK 600 million (600).



> INTEREST RATE AND DEBT MATURITY STRUCTURE AT 30 JUNE 2020

| Maturity year | Interest rate and margin expiration | | Loan maturity | |
|---|-------------------------------------|---|-------------------------|---------------|
| | Loan amount, SEKm | Average annual interest rate ¹ , % | Credit agreements, SEKm | Drawn, SEKm |
| 2020 | 4,225 | 1.2 | 0 | 0 |
| 2021 | 4,612 | 1.2 | 2,002 | 2,002 |
| 2022 | 3,295 | 1.5 | 6,415 | 5,271 |
| 2023 | - | - | 2,887 | 2,887 |
| 2024 | 684 | 1.2 | 892 | 892 |
| >2026 | - | - | 1,764 | 1,764 |
| Total | 12,815 | 1.3 | 13,959 | 12,815 |
| Undrawn credit facilities and back-up facilities ² | 1,144 | 0.0 | | |
| Financial instruments | 2,250 | 0.0 | | |
| TOTAL | | 1.3 | | |

¹ Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding liability as at 30 June 2020.

² Costs for undrawn credit facilities and back-up facilities add 0.03 percentage points to the average annual interest rate.

Cash flow

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, SEKM

| | 2020 3 mths April-June | 2019 3 mths April-June | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|--|------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| OPERATING ACTIVITIES | | | | | |
| Operating surplus | 299 | 315 | 589 | 583 | 1,187 |
| Central administration | -18 | -18 | -34 | -35 | -69 |
| Reversal of depreciation, amortisation and impairment | 0 | 2 | 0 | 2 | 2 |
| Interest received | 2 | 1 | 3 | 2 | 4 |
| Interest paid | -58 | -45 | -100 | -76 | -170 |
| Tax paid | -19 | -18 | -37 | -41 | -79 |
| Cash flow from operating activities before changes in working capital | 206 | 237 | 421 | 435 | 875 |
| Changes in working capital | | | | | |
| Decrease (+)/increase (-) in receivables | 42 | 58 | -94 | -47 | -29 |
| Decrease (-)/increase (+) in current liabilities | -40 | -9 | -221 | 0 | 62 |
| Total changes in working capital | 2 | 49 | -315 | -47 | 33 |
| Cash flow from operating activities | 208 | 286 | 106 | 388 | 908 |
| INVESTING ACTIVITIES | | | | | |
| Investments in new builds, conversions and extensions | -356 | -306 | -594 | -515 | -1,027 |
| Acquisition of properties | -38 | - | -38 | -312 | -450 |
| Sale of properties | - | - | - | 146 | 146 |
| Cash flow from investing activities | -394 | -306 | -632 | -681 | -1,331 |
| FINANCING ACTIVITIES | | | | | |
| Dividends paid | - | -202 | - | -202 | -404 |
| Share buy-backs | - | - | -29 | - | - |
| New borrowing, interest-bearing liabilities | 80 | 452 | 702 | 674 | 1,071 |
| Repayment and redemption of interest-bearing liabilities | -28 | -19 | -35 | -106 | -252 |
| Change in overdraft facility | 94 | -211 | -112 | -73 | 8 |
| Cash flow from financing activities | 146 | 20 | 526 | 293 | 423 |
| Cash flow for the period | -40 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents at beginning of period | 40 | 0 | 0 | 0 | 0 |
| Cash and cash equivalents at end of period | 0 | 0 | 0 | 0 | 0 |

Columns/rows may not add up due to rounding.

➤ **REPORTING BY BUSINESS UNIT AT 30 JUNE** *Amounts in SEKm unless otherwise indicated.*

2020

| By business unit | Dalarna | Gävle | Sundsvall | Äre/Östersund | Umeå | Skellefteå | Luleå | Group |
|--|-----------|-----------|-----------|---------------|-----------|------------|------------|------------|
| Rental income | 122 | 79 | 115 | 129 | 102 | 54 | 131 | 733 |
| Service income | | | | | | | | |
| Tariff-based services | 23 | 10 | 18 | 24 | 14 | 9 | 18 | 116 |
| Care and upkeep | 10 | 7 | 12 | 15 | 9 | 4 | 12 | 69 |
| Other income | 1 | 1 | 1 | 2 | 1 | 1 | 2 | 10 |
| Repair and maintenance | -7 | -3 | -6 | -5 | -3 | -2 | -5 | -31 |
| Tariff-based costs | -21 | -10 | -18 | -24 | -14 | -9 | -16 | -111 |
| Property tax | -7 | -6 | -8 | -9 | -8 | -4 | -11 | -51 |
| Other property costs | -18 | -11 | -17 | -20 | -16 | -6 | -19 | -106 |
| Property management | -7 | -5 | -7 | -8 | -5 | -3 | -6 | -40 |
| Operating surplus | 98 | 63 | 91 | 105 | 81 | 44 | 106 | 589 |
| Central administration/net financial items | - | - | - | - | - | - | - | -131 |
| Property management income | - | - | - | - | - | - | - | 458 |
| Property, realised | - | - | - | - | - | - | - | - |
| Property, unrealised | -53 | -6 | 27 | 16 | -54 | -5 | -67 | -143 |
| Interest rate derivatives | - | - | - | - | - | - | - | 0 |
| Profit before tax | - | - | - | - | - | - | - | 315 |

| | | | | | | | | |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Leasable area, sq.m | 277,782 | 160,604 | 233,490 | 291,478 | 200,829 | 116,016 | 205,440 | 1,485,639 |
| Rental value | 172 | 114 | 171 | 192 | 143 | 72 | 173 | 1,037 |
| Economic occupancy rate, % | 90 | 84 | 85 | 88 | 87 | 92 | 93 | 87 |
| Surplus ratio, % | 63 | 66 | 62 | 62 | 64 | 66 | 66 | 65 |

| | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Property portfolio, 1 January | 3,197 | 2,468 | 3,803 | 3,828 | 3,789 | 1,590 | 4,210 | 22,885 |
| Acquisitions | - | - | - | - | - | 38 | - | 38 |
| Investments in new builds, extensions and conversions | 131 | 79 | 210 | 93 | 128 | 15 | 68 | 726 |
| Sales | - | - | - | - | - | - | - | 0 |
| Reclassifications | - | - | - | - | - | - | - | - |
| Unrealised changes in value | -53 | -6 | 27 | 16 | -54 | -5 | -67 | -143 |
| Property portfolio, 30 June | 3,275 | 2,541 | 4,040 | 3,937 | 3,863 | 1,638 | 4,211 | 23,506 |

Columns/rows may not add up due to rounding.



2019

| By business unit | Dalarna | Gävle | Sundsvall | Äre/Östersund | Umeå | Skellefteå | Luleå | Group |
|---|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| Rental income | 114 | 78 | 113 | 128 | 103 | 55 | 132 | 723 |
| Service income | | | | | | | | |
| Tariff-based services | 23 | 10 | 21 | 28 | 16 | 9 | 18 | 126 |
| Care and upkeep | 11 | 6 | 13 | 15 | 10 | 4 | 13 | 73 |
| Repair and maintenance | -5 | -2 | -4 | -6 | -4 | -3 | -4 | -28 |
| Tariff-based costs | -21 | -10 | -19 | -27 | -15 | -9 | -17 | -119 |
| Property tax | -6 | -5 | -7 | -7 | -7 | -3 | -9 | -44 |
| Other property costs | -15 | -9 | -21 | -20 | -15 | -5 | -21 | -107 |
| Property management | -7 | -4 | -6 | -10 | -6 | -3 | -6 | -41 |
| Operating surplus | 93 | 63 | 91 | 101 | 82 | 46 | 107 | 583 |
| Central administration/Net financial items | - | - | - | - | - | - | - | -114 |
| Property management income | - | - | - | - | - | - | - | 469 |
| Property, realised | 0 | - | - | 5 | - | - | - | 5 |
| Property, unrealised | -12 | 9 | 0 | 76 | 6 | 21 | 31 | 131 |
| Interest rate derivatives | - | - | - | - | - | - | - | 1 |
| Profit before tax | - | - | - | - | - | - | - | 606 |
| Leasable area, sq.m | 271,684 | 160,604 | 233,490 | 291,478 | 200,829 | 109,126 | 205,440 | 1,472,651 |
| Rental value | 161 | 104 | 167 | 185 | 142 | 71 | 171 | 1,001 |
| Economic occupancy rate, % | 91 | 84 | 87 | 92 | 89 | 96 | 95 | 90 |
| Surplus ratio, % | 64 | 73 | 62 | 59 | 65 | 67 | 66 | 64 |
| Property portfolio, 1 January | 2,805 | 1,971 | 3,424 | 3,556 | 3,562 | 1,430 | 4,054 | 20,802 |
| Acquisitions | 149 | 245 | 28 | 28 | - | - | - | 450 |
| Investments in new builds, extensions and conversions | 145 | 94 | 84 | 58 | 102 | 41 | 59 | 583 |
| Sales | -49 | - | - | -71 | - | - | - | -120 |
| Reclassifications | - | - | - | - | - | - | - | - |
| Unrealised changes in value | -12 | 9 | 0 | 76 | 6 | 21 | 31 | 131 |
| Property portfolio, 30 June | 3,038 | 2,319 | 3,536 | 3,647 | 3,670 | 1,492 | 4,144 | 21,845 |

Columns/rows may not add up due to rounding.



Diös tenant HouseBe, Totten 1:68 in Äre.

FINANCIAL KPIS

The interim reports uses non-IFRS KPIs. We consider that these measures provide valuable additional information for investors, analysts and the company's management, as they enable the evaluation of relevant trends and the company's performance. As not all companies calculate financial measures in the same way, these are not always comparable with the measures used by other companies. These financial measures should therefore not be viewed as substitutes for IFRS-defined measures. The following table presents non-IFRS measures unless otherwise stated. Definitions of these measures are provided on page 27 and in the descriptions of the purpose of the various KPIs in the annual report for 2019. The financial targets for 2020 adopted by the Board are presented on page 23 of this report.

Figures refer to SEK million unless otherwise indicated.

| | 2020 3 mths April-June | 2019 3 mths April-June | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|---|------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| Number of shares outstanding at end of period (thousands) | 134,071 | 134,512 | 134,071 | 134,512 | 134,512 |
| Average number of shares ('000) | 134,071 | 134,512 | 134,260 | 134,512 | 134,512 |

There is no dilutive effect, as no potential shares (such as convertibles) exist.

| | 2020 3 mths April-June | 2019 3 mths April-June | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|-----------------------------------|------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| Property management income | | | | | |
| Profit before tax | 75 | 329 | 315 | 606 | 1,302 |
| Reversal | | | | | |
| Change in value, properties | 153 | -71 | 143 | -136 | -350 |
| Change in value, derivatives | 1 | 0 | 0 | -1 | 0 |
| Property management income | 229 | 257 | 458 | 469 | 952 |

EPRA earnings (property management income after tax)

| | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Property management income | 229 | 257 | 458 | 469 | 952 |
| Current tax attributable to property management income | 14 | -18 | -6 | -41 | -78 |
| Profit attributable to non-controlling interests | -1 | -3 | 0 | -4 | -9 |
| EPRA earnings | 242 | 236 | 452 | 424 | 865 |
| EPRA earnings per share, SEK | 1.80 | 1.75 | 3.37 | 3.15 | 6.43 |

Loan-to-value ratio

| | | | | | |
|-------------------------------|--|--|-------------|-------------|-------------|
| Interest-bearing liabilities | | | 12,814 | 11,781 | 12,145 |
| Reversal | | | | | |
| Cash and cash equivalents | | | - | | - |
| Drawn overdraft facilities | | | 94 | 125 | 206 |
| Net debt | | | 12,908 | 11,906 | 12,351 |
| Investment properties | | | 23,506 | 21,845 | 22,885 |
| Loan-to-value ratio, % | | | 54.9 | 54.5 | 54.0 |

Equity ratio

| | | | | | |
|------------------------|--|--|-------------|-------------|-------------|
| Equity | | | 8,482 | 7,928 | 8,484 |
| Total assets | | | 23,906 | 22,169 | 23,187 |
| Equity ratio, % | | | 35.5 | 35.8 | 36.6 |

Interest coverage ratio

| | | | | | |
|---------------------------------------|------------|------------|------------|------------|--------------|
| Property management income | 229 | 257 | 458 | 469 | 952 |
| Reversal | | | | | |
| Financial costs | 53 | 42 | 98 | 82 | 170 |
| Total | 282 | 299 | 556 | 551 | 1,122 |
| Financial costs | 53 | 42 | 98 | 82 | 170 |
| Interest coverage ratio, times | 5.3 | 7.1 | 5.7 | 6.7 | 6.6 |

Net debt to EBITDA

| | | | | | |
|---|--|--|---------------|---------------|---------------|
| Interest-bearing liabilities | | | 12,814 | 11,781 | 12,145 |
| Cash and cash equivalents | | | 0 | 0 | - |
| Overdraft facilities | | | 94 | 125 | 206 |
| Net debt | | | 12,908 | 11,906 | 12,351 |
| Operating surplus rolling 12 months | | | 1,193 | 1,178 | 1,187 |
| Central administration rolling 12 months | | | -74 | -71 | -73 |
| Reversal | | | | | |
| Depreciation and amortisation rolling 12 months | | | 5 | 2 | 5 |
| EBITDA | | | 1,124 | 1,109 | 1,119 |
| Net debt to EBITDA | | | 11.5 | 10.7 | 11.0 |

During the year, ESMA has issued new directives relating to the reporting of new KPIs. The EPRA NAV and EPRA NNNAV KPIs have been replaced by the EPRA NRV, EPRA NTA and EPRA NDV KPIs. Below both the old and the new KPIs are reported to indicate the transition in accordance with EPRA's guidelines. The aim of this is to show the company's value on the basis of different scenarios. For more information, see the definitions on page 27.

| | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|---|---------------------------|---------------------------|----------------------------|
| Net asset value | | | |
| Equity | 8,482 | 7,928 | 8,484 |
| Equity relating to non-controlling interests | -58 | -53 | -58 |
| Reversal as per balance sheet | | | |
| Fair value of financial instruments | 0 | 0 | 0 |
| Deferred tax on temporary differences | 1,470 | 1,360 | 1,450 |
| EPRA NAV (long-term net asset value) | 9,894 | 9,236 | 9,876 |
| EPRA NAV (long-term net asset value) per share | 73.8 | 68.7 | 73.4 |
| Deductions: | | | |
| Fair value of financial instruments | 0 | 0 | 0 |
| Estimated actual deferred tax on temporary differences, approx. 4% ¹ | -274 | -247 | -270 |
| EPRA NNNAV (short-term net asset value) | 9,620 | 8,989 | 9,606 |
| EPRA NNNAV (short-term net asset value) per share, SEK | 71.7 | 66.8 | 71.4 |

¹ Estimated actual deferred tax has been calculated at approx. 4 per cent based on a discount rate of 3 per cent. The calculation is based on the assumption that the property portfolio will be realised over a period of 50 years, with 10 per cent of the portfolio being sold directly subject to a nominal tax rate of 20.6 per cent, and the remaining 90 per cent being sold indirectly through companies subject to a nominal tax rate of 6 per cent.

| | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|---|---------------------------|---------------------------|----------------------------|
| Equity | 8,482 | 7,928 | 8,484 |
| Equity relating to non-controlling interests | -58 | -53 | -58 |
| Reversal | | | |
| Fair value of financial instruments | 0 | -1 | 0 |
| Deferred tax on temporary differences | 1,470 | 1,360 | 1,450 |
| EPRA NRV | 9,894 | 9,234 | 9,876 |
| EPRA NRV per share | 73.8 | 68.6 | 73.4 |
| Deductions: | | | |
| Fair value of financial instruments | 0 | -1 | 0 |
| Estimated actual deferred tax on temporary differences, approx. 4% ¹ | -274 | -247 | -270 |
| EPRA NTA | 9,620 | 8,988 | 9,606 |
| EPRA NTA per share | 71.7 | 66.8 | 71.4 |

| | | | |
|--|--------------|--------------|--------------|
| Equity as per balance sheet | 8,482 | 7,928 | 8,484 |
| Equity relating to non-controlling interests | -58 | -53 | -58 |
| EPRA NDV | 8,424 | 7,875 | 8,426 |
| EPRA NDV per share | 62.8 | 58.5 | 62.6 |

¹ Estimated actual deferred tax has been calculated at approx. 4 per cent based on a discount rate of 3 per cent. The calculation is based on the assumption that the property portfolio will be realised over a period of 50 years, with 10 per cent of the portfolio being sold directly subject to a nominal tax rate of 20.6 per cent, and the remaining 90 per cent being sold indirectly through companies subject to a nominal tax rate of 6 per cent.

> FINANCIAL KPIS, CONTINUED

| OTHER KPIS | 2020 3 mths April-June | 2019 3 mths April-June | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|-------------------------|------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| Return on equity, % | 0.7 | 3.3 | 2.9 | 6.2 | 12.8 |
| Equity per share, SEK | | | 63.3 | 58.9 | 63.1 |
| Earnings per share, SEK | 0.42 | 1.93 | 1.83 | 3.63 | 7.74 |

Cash flow per share, SEK

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Profit before tax | 75 | 329 | 315 | 606 | 1,302 |
| Reversal | | | | | |
| Unrealised change in value, properties | 153 | -71 | 143 | -131 | -331 |
| Unrealised change in value, derivatives | 1 | 0 | 0 | -1 | 0 |
| Depreciation and amortisation | 1 | 1 | 2 | 2 | 5 |
| Current tax | -19 | -18 | -37 | -41 | -79 |
| Total | 211 | 241 | 423 | 435 | 897 |
| Average number of shares ('000) | 134,071 | 134,512 | 134,260 | 134,512 | 134,512 |
| Cash flow per share, SEK | 1.57 | 1.79 | 3.15 | 3.24 | 6.67 |

| OTHER INFORMATION | 2020 3 months April-June | 2019 3 mths April-June | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|--------------------------------|--------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|
| Contracted rental income, SEKm | 433 | 456 | 904 | 906 | 1,821 |
| Economic occupancy rate, % | 84 | 90 | 87 | 90 | 90 |
| Surplus ratio, % | 69 | 69 | 65 | 64 | 65 |
| Debt/equity ratio, times | | | 1.5 | 1.5 | 1.4 |

EPRA vacancy rate

| | | | | | |
|---|--|--|------------|------------|------------|
| Estimated market rent for vacant space | | | 189 | 178 | 182 |
| Annualised rental value for the whole portfolio | | | 2,041 | 1,982 | 2,018 |
| EPRA vacancy rate, % | | | 9.3 | 9.0 | 9.0 |



Parent company

The activities of the parent company consist of central Group functions as well as the ownership and operation of the Group's subsidiaries. Revenue totalled SEK 103 million (92) and the profit after tax was SEK 130 million (22). Revenue referred chiefly to services sold to the Group's subsidiaries. Cash and cash equivalents were SEK 0 million (0) at 30 June 2020 and drawn overdraft facilities were SEK 105 million (130).

CONDENSED PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME, SEK M

| INCOME STATEMENT | 2020 6 mths Jan-Jun | 2019 6 mths Jan-Jun | 2019 12 mths Jan-Dec |
|--|---------------------------|---------------------------|----------------------------|
| Revenue | 103 | 92 | 171 |
| Gross profit | 103 | 92 | 171 |
| Central administration | -112 | -109 | -215 |
| Operating profit | -9 | -17 | -44 |
| Income from interests in Group companies | 100 | - | 92 |
| Change in value, interest rate derivatives | 0 | 0 | 0 |
| Financial income | 176 | 154 | 330 |
| Financial costs | -137 | -115 | -254 |
| Profit after financial items | 130 | 22 | 124 |
| Appropriations | - | - | -8 |
| Profit after appropriations | 130 | 22 | 116 |
| Current tax | - | - | -5 |
| Profit after tax | 130 | 22 | 111 |
| STATEMENT OF COMPREHENSIVE INCOME | | | |
| Profit after tax | 130 | 22 | 111 |
| Comprehensive income for the year | 130 | 22 | 111 |

External interest-bearing liabilities, excluding overdraft facilities, totalled SEK 3,402 million (2,512), of which SEK 1,059 million (1 560) referred to outstanding commercial paper. The average annual interest rate based on the situation at 30 June 2020 amounted to 1.2 per cent (0.9). The parent company prepares its financial reports in compliance with RFR 2 Financial Reporting for Legal Entities.

CONDENSED PARENT COMPANY BALANCE SHEET, SEK M

| ASSETS | 2020 30 June | 2019 30 June | 2019 31 Dec |
|-------------------------------------|-----------------|-----------------|----------------|
| Investments in Group companies | 2,263 | 2,124 | 2,263 |
| Receivables from Group companies | 14,779 | 12,849 | 13,618 |
| Other assets | 23 | 21 | 23 |
| Cash and cash equivalents | - | - | - |
| TOTAL ASSETS | 17,065 | 14,944 | 15,904 |
| EQUITY AND LIABILITIES | | | |
| Equity | 2,894 | 2,925 | 3,013 |
| Untaxed reserves | 8 | - | 8 |
| Interest-bearing liabilities | 3,402 | 2,512 | 2,853 |
| Liabilities to Group companies | 10,397 | 9,199 | 9,761 |
| Overdraft facilities | 105 | 130 | 226 |
| Other liabilities | 259 | 226 | 43 |
| TOTAL EQUITY AND LIABILITIES | 17,065 | 14,944 | 15,904 |



Other information

► EMPLOYEES AND ORGANISATION

The number of employees on 30 June 2020 was 160 (158), of whom 66 were women (64). The majority of our employees, 106 people (105), work in our business units and the rest at our head office in Östersund.

Our new Pick-Pack-Post concept, which is aimed at creating a better, more modern and more efficient experience of parcel management and store operation, currently employs 4 people (women).

► RISKS AND UNCERTAINTIES

EFFECTS OF COVID-19

The business will be affected by Covid-19 in both the short and the long term. Our assessment is that the risk of doubtful debts and bad debts has increased in the short term. Tenants in particularly vulnerable sectors, such as hotels, cafés, restaurants and stores selling consumer durables, have a reduced turnover and a lower footfall, which affects their ability to make payments and their liquidity. This in turn increases the risk of them stopping or postponing their rent payments. A shortage of workers because of illness or caring responsibilities and a lack of materials may have an impact on our projects and result in them being delayed and/or becoming more costly. In the longer term, a reduction in economic activity and rising unemployment could affect the demand for commercial premises, which in turn could have a negative impact on rents and property values and also lead to an increase in long-term vacancies and a negative effect on financing covenants. New financing and refinancing may become more difficult and/or more expensive, as access to bank and capital market financing could be limited. During the period, we issued SEK 615 million in commercial paper.

Measures have been taken to manage certain effects of Covid-19 which could have the following impact on us:

- If tenants pay monthly instead of quarterly, this will affect our liquidity. With regard to rents for the third quarter, we have reached a handful agreements on rents to be paid monthly rather than quarterly, as normal.
- Shorter opening hours could affect sales and thus have a negative impact on turnover rents. Leases with a turnover-based element almost always have a base rent. The proportion of leases with a turnover-based element is around 6 per cent of contracted rental income.
- Any payment deferrals will affect our liquidity in the short term.
- Any discounts will affect our liquidity and our profits in the short term.

GENERAL RISKS

Material risks and uncertainties affecting the business include market and business intelligence, the business model, the properties, cash flow, financing and sustainability.

Demand and prices in the Swedish property market are influenced by the level of economic activity globally and in Sweden as well as by interest rates.

Our properties are measured at fair value on an ongoing basis, and changes in value are recognised in the income statement. The effects of changes in value affect the income statement and balance sheet and thus also the related KPIs. Any significant negative impact is managed through a diversified portfolio of centrally located properties in growth cities.

| PROPERTY VALUE SENSITIVITY ANALYSIS | Change in property value, % | | |
|-------------------------------------|-----------------------------|--------|--------|
| | -7.5 | 0.0 | +7.5 |
| Property value, SEKm | 21,743 | 23,506 | 25,269 |
| Equity ratio, % | 30.4 | 35.5 | 39.9 |
| Loan-to-value ratio, % | 59.4 | 54.9 | 51.1 |

Cash flow consists of income and expenses and is primarily attributable to rent levels, property costs, occupancy rates and interest rates. A change in these items affects cash flow and thus also earnings. Any significant negative impact is managed through a diversified tenant structure, good cost control and active interest rate risk management.

| CASH FLOW SENSITIVITY ANALYSIS | Change | Impact on earnings, SEKm ¹ |
|---|------------------------|---------------------------------------|
| Contracted rental income | +/- 1% | +/- 18 |
| Economic occupancy rate | +/- 1 percentage point | +/- 20 |
| Property costs | -/+ 1% | +/- 7 |
| Interest rate on interest-bearing liabilities | -/+ 1 percentage point | +/- 118 |

¹ Annualised.

Access to financing is the biggest financial risk and is essential to running a property business. The risk is limited through good relations with banks, access to the capital market, and strong finances and KPIs.

A sustainable business model and sustainable behaviour are essential to creating long-term value. Through good internal control and procedures, we take responsibility for building a sustainable long-term business.

No material changes in the assessment of risks have been occurred since the publication of the annual report for 2019, except the risks relating to Covid-19 described above. For more information on risks and risk management, see Diös' annual report for 2019, pages 60-62, 76 and 80.

► RELATED-PARTY TRANSACTIONS

There were no significant related party transactions in the period. Those related-party transactions which did occur are deemed to have been concluded on market terms.

► SEASONAL VARIATIONS

Costs for operations and maintenance are subject to seasonal variations. Cold weather and snow affect the costs for heating, snow clearance and roof snow removal. The costs are normally higher in the first and fourth quarters.

► ACCOUNTING POLICIES

Diös complies with EU-adopted IFRS standards and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The report for the parent company is prepared in accordance with RFR 2 Financial Reporting for Legal Entities and the Swedish Annual Accounts Act. Disclosures under IAS 34 p 16a are provided elsewhere in the interim report and not in a note. All property-related transactions in the second quarter have been recognised based on calculations of the preliminary consideration. The calculation of the final consideration will be completed in the third quarter of 2020. The rent discounts agreed with tenants in accordance with the directives on government rent support for property owners as well as other support schemes are recognised in the income statement in the same periods as the costs which the grants are intended to compensate for. The accounting policies applied in preparing the interim report are consistent with the accounting policies applied in preparing the consolidated financial statements and annual accounts for 2019¹, Note 1.

Other changed and new IFRS standards that enter into force during the year or the coming periods are not assessed as having any significant impact on the consolidated reports and financial statements.

¹ The Annual Report 2019 is available at www.dios.se.

> SUMMARY OF QUARTERLY RESULTS

| | 30 Jun 2020 | 31 Mar 2020 | 31 Dec 2019 | 30 Sep 2019 | 30 Jun 2019 | 31 Mar 2019 | 31 Dec 2018 | 30 Sep 2018 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Revenue, SEKm | 450 | 478 | 468 | 464 | 464 | 457 | 447 | 467 |
| Operating surplus, SEKm | 299 | 290 | 292 | 312 | 315 | 268 | 283 | 312 |
| Property management income, SEKm | 229 | 229 | 231 | 252 | 257 | 212 | 225 | 248 |
| Profit for the period, SEKm | 57 | 189 | 258 | 299 | 263 | 230 | 451 | 303 |
| Surplus ratio, % | 69 | 62 | 64 | 68 | 69 | 60 | 64 | 70 |
| Economic occupancy rate, % | 84 | 91 | 90 | 90 | 90 | 91 | 91 | 91 |
| Return on equity, % | 0.7 | 2.2 | 3.1 | 3.6 | 3.3 | 2.9 | 5.9 | 4.2 |
| Equity ratio, % | 35.5 | 36.5 | 36.6 | 36.4 | 35.8 | 36.9 | 37.2 | 36.1 |
| Property loan-to-value ratio, % | 54.9 | 54.8 | 54.0 | 53.6 | 54.5 | 54.4 | 54.3 | 54.6 |
| Average interest rate at end of period, % ¹ | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.3 | 1.2 | 1.3 |
| Interest coverage ratio, times | 5.3 | 6.1 | 6.5 | 6.6 | 7.1 | 6.2 | 6.3 | 6.0 |
| Property management income per share, SEK | 1.71 | 1.70 | 1.72 | 1.87 | 1.91 | 1.57 | 1.67 | 1.84 |
| Earnings per share after tax, SEK | 0.42 | 1.42 | 1.92 | 2.19 | 1.93 | 1.71 | 3.35 | 2.25 |
| Equity per share, SEK | 62.3 | 64.5 | 63.1 | 61.1 | 58.9 | 60.0 | 58.3 | 54.9 |
| Market price per share, SEK | 62.3 | 66.3 | 85.8 | 85.9 | 68.7 | 76.3 | 56.4 | 56.9 |

¹ Includes expenses relating to commitment fees and derivatives.

> TARGETS

| OPERATIONAL AND FINANCIAL TARGETS | Outcome Jan-Jun 2020 | Target 2020 |
|--|----------------------|-----------------|
| Growth in property management income per share, % | 0 ¹ | 10 ² |
| Surplus ratio, % | 65 | 65 |
| Energy use, % | -3 | -3 |
| Return on equity, annualised, % | 5.8 | >12 |
| Distribution of profit for the year ³ , % | 24.8 | ~50 |
| Loan-to-value ratio, % | 54.9 | <55 |
| Equity ratio, % | 35.5 | >35 |

¹ Rolling 12 months

² The growth in property management income per share will be 10 per cent on average during the period 2020-2022.

³ Profit after tax, excluding unrealised changes in value and deferred tax related to 2019.

Three reasons to invest in Diös



A unique position

As the market-leading private property owner in our cities, we are in a strong position to influence things. Through close relations with decision-makers and other players, we drive growth. This growth is reflected in higher rents, rising market values and reduced vacancies. A diversified portfolio of centrally located properties provides flexibility and the option of converting properties if demand changes.



Strong and stable cash flows

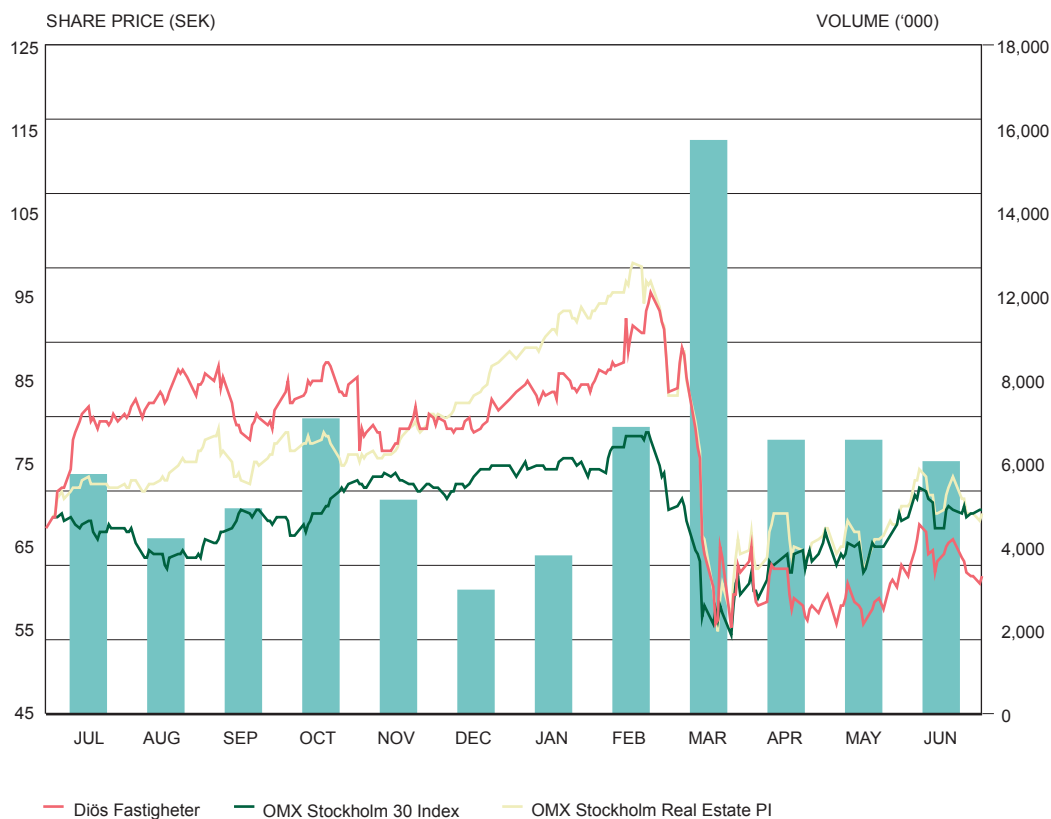
Since 2013, the cash flow per share has increased by 80 per cent. A well diversified portfolio and a good mix of tenants generate stable revenue streams. A total of 27 per cent of our revenue comes from the public sector.



An exciting project portfolio

By developing new and existing premises, we increase the value of our properties and boost our cash flow, but above all we create a greater flow of people in the city. This creates attractive spaces that have a positive impact on neighbouring businesses. We have 100,000 sq.m of gross floor space under construction and a further 100,000 sq.m in the early stages of development.

> DIÖS SHARE PRICE PERFORMANCE



Share information

SHARE PERFORMANCE

Diös' share price at the end of the period was SEK 62.3 (68.7), which represents a market capitalisation of SEK 8,380 million (9,241), and the return for the past 12 months was 9.3 per cent (27.8). If the dividend is included, the total return on the shares for the year was 5.2 per cent (34.0). The graph on the preceding page shows share prices for the past 12 months for both Diös and the indexes. The return on the OMX Stockholm 30 Index was 2.6 per cent (3.0) and the return on the OMX Stockholm Real Estate PI index was 2.1 per cent (30.4).

At 31 March, Diös had 17,084 shareholders (13,613). The proportion of foreign-owned shares was 24.8 per cent (24.1) while the total number of registered shares during the period remained unchanged at 134,512,438 (134,512,438). The single largest shareholder was AB Persson Invest, with 15.4 per cent (15.4) of the shares. The ten largest shareholders accounted for 55 per cent (53.8) of the total number of shares and voting rights.

The 2020 Annual General Meetings resolved to authorise the company to buy back ten per cent of the total number of outstanding shares of the company. During the period, 441,418 shares were bought back at an average price of SEK 64.6 per share, which is the equivalent of 0.3 per cent of the total number of registered shares. Shares that have been bought back cannot be represented at the General Meeting of Shareholders.

No new changes of ownership were flagged during the period. The ten largest shareholders of Diös Fastigheter AB according to Euroclear Sweden AB are shown in the table on the right.

Diös Fastigheter AB is a publicly traded company listed on Nasdaq Stockholm, Mid Cap list. The ticker symbol is DIOS and the ISIN code SE0001634262.

RETURN AND NET ASSET VALUE

Our goal is to generate a return on equity in excess of the risk-free rate plus 12 per cent. On an annualised basis, the return for the period was 10 per cent (12). Equity at the end of the year was SEK 8,482 million

(7,928) and the long-term net asset value, EPRA NRV, was SEK 9,894 million (9,234). On a per share basis, EPRA NAV was SEK 73.8 (68.6), which means that the share price at 30 June represented 84 per cent (100) of long-term NAV. The net asset value per share for the period, expressed as EPRA NTA, was SEK 71.7 (66.8).

EARNINGS

Earnings per share for the period were SEK 1.83 (3.63) while long-term earnings per share, expressed as EPRA EPS, were SEK 3.37 (3.15). EPRA EPS, which is designed to show an entity's long-term earnings per share, is calculated as property management income after deducting 21.4 per cent corporation tax attributable to property management income less minority share of earnings.

> LARGEST SHAREHOLDERS

of Diös Fastigheter AB at 31 May 2020

| SHAREHOLDER | No. of shares | Capital and votes, % |
|---|--------------------|----------------------|
| AB Persson Invest | 20,699,443 | 15.4 |
| Backahill Inter AB | 14,095,354 | 10.5 |
| Nordstjernan AB | 13,574,748 | 10.1 |
| Pensionskassan SHB Försäkringsförening | 8,096,827 | 6.0 |
| Handelsbanken Fonder | 5,744,517 | 4.3 |
| Avanza Pension | 3,017,073 | 2.2 |
| Swedbank Robur fonder | 2,792,700 | 2.1 |
| BlackRock | 2,074,138 | 1.5 |
| Sten Dybeck, including company and family | 2,030,000 | 1.5 |
| ODIN Fonder | 1,914,292 | 1.4 |
| Total, largest shareholders | 74,039,092 | 55.0 |
| Treasury shares | 441,418 | 0.3 |
| Other shareholders | 60,473,346 | 44.7 |
| TOTAL | 134,512,438 | 100.0 |

Source: Modular Finance



➤ REVIEW OF THE REPORT

The Board of Directors and Chief Executive Officer declare that the interim report gives a true and fair view of the company's and Group's operations, financial position and income, and describes the principal risks and uncertainties faced by the company and the companies in the Group. This interim report has not been subject to review by the company's auditor.

Financial reports can be viewed in full on Diös' website, www.dios.se.

Östersund, 3 July 2020

Bob Persson
Chairman

Peter Strand
Board member

Eva Nygren
Board member

Ragnhild Backman
Board member

Tobias Lönnevall
Board member

Anders Nelson
Board member

Tomas Mellberg
Board member
Employee representative

Knut Rost
Chief Executive Officer

➤ FINANCIAL CALENDAR

Q3 Interim report January–September 2020

23 October 2020

➤ EVENTS AFTER THE REPORTING DATE

Diös sells two properties in Sundsvall with an agreed property value of SEK 45 million. The properties have a total floor area of around 6,000 sq.m and the completion date is 1 July 2020.

➤ FOR FURTHER INFORMATION, PLEASE CONTACT

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Rolf Larsson, CFO, +46 (0)770-33 22 00, +46 (0)70-666 14 83, rolf.larsson@dios.se

This constitutes information which Diös Fastigheter AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 3 July 2020, at 07:00 CEST.

Definitions

Definitions of key ratios were changed during the period.

NUMBER OF SHARES AT END OF PERIOD

Actual number of shares outstanding at the end of the period.

RETURN ON EQUITY

Profit for the period attributable to parent company shareholders divided by average equity attributable to parent company shareholders. Average equity is defined as the sum of the opening and closing balance divided by two.

LOAN-TO-VALUE RATIO, PROPERTIES **NEW DEFINITION**

Net debt divided by the carrying amount of the properties at the end of the period.

YIELD

Operating surplus for the period divided by the properties' market value at the end of the period.

EBITDA

Operating surplus less central administration after reversal of scheduled depreciation and amortisation. The calculation is made on 12-month rolling basis, unless otherwise stated.

EQUITY PER SHARE

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

ECONOMIC OCCUPANCY RATE

Contracted rental income for the period divided by rental value at the end of the period.

ECONOMIC VACANCY RATE

Estimated market rent for unused premises divided by total rental value.

EPRA EARNINGS

Property management income less nominal tax attributable to property management income, divided by average number of shares. Taxable property management income refers to property management income less, inter alia, tax-deductible depreciation and amortisation and redevelopments.

EPRA NAV/LONG-TERM NET ASSET VALUE PER SHARE

Equity at the end of the period after reversal of interest rate derivatives and deferred tax attributable to temporary differences in properties and minority share of equity, divided by the number of outstanding shares at the end of the period.

EPRA NNAV/CURRENT NET ASSET VALUE PER SHARE

Equity at the end of the period adjusted for actual deferred tax instead of nominal deferred tax and minority share of the equity, divided by the number of shares outstanding at the end of the period.

EPRA NRV/NET REINSTATEMENT VALUE PER SHARE

Equity at the end of the period as per balance sheet after reversal of interest rate derivatives and deferred tax attributable to temporary differences in properties and non-controlling interests' share of the equity, divided by the number of outstanding shares.

EPRA NTA/NET TANGIBLE ASSETS PER SHARE

Equity at the end of the period as per balance sheet adjusted for the fair value of interest rate derivatives and actual deferred tax attributable to temporary differences in properties and non-controlling interests' share of the equity, divided by the number of outstanding shares.

EPRA NDV/NET DISPOSAL VALUE PER SHARE

Equity at the end of the period as per balance sheet adjusted for the non-controlling interests' share of the equity, divided by the number of outstanding shares.

EPRA VACANCY RATE

Estimated market rent for vacant space divided by the annual rental value of the whole property portfolio.

PROPERTY MANAGEMENT INCOME

Revenue less property costs, costs for central administration and net financial items.

AVERAGE NUMBER OF SHARES

Number of shares outstanding at the beginning of the period, adjusted by the number of shares issued or repurchased during the period weighted by the number of days that the shares were outstanding, in relation to the total number of days in the period.

CONTRACTED RENTAL INCOME

Rents invoiced for the period less rent losses and rent discounts including service income.

RENTAL VALUE

Rent at the end of the period plus a supplement for the estimated market rent for unoccupied floor space.

COMPARABLE PROPERTIES

Comparable properties refer to properties which have been owned throughout the period and the whole comparative period. The term is used to highlight growth in rental income, excluding one-off effects resulting from early vacating of properties, and property costs as well as acquired and sold properties.

CASH FLOW PER SHARE

Profit before tax, adjusted for unrealised changes in value plus depreciation/amortisation less current tax, divided by the average number of shares.

NET DEBT

Net debt is calculated as interest-bearing liabilities less cash and cash equivalents plus drawn overdraft facilities.

NET LEASING

Net annual rent, excluding discounts and supplements, for newly signed, terminated and renegotiated contracts. The lease term is not taken into account.

PROJECT PROPERTY

Refers to a property that is intended to be redeveloped or improved. Divided into the following sub-categories:

New builds – land and properties with ongoing new builds or that are undergoing complete redevelopment.

Improvement property – properties with ongoing or planned conversion or extension work that materially affects the property's operating surplus or standard and/or changes the use of the property.

Tenant improvements – properties undergoing conversion or minor improvements to premises.

EARNINGS PER SHARE

Profit for the period after tax, attributable to shareholders, divided by the average number of shares.

INTEREST COVERAGE RATIO

Income from property management after reversal of financial costs, divided by financial costs for the period.

SERVICE INCOME

Income from tariff-based operations and income from care and upkeep.

DEBT/EQUITY RATIO

Interest-bearing liabilities divided by shareholders' equity at the end of the period.

EQUITY RATIO

Equity divided by total assets at the end of the period.

SURPLUS RATIO

Operating surplus for the period divided by contracted rental income for the period.

Diös

PICK PACK POST



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