

Diös

#DiösÅterbruk
dios.se/aterbruk



**"Reuse of materials
that we do not use in
the development of our
properties, that's what
I call sustainable urban
development for real!"**

Johannes Sjölander,
Project Manager Åre/Östersund

Q1

Highlights

Revenue increased by 11 per cent to SEK 539m (483)

Property management income increased by 17 per cent to SEK 271m (231).

Unrealised changes in value of properties were SEK 533m (418) and unrealised changes in value of derivatives were SEK 88m (9)

The profit after tax was SEK 708m (522).

Earnings per share were SEK 5.00 (3.86).

Significant events

- Diös acquires two centrally located properties for SEK 118m in Luleå. Completion took place on 1 March 2022.
- Diös acquires 12 properties in Falun and Borlänge for SEK 564m. Completion took place on 1 April 2022.
- Diös acquires three properties in Skellefteå for SEK 118m. Completion took place on 1 April 2022.
- Diös divests six retail properties for SEK 737m in Gävle, Falun, Umeå and Skellefteå. Completion will take place on 1 June 2022.
- Zoning plans for Västra Stranden in Luleå and Vale 17 in Umeå are gaining legal force.



40.8%
Equity ratio

49.3%
Loan-to-value ratio

65%
Surplus ratio

6.8
Interest coverage ratio, times

Summary of earnings, SEKm

	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Revenue	539	483	1,967
Operating surplus	336	290	1,289
Property management income	271	231	1,030
Profit before tax	892	658	2,872
Profit after tax	708	522	2,324
Surplus ratio, %	65	61	68
Occupancy rate, %	90	90	89
Return on equity, % ¹	22.6	13.9	22.1
Property management income per share, SEK ¹	7.83	7.14	7.62
Equity ratio, %	40.8	37.4	40.2
Property loan-to-value ratio, %	49.3	53.7	48.6
Equity per share, SEK	88.2	72.1	83.6
EPRA NRV per share, SEK	103.1	84.4	97.7

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

¹Rolling 12-month basis



Growth, development and a sustainable business

"We began 2022 with several significant transactions."

The surplus ratio of 65 per cent is the highest in Diös' history for a first quarter and we show good growth in property management income per share of 10 per cent. We deliver net leasing of SEK 22m in a continued strong market and an unrealised value development for our properties of SEK 533m.

The increased property management income of 11 per cent is due to increased revenues, completed projects, lower property costs and a larger property portfolio. During 2021, we completed three major projects that now fully contribute to our results. Our property costs are lower mainly due to lower winter-related costs and a lower heating requirement, partly due to energy efficiency improvements in the properties.

Strategic transactions in a red-hot market

We began 2022 with several significant transactions. In total, we communicated and completed acquisitions for approximately SEK 1,800m during the quarter. For example, we communicated acquisitions in Borlänge and Falun for SEK 564m. In order to create the conditions for further growth and acquisitions, we also divested retail properties with a value of SEK 737m with transfer in the second quarter.

Interest in our market is very large and the green transition not only covers the northernmost parts of Sweden. One exciting example is Northvolt's investment in converting the old paper mill in Borlänge

into a factory for circular battery production. The establishment represents around 1,000 new jobs in Borlänge, which will, of course, cause positive rings on the water for our business as well.

Value creation through sustainable projects

Our ongoing projects are progressing well and this summer we are completing the new Clarion Hotel in Umeå. We are also in the early phases for the move of the university in Borlänge into the city centre with an official date for the groundbreaking on 4 May and the start of construction of the brand new Västra Stranden quarter in Luleå. These projects provide both new and increased flows of people and contribute to security and accessibility in our cities.

Demand for modern offices and premises for urban service is high and we see both new players that are establishing themselves and existing ones that are growing. I am convinced that our 15-minute cities with more homes in central locations and all available services continue to be attractive and to be at the heart of the event.

Towards halved carbon dioxide emissions

Circularity and investments for the future are an important element for sustainable urban development and we are seeing a growing green commitment from our tenants through the signing of green leases and re-use. As part of our efforts to halve carbon dioxide emissions by 2030, we are now increasing the proportion of recycled materials and are launching "Reuse in collaboration with Diös" – an initiative

where materials we do not use ourselves are auctioned off at Tradera. We invest the proceeds from the sales in local projects with a focus on sustainability from a social perspective or in local climate and environmental initiatives.

Well-equipped in a changing world

The horrendous development of the war in Ukraine affects us all and will affect the world economy. Exactly how remains to be seen, but energy, material costs and interest rates are issues to which we live closely and act on. Our portfolio model to purchase energy for the next few years far in advance is proving to be very successful. We have a strong financial position, good banking relations and an interest coverage ratio of a multiple of 6.8. At the same time, we are working to both increase our liquidity facilities and to extend our loan maturities.

With respect to the world situation and the changing times we live in, I am confident that we are well equipped with a strong financial position, strong teams and the right offering in a growing market. The future is bright for our cities and for us as a company and I am convinced that 2022 will continue to be a successful year for our tenants, for us and for our shareholders.

Knut Rost, vd

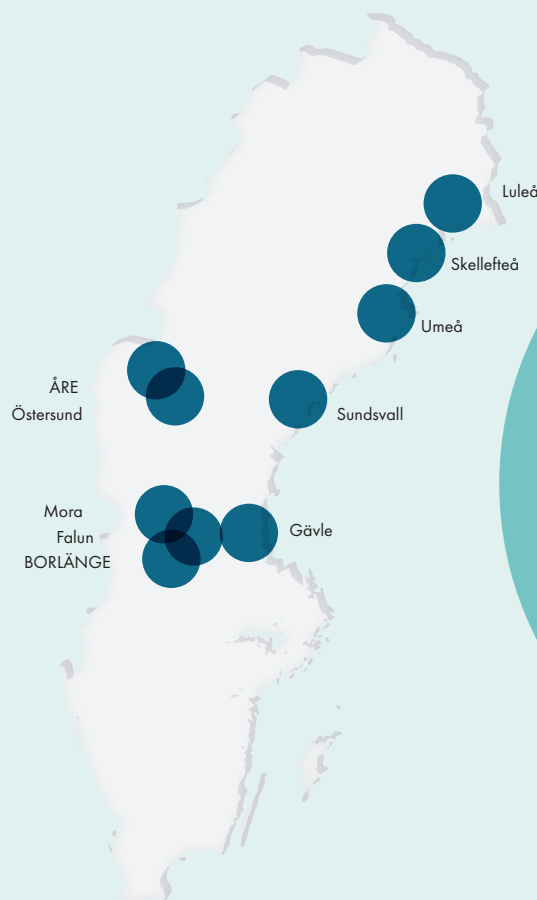
This is Diös

As a market leader in our cities, we develop our properties, city blocks, neighbourhoods and suburban areas, creating growth for our tenants, our shareholders and ourselves. Through our knowledge and long-term sustainable investments in offices, urban service and housing, we offer our tenants the right premises in the right location, leading to a stronger offering, lower vacancies, higher rent levels and increased profitability.



VISION

To create Sweden's most inspiring cities.



Strategy

Urban development

We want to create an inspiring, sustainable and accessible city for all. We do this by creating more modern offices in attractive locations, improving the conditions for developed urban service and building more homes in the city centre. We also ensure that the spaces that we develop can be used around the clock by several different actors because we create security, life and motion. By offering the right premises to the right tenants, we develop our business. This increases value for all.

BUSINESS CONCEPT

By building good relationships, using our pool of knowledge and taking responsibility, we are developing our cities and creating sustainable long-term value for our tenants, ourselves and our owners.

Mission

To create Sweden's most attractive places with the right content, where people want to be, live, work and meet.

Core values

Simple. We are clear, open and honest.

Close. We are interested, listen and are available.

Active. We turn words into deeds, take our responsibility and dare to make decisions.

Our promise to tenants

Everything is possible!

We want our tenants to do well and everything is possible! Our tenants are our primary focus – if they thrive, we thrive.



339

No. of properties



29.8

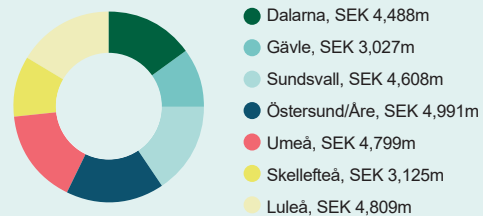
Property value, SEKbn



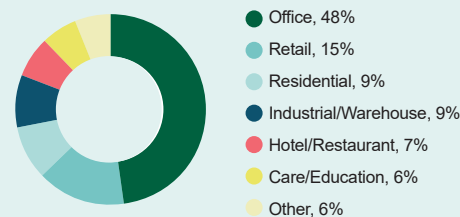
1564

Leasable area, thousand sq.m.

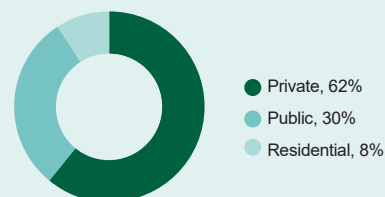
Property value per business unit, SEKm



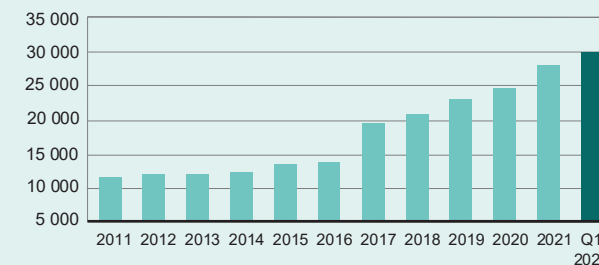
Rental value by type of premises, %



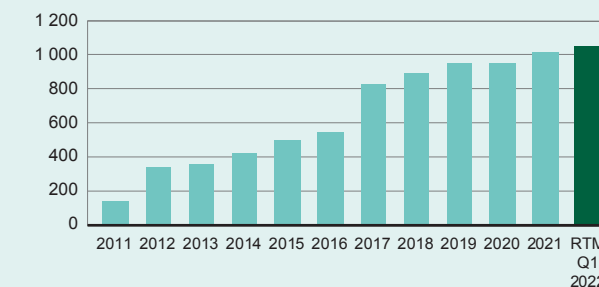
Contract value by category, %



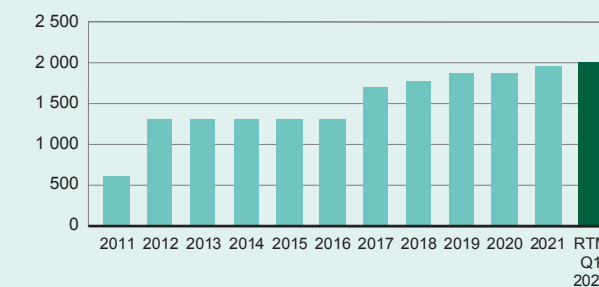
Property value, SEKm



Property management income, SEKm



Rental income, SEKm



Sustainability

Our sustainability work is part of our everyday life where our urban development strategy will lead to long-term sustainable cities. As a market leader in our ten cities, we have great opportunities to make a difference and create value for our tenants, shareholders and colleagues, as well as for the world around us.

We have set a climate target that has been reviewed and approved by the Science Based Target initiative, SBTi. This target means that we must cut our carbon dioxide emissions by at least 50 per cent in Scope 1 and 2 by 2030 in order to reach net zero by 2045, and take responsibility for our impact in Scope 3.

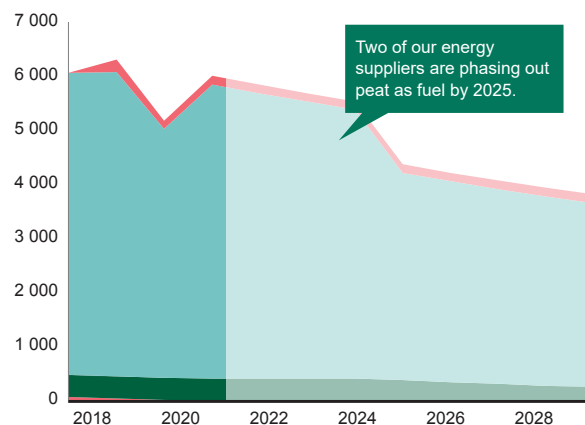
55% green assets by 2026 are one of our targets. The goal is to drive a development of our property portfolio and is measured as a percentage of the market value. A green asset for Diös is defined by our Green Financing Framework from 2021, which is available in full on our website.

16% of the property value is classified as green assets*

33% Of the property value has a primary energy figure of less than 85kWh/sq.m., Atemp

11% Of the property value has undergone a climate risk analysis so far

Climate target follow-up, SBTi



Scope 1 and 2

Today, our emissions in Scope 1 and 2 consist mostly of emissions from purchased district heating. These emissions are thus highly dependent on the year's heating needs, where a cold year like 2021 caused our emissions to increase. To achieve a halving of Scope 1 and 2, we are actively working on energy efficiency improvement and optimisation, which is closely linked to our tenants' indoor climate and the property's operational economy. Power optimisation linked to changing energy tariffs is becoming an ever-larger issue and is also closely linked to the climate impact of energy production. We know today that several of our energy suppliers have targets similar to ours and their journey will also be a factor on our path to halved emissions.

Scope 3

According to our climate survey, emissions from our construction production and tenants' driving are two major items in our Scope 3 emissions. A major difference between these items is the control

Tonnes of CO₂ equivalents

	2018*	2020	2021
Scope 1			
Fuel	92	35	24
Refrigerant**	400	400	400
Total	492	435	424
Scope 2			
Electricity	0.26	0.24	0.24
District heating and cooling	5,567	4,739	5,583
Total	5,567	4,739	5,583

* Reference year. ** Emissions from refrigerant leakage are currently based on our climate survey and not on statistics from our refrigerating machines.

we have over these emissions, where we make the assessment that we have far more control over the emissions from projects than we have over our tenants' driving. Today, we can only present annual data from our travel and private cars, which is a very small part of our emissions. This is why we choose to present the measures we are planning for the future to increase the possibilities for measurement as well as measures to reduce our Scope 3 emissions.

Planned activities 2022

In-house training on climate calculations	✓
in construction projects	✓
Start-up action plan 2022	✓
Climate calculation of three completed projects	Q2 2022
Climatic calculation of early-stage projects	2022
Summary, evaluation and action plan for 2023	Q4 2022

Focus: Energy

Energy is an important issue for our business, our offering and our climate work. We buy origin-labelled electricity from renewable energy sources for our entire portfolio. We have an energy savings target of -3 per cent per year and a target of 55 per cent green assets by 2026 where energy performance is part of the criteria.

Energy consumption for comparable portfolio

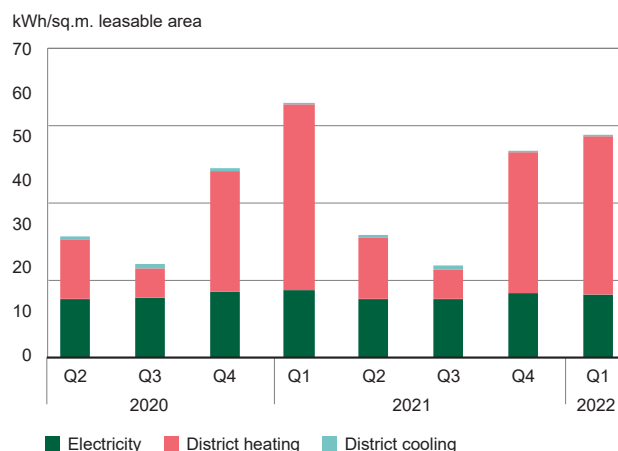
		2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Electricity	kWh/sq.m Atemp	12.3	12.5	47.0
District heating	kWh/sq.m Atemp	33.1	35.0	77.7
District cooling	kWh/sq.m Atemp	2.3	2.7	16.6

Comment and analysis

For the first quarter of 2022, we achieved energy efficiency improvement of -6 per cent for normal-year-adjusted district heating in a comparable portfolio and -1 per cent for electricity use. This gives a total energy efficiency improvement for electricity and district heating of just over -4 per cent for the first quarter of the year compared with the previous year. This is a positive result as the investment rate in energy projects has been significantly lower during the pandemic than we are used to. We are increasing the pace of our energy investments and are seeing good conditions for more profitable energy projects in the future.

We do not include district cooling in the energy efficiency improvement target as district cooling accounts for a small part of our total energy use. In addition, the statistics for district cooling are of lower quality compared to electricity and district heating and adjustment for a normal year is not possible.

Actual energy use by quarter



Comment and analysis

Energy costs and climate impact (Scope 2) are directly linked to actual energy use. The bars show actual energy use, not normal-year-adjusted district heating divided by total leasable area. We reported increased emissions in Scope 2 for full-year 2021, which was due to a significantly higher heating needs in the first quarter of 2021, which was an unusually cold period. Today, the cost of power withdrawals is a large part of the total energy cost, which further strengthens the link between cost and outdoor temperature.



Energy projects:

Sigrid 11, Borlänge

Office property where we have changed ventilation units and re-frigerating machines and replaced façade appliances with water-borne radiators. The property also received supplemental insulation and new windows were added.

Earnings:

-50%
heating cost

-50%
heat use

-50%
greenhouse gas emissions from operations

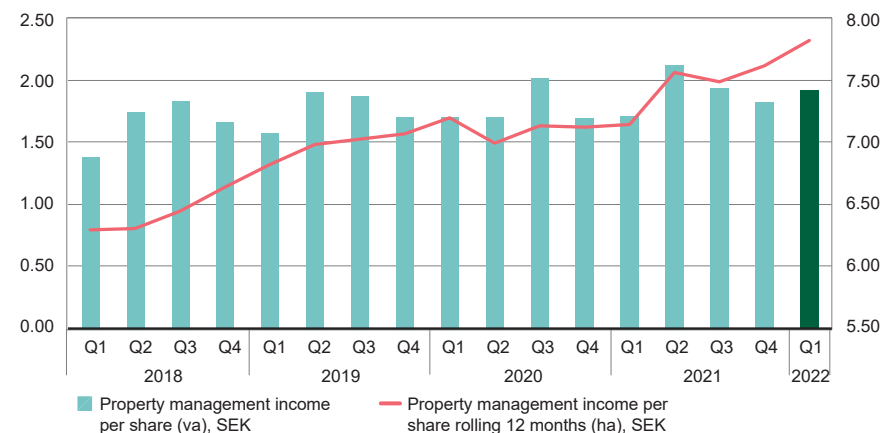
Income statement

Condensed consolidated income statement and statement of comprehensive income, SEKm

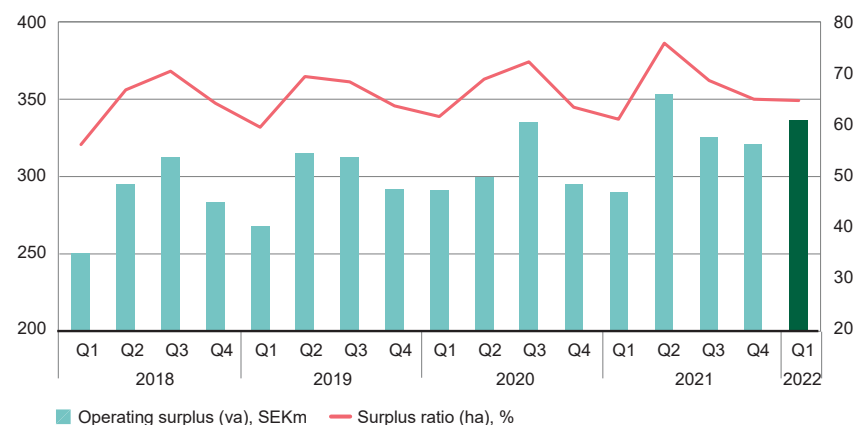
INCOME STATEMENT	Note	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Rental income		416	360	1,587
Service income		123	123	376
Other income		0	0	4
Total income	2	539	483	1,967
Property costs	3	-203	-193	-678
Operating surplus	4	336	290	1,289
Central administration	5	-18	-17	-75
Net financial items	6	-47	-42	-184
Property management income	1	271	231	1,030
Change in value, properties	7	533	418	1,806
Change in value, interest rate derivatives	8	88	9	36
Profit before tax	9	892	658	2,872
Current tax	10	-20	-3	-53
Deferred tax	10	-164	-133	-495
Profit after tax		708	522	2,324
Profit attributable to shareholders of the parent company		708	517	2,306
Profit attributable to non-controlling interests		0	5	17
Total		708	522	2,324
STATEMENT OF COMPREHENSIVE INCOME				
Profit after tax		708	522	2,324
Comprehensive income for the period		708	522	2,324
Comprehensive income attributable to shareholders of the parent company		708	517	2,306
Comprehensive income attributable to non-controlling interests		0	5	17
Total		708	522	2,324
Earnings per share, SEK		5.00	3.86	17.08
Number of shares outstanding at end of period		141,430,947	134,071,020	141,343,747
Average number of shares		141,417,383	134,071,020	134,668,778
Number of treasury shares at end of period		354,218	441,418	441,418
Average number of treasury shares		367,782	441,418	441,418

There is no dilutive effect, as no potential shares (such as convertibles) exist.
The accounting policies are presented on page 28.
Columns/rows may not add up due to rounding.

Property management income per share



Operating surplus and surplus ratio



Earnings analysis Jan–Mar 2022

Note 1 Property management income

Property management income for the period, i.e., income excluding changes in value and tax, was SEK 271m (231). This is an increase of 17 per cent compared with the previous year. For comparable properties, our property management income increased by 10 per cent year on year.

Note 2 Revenue

Revenue for the reporting period was SEK 539m (483), representing an 90 per cent (90) economic occupancy rate. In a comparable portfolio, contracted rental income, excluding project properties, increased by 3.0 per cent compared with the previous year. Other property management income totalled SEK 19m (8) and consisted mainly of the costs of work on leased premises that are passed on to tenants. Of our commercial leases, 97 percent are index-linked, where 93 percent run with CPI adjustment and 4 percent with fixed enumeration.

Revenue growth	2022 Jan-Mar	2021 Jan-Mar	Change %
Comparable properties	462	448	3.0
Rent discounts ¹	0	-2	
Projects in progress	23	24	
Completed projects	10	2	
Acquired properties	25	0	
Sold properties	0	3	
Contracted rental income	520	475	
Other property management income	19	8	
Other income²	0	0	
Revenue	539	483	

¹ Discounts attributable to the government rent support scheme

² Government support for granted rent discounts

Note 3 Property costs

Total property costs were SEK 203m (193). The increase in costs is related to a larger property portfolio. Of the total property costs, SEK 7m (4) refers to work on leased premises where the costs are passed on to tenants.

Note 4 Operating surplus

The operating surplus was SEK 336m (290), representing a surplus ratio of 65 per cent (61). For comparable properties, our operating surplus increased by 9 per cent compared with the previous year.

Note 5 Central administration

The central administration expense was SEK 18m (17). Central administration includes Group-wide costs for staff functions, such as IT, annual reports, auditors' fees, legal advice and so on.

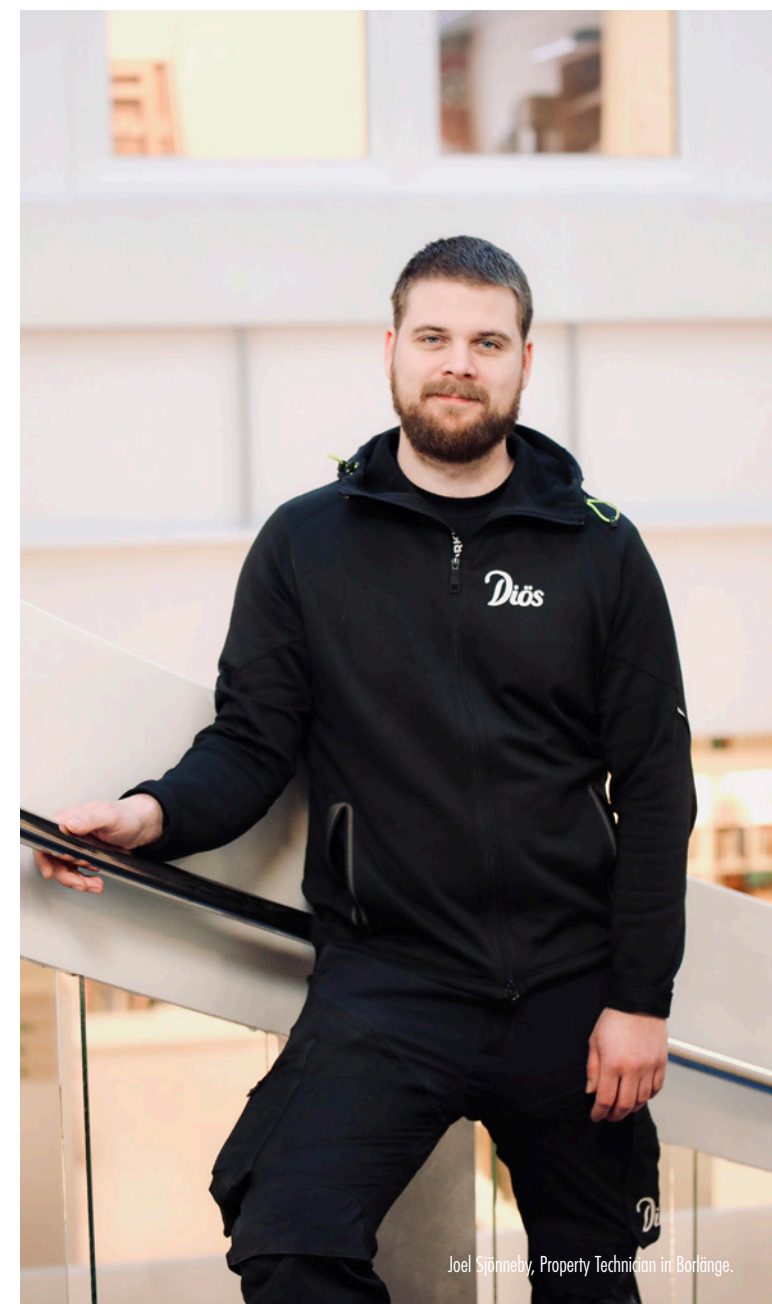
Note 6 Net financial items

Net financial items for the period were SEK -47m (-42). The higher cost is related to a larger volume of interest-bearing liabilities. The interest costs for the period, including costs for interest rate derivatives and loan commitments, represent borrowings at an average annual interest rate of 1.1 per cent (1.2).

Note 7 Changes in value, properties

The average valuation yield at the end of the period was 5.47 per cent (5.65). The unrealised changes in value amounted to SEK 533m (418) and are mainly attributable to increased market rents and improved net operating income. For more information, see Note 11. The unrealised changes in value were equivalent to 1.8 per cent (1.6) of the properties' market value. At 31 March, the market value was SEK 29,847m (25,340).

During the period, nine properties (2) were acquired while eight properties (0) were divested.



Joel Sjönnety, Property Technician in Borlänge.



Rolf Larsson, CFO

> Earnings analysis January–March 2022, continued

Unrealised changes in value, properties

SEKm	2022 3 mos. Jan-Mar	2021 3 mos. Jan-Mar
Investment properties	570	316
Project properties	-40	33
Development rights	3	69
Unrealised change in value	533	418

Note 8 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 quarter, unrealised changes in value on derivatives totalled SEK 88m (9), which have been fully recognised in the income statement. The change in value is attributable to rising market interest rates.

Note 9 Profit before tax

The profit before tax was SEK 892m (658). The higher profit is mainly due to higher unrealised property values compared with the previous year.

Note 10 Tax

The nominal corporate tax rate in Sweden is 20.6 per cent. The remaining tax loss carry-forwards are estimated at SEK 0m (0). The Group also has untaxed reserves of SEK 539m (475). The fair value of the properties exceeds their tax base by SEK 11,037m (8,356), including SEK 4,557m (3,857) in deferred tax relating to asset acquisitions.

Diös has no ongoing tax disputes.

Tax calculation

SEKm	Jan-Mar 2022
Profit before tax	892
Nominal tax rate 20.6%	-183
Other tax adjustments	-1
Reported tax expense	-184
<i>Of which current tax</i>	<i>-20</i>
<i>Of which deferred tax</i>	<i>-164</i>

Current tax was SEK -20m (-3) and deferred tax was SEK -164m (-133). The change in deferred tax is attributable to the unrealised changes in value.

Our tenants

Tenants

Our tenant base is well diversified geographically and in terms of industry. There were 3,098 premises leases (2,878) and there were 2,008 residential leases (1,850). The ten largest tenants represent 16 per cent (17) of Diös' total contracted rental income. At 31 March, 30 per cent of contracted rental income came from tenants engaged in activities on behalf of the central government, county councils, local authorities or activities funded with municipal school vouchers. The share of commercial leases with green annexes is 8 per cent of the annual contract value.

Net leasing

Net leasing for the period was SEK 22m (-5). Net leasing during the period increased as a result of leasing to the Swedish Migration Agency in Södertull 13:8, Gävle and to the Central Railway Station in Järnvägsstationen 1, Sundsvall. Dalarna University's updated lease in Mimer 1, Borlänge contributes positively to net leasing.

Lease term

The average lease term for commercial premises at 31 March was 4.3 years (3.9).

Vacancies

Vacancies remained unchanged during the quarter, with economic vacancies standing at 9 per cent (9) and physical vacancies at 13 per cent (13) at 31 March. Adjusted for project-related and non-leasable vacancies¹, the physical vacancy rate was 11 per cent. Economic vacancies are highest in office and retail premises while physical vacancies are highest in office and industrial premises.

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 31 MARCH 2022	No. of contract contracts	Annual contract value ¹ , SEK '000	Average lease term ¹ , years
Swedish Transport Administration	17	74,702	7.5
Swedish Police Authority	37	38,776	7.9
Östersund Local Authority	72	31,927	2.6
Swedish Public Employment Service	31	31,302	2.0
Swedish Social Insurance Agency	27	27,877	4.1
Falun Local Authority	9	26,724	7.3
Ahléns AB	6	26,486	3.6
Nordic Choice Hotels	4	25,023	18.4
Swedbank	12	22,061	3.3
Telia	31	21,907	7.9
Total, largest tenants	246	326,785	6.6

¹ Tenants with operations on behalf of the central, regional or local government sectors are financed with municipal school funding.

¹ Includes contracts with completion dates in the future.

Leases and maturities

	No. of contracts	Contract value, SEKm	Share of value, %
Leases for premises, maturity year			
2022	578	124	6
2023	976	404	20
2024	705	434	21
2025	547	338	17
2026+	292	521	25
Total	3,098	1,821	89
Residential	2,008	168	8
Other leases ¹	2,315	59	3
Total	7,421	2,048	100

¹ Other leases refer mainly to garage and parking spaces.

Net leasing



Balance sheet and equity

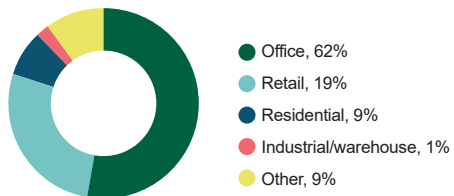
Condensed consolidated balance sheet, SEKm

ASSETS	Note	2022 31 Mar	2021 31 Mar	2021 31 Dec
Investment properties	11	29,847	25,340	27,993
Other non-current assets		71	72	71
Current receivables		391	425	223
Cash and cash equivalents	14	247	-	1,150
TOTAL ASSETS		30,555	25,837	29,437
EQUITY AND LIABILITIES				
Equity	12	12,471	9,669	11,823
Deferred tax liability		2,345	1,833	2,194
Interest-bearing liabilities	13	14,973	13,463	14,748
Overdraft facilities	14	-	143	-
Non-current lease liability		54	54	54
Current liabilities		712	675	618
TOTAL EQUITY AND LIABILITIES		30,555	25,837	29,437

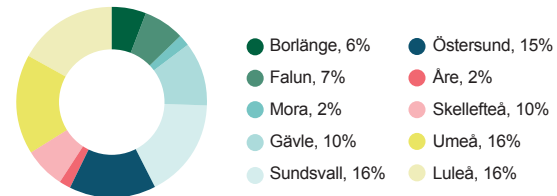
Condensed statement of changes in equity, SEKm

	Equity	Of which attributable to shareholders of the parent company	Of which attributable to non- controlling interests
Equity, 31 Dec 2020	9,148	9,091	57
<i>Profit for the period after tax</i>	522	517	5
Comprehensive income for the period	522	517	5
Equity, 31 Mar 2021	9,669	9,607	62
<i>Profit for the period after tax</i>	2,324	2,306	17
Comprehensive income for the period	2,324	2,306	17
<i>Private placement</i>	794	794	
<i>Dividend</i>	-442	-442	
Equity, 31 Dec 2021	11,823	11,749	74
<i>Profit for the period after tax</i>	708	708	0
Comprehensive income for the period	708	708	0
<i>Sale of own shares</i>	9	9	0
<i>Acquisition of minority interests</i>	-68	6	0
Equity, 31 March 2022	12,471	12,471	0

PROPERTY VALUE PER CATEGORY



PROPERTY VALUE PER CITY



Comments on the balance sheet

Note 11 Investment properties and property value

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 91 per cent (92) commercial properties and 9 per cent (8) residential properties based on rental value by type of premises.

Property value

All properties are externally valued at each quarterly closing with the aim of determining the individual value of the properties in the event of a sale. Any portfolio effects are thus not taken into account. The external valuation is carried out from the first quarter of 2022 by CBRE. The valuations are based on a cash flow model with an individual assessment for each property of both future earning capacity and market return requirements. In assessing a property's future earning capacity, in addition to the inflation assumption of 2.0 per cent, the estimated market rents have been taken into account in contract maturity, occupancy rate and property costs. The market's return requirements are determined by an analysis of completed property transactions for properties with a similar standard and location. Projects and project properties have been valued according to the same principle but with deductions for remaining investment. Development rights have been valued on the basis of an estimated market value SEK/sq.m. gross floor space for established development rights. The average value of the development rights in the valuation is around SEK 1,400/sq.m. gross floor space. The valuations are in accordance with IFRS 13 level 3.

Note 12 Equity

At 31 March, equity was SEK 12,471m (9,669). The equity ratio was 40.8 per cent (37.4), which exceeds the target of 35 per cent.

PROPERTY PORTFOLIO

	31 Mar 2022	31 Mar 2021
	SEKm	SEKm
Investment properties	26,977	22,790
Project properties	2,761	2,463
Development rights	109	87
	29,847	25,340

CHANGE IN PROPERTY VALUE

	31 Mar 2022		31 Mar 2021	
	SEKm	Number	SEKm	Number
Value of property portfolio, 1 Jan	27,993	338	24,512	329
Acquisitions	1,015	9	112	2
Investments in new builds, extensions and conversions	307		298	
Sales	-1	-8	-	-
Unrealised changes in value	533		418	
Value of property portfolio 31 March	29,847	339	25,340	331

VALUATION ASSUMPTIONS PER PROPERTY CATEGORY

	31 Mar 2022					31 Mar 2021				
	Office	Retail	Residential	Industrial/warehouse	Other	Office	Retail	Residential	Industrial/warehouse	Other
Rental value, SEK per sq.m	1,617	1,751	1,374	745	1,324	1,455	1,579	1,279	554	1,125
Operations & maintenance, SEK per sq.m	337	434	431	222	302	341	444	415	210	346
Yield for assessing residual value, %	5.5	5.8	4.2	5.5	5.4	5.6	5.9	4.6	7.3	6.1
Cost of capital for discounting to present value, %	7.6	7.9	6.3	7.7	7.6	7.2	7.8	6.3	9.2	7.9
Long-term vacancy, %	5.8	6.0	3.4	9.0	5.3	4.8	3.9	1.9	13.6	5.1

The valuation model is usually based on a calculation period of 10 years or longer if actual leases with a duration of more than 10 years exist. The annual comparison is not in a comparable portfolio.

LIST OF PROPERTY TRANSACTIONS JANUARY–MARCH 2022

Sold and completed on

Property	Quarter	City	Area, sq.m.	Price ¹ , SEKm
Granberg 1:76 (land)	1	Umeå	-	0.1
Plots Arvesund	1	ÅRE		1.1
Total			-	1.2

¹ Underlying property value.

Acquired and completed on

Property	Quarter	City	Area, sq.m.	Price ¹ , SEKm
Portfolio Skellefteå	1	Skellefteå	34,327	810
Djurläkaren 13	1	Östersund	15,842	154
Gamen 7 & 21	1	Luleå	4,322	118
Total			54,491	1,082

¹ Underlying property value.

During the period, the property Sollefteå Bolagsbacken 12 was acquired and divested.

➤ Comments on the balance sheet, continued

SENSITIVITY ANALYSIS PER PROPERTY CATEGORY

SEK '000	Office		Retail		Residential		Industrial		Other business		Total	
Rental value, +/- SEK 50 per sq.m	722,029	-722,029	326,574	-326,574	135,788	-135,788	64,255	-64,255	160,695	-160,695	1,409,340	-1,409,340
Operations & maintenance, +/- SEK 25 per sq.m	-361,014	361,014	-163,287	163,287	-67,894	67,894	-32,127	32,127	-80,347	80,347	-704,670	704,670
Yield, +/- 0.5%	-860,237	1,039,018	-357,123	425,723	-170,185	217,685	-36,090	44,678	-142,000	171,113	-1,565,636	1,898,218
Cost of capital, +/- 0.5%	-603,115	632,637	-269,350	282,286	-90,214	94,776	-36,278	38,663	-126,896	134,632	-1,125,852	1,182,994
Long-term vacancy rate, +/- 1%	-210,824	210,266	-103,778	103,778	-37,144	37,119	-8,422	8,422	-34,207	28,809	-394,375	388,394

Project portfolio






We have an ongoing project portfolio of SEK 4,050m, of which SEK 2,413m was earned at 31 March. We are continuously investing in the portfolio to improve, adapt and enhance the efficiency of our premises for our tenants. Our investments, excluding project profits, contributed to an increase in the value of the property portfolio by SEK 307m for the quarter. Investments in the existing portfolio relate to new builds, conversions

and extensions and energy-saving measures. The return on completed investments for the period was 8.8 per cent on the invested amount while the return on our ongoing projects was 5.5 per cent.

Project properties

There are 11 project properties with a market value of SEK 2,761m. The total estimated investment is SEK 2,793m, where the produced investment at 31 March was SEK 1,752m.

PROJECT PROPERTIES

Type	City	Property	Property type	Leasable area, sq.m.	Occupancy rate, %	Investment, SEKm	Produced investment, SEKm	Rental value, SEKm	Completed	Environmental category
Projects in progress										
Improvement	Sundsvall	Aeolus 5	Residential	2,597	-	48	16	3.8	Q1 2023	
New build	Umeå	Magne 5	Hotel	14,500	100	412	411	26.2	Q3 2022	BREEAM SE Very Good
 Improvement	Borlänge	Intagan 1	Office	31,000	100	500	449	47.5	Q3 2022	BREEAM In-Use Very good
 New build	Umeå	Stigbygelin 2	Office	9,646	100	290	198	20.9	Q4 2022	BREEAM SE Very Good
New build	Östersund	Läkaren 12,13,14	Residential	1,334	-	57	1	2.6	Q1 2023	Nordic Swan Ecolabel
 New build	Luleå	Porsön 1:423	Office	5,452	100	182	63	11.7	Q2 2023	BREEAM SE Very Good
 Improvement	Borlänge	Mimer 1	Education/ training	13,332	100	484	11	27.7	Q2 2024	BREEAM SE Very Good
 New build	Luleå	Biet	Office	4,920	100	206	3	14.1	Q2 2024	BREEAM SE Excellent
Completed or partially occupied projects										
New build	Umeå	Cisternen 3, 4	Industrial	3197	100	65	65	5.4	Q2 2021	
New build	Sundsvall	Noten 3	Hotel	14,150	100	442	428	22.0	Q3 2021	BREEAM SE Very Good
Improvement	Sundsvall	Lyckan 6	Office	3,883	100	107	107	6.2	Q4 2021	
Total				104,011		2,793	1,752	188.1		

INVESTMENTS

	31 Mar 2022	31 Mar 2021
Investments in new builds	93	67
Investments in improvement properties	81	52
Investments in tenant adaptations	132	179
Total	307	298

Development rights

We have an identified development rights volume of approximately 200,000 sq.m. gross floor space.

This volume includes both established and potential development rights for both residential and commercial premises. Our ambition is to continuously create new development rights for either our own production or for sales.



Offices, Biet 1, "Västra Stranden", Luleå



Offices, Stigbygeln 2, Umeå. Tenant: Swedish Police Authority



Offices, Intagan 1, Borlänge. Tenant: Swedish Transport Administration



Education, Mimer 1, Borlänge. Tenant: Dalarna University



Hotel, Magne 5, Umeå. Tenant: Choice Hotels

➤ Comments on the balance sheet, continued

Capital structure

At 31 March 2022, 41 per cent (37) of Diös' total assets of SEK 30,555m was funded through equity, 49 per cent (52) through debt securities and 10 per cent (11) through other items.

Note 13 Interest-bearing liabilities

Interest-bearing liabilities in the Group were SEK 15,001m (13,463). Of total interest-bearing liabilities, SEK 9,801m (10,212) refers to bank financing, SEK 1,090m (1,029) to covered bonds, SEK 2,210m (2,225) to commercial paper and SEK 1,900m (0) of unsecured bonds. Amortised cost of the commercial paper was SEK 2,207m (2,222). The loan-to-value ratio in the Group was 49.3 per cent (53.7) at the end of the period. The secured loan-to-value ratio amounted to 35.6 percent (44.3). The average annual interest rate, including the cost of derivatives and loan commitments, was 1.2 per cent (1.1) and the interest coverage ratio for the year was 6.8 times (6.3).

Derivatives

Out of the Group's total interest-bearing liabilities, SEK 4,500m (5,750) has been hedged through derivatives. At 31 March 2022, the market value of the derivative portfolio was SEK 126m (11.6). The financial instruments limit the impact of changes in interest rates on our average borrowing cost. The value of derivatives is always zero at maturity. 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 2021). Changes in value are recognised through profit or loss.

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 31 MARCH 2022			
Loan portfolio excl. derivatives	0.8	+125	
Derivatives portfolio	-0.3	-45	+123
Loan portfolio incl. derivatives	0.5	+80	+123

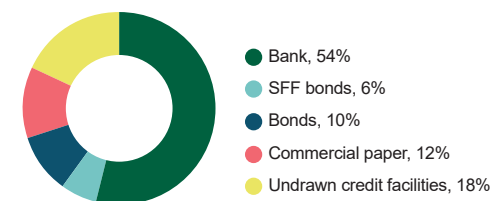
Fixed-rate terms and loan maturities

The average fixed-rate term, including derivatives, was 0.8 years (1.3) and the average loan maturity 2.1 years (2.4). Of the Group's outstanding loans, SEK 2,510m (2,525) is subject to fixed interest rates, of which SEK 2,210m (2,225) refers to commercial paper.

Note 14 Cash and cash equivalents and overdraft facilities

Consolidated cash and cash equivalents at the end of the period were SEK 247m (0) and drawn overdraft facilities were SEK 0m (143). The agreed limit on the overdraft facility was SEK 600m (600).

BREAKDOWN OF INTEREST-BEARING FINANCING



Interest and loan maturity structure at 31 March 2022

Maturity year	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average annual interest rate ¹ , %	Credit agreements, SEKm	Drawn, SEKm
2022	3,479	0.8	3,569	2,419
2023	6,245	1.2	5,706	5,706
2024	5,081	1.3	7,117	4,917
>2025	196	1.2	1,960	1,960
Drawn credit facilities	15,001	1.1	18,351	15,001
Undrawn credit facilities ²	3,350	0.1		
Financial instruments	4,500	0.0		
Total		1.2		

¹ Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding liability as at 31 March 2022.

² The cost of unused credit facilities affects the average annual interest rate by 0.08 percentage points.

Derivative contracts as at 31 March 2022

Type	Nominal value, SEKm	Remaining maturity, years	Swap rate, %	Market value, SEKm
Interest rate swaps	1,000	2.7	0.05	41.1
Interest rate swaps	1,000	1.2	-0.09	10.2
Interest rate swaps	1,000	1.7	-0.05	20.4
Interest rate swaps	500	2.2	-0.02	16.1
Interest rate swaps	500	2.8	0.05	21.8
Interest rate swaps	500	2.3	0.00	16.5
TOTAL	4,500	2.1	-0.02	126.0

Cash flow

Condensed consolidated cash flow statement, SEKm

	2022 3 mos. Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
OPERATING ACTIVITIES			
Operating surplus	336	290	1,289
Central administration	-18	-16	-70
Reversal of depreciation, amortisation and impairment	1	0	0
Interest received	0	0	5
Interest paid	-47	-40	-189
Tax paid	-20	-3	-53
Cash flow from operating activities before changes in working capital	252	231	982
Changes in working capital			
Decrease (+)/increase (-) in receivables	-86	-112	91
Decrease (-)/increase (+) in current liabilities	81	-6	-60
Total changes in working capital	-5	-118	31
Cash flow from operating activities	247	113	1,013
INVESTING ACTIVITIES			
Investments in new builds, conversions and extensions	-307	-298	-1,219
Acquisition of properties	-1,015	-112	-696
Sale of properties	2	-	240
Cash flow from investing activities	-1,320	-410	-1,675

	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
FINANCING ACTIVITIES			
Dividends paid	-	-	-442
Sale of own shares	9	-	-
Acquisition of minority interests	-68		
New borrowing, interest-bearing liabilities	252	236	794
Repayment and redemption of interest-bearing liabilities	-23	-19	1,658
Change in overdraft facility	0	80	-63
Cash flow from financing activities	170	297	1,812
Cash flow for the period	-903	0	1,150
Cash and cash equivalents at beginning of period	1,150	0	0
Cash and cash equivalents at end of period	247	0	1,150



Jenny Forsell, Property Manager, and Maria Fjellström, Business Manager, together with tenants Patrik Rönmark, WSP Property&Buildings and Stina Lundström, AFRY, in the property Hjorten, Skellefteå.

Reporting by business unit at 31 March Amounts in SEKm unless otherwise indicated.

By business unit	Dalarna		Gävle		Sundsvall		Äre/Östersund		Umeå		Skellefteå		Luleå		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Rental income	66	59	44	42	63	55	77	63	56	52	39	26	70	63	416	360
Service income																
Tariff-based operations	14	14	7	7	14	12	16	16	8	9	8	6	11	12	80	76
Care and upkeep	6	6	3	4	6	6	11	11	6	8	3	3	7	9	43	47
Other income																
Repair and maintenance	-3	-2	-1	-1	-2	-1	-3	-3	-2	-1	-2	0	-2	-2	-16	-10
Tariff-based costs	-14	-14	-7	-6	-13	-12	-16	-16	-9	-9	-9	-6	-10	-10	-77	-72
Property tax	-4	-3	-3	-3	-4	-4	-5	-4	-4	-4	-3	-2	-5	-5	-28	-26
Other property costs	-8	-9	-6	-6	-10	-10	-15	-13	-9	-11	-4	-3	-10	-14	-62	-67
Property management	-4	-3	-2	-2	-3	-2	-4	-4	-3	-2	-2	-1	-3	-3	-20	-18
Operating surplus	53	47	36	35	51	44	63	50	44	41	32	23	57	50	336	290
Central administration/net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-65	-59
Property management income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271	231
Property, realised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, unrealised	104	117	94	32	31	117	106	97	29	8	96	32	73	15	533	418
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88	9
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	892	658
Leasable area, sq.m	289,540	277,782	158,569	160,604	212,630	202,945	315,099	291,478	207,306	203,888	169,370	116,016	211,009	206,687	1,563,523	1,459,400
Rental value	93	87	60	58	89	82	107	99	77	75	57	38	90	87	574	526
Economic occupancy rate, %	91	90	89	88	88	88	90	90	91	90	88	91	95	94	90	90
Surplus ratio, %	64	61	68	68	67	61	66	56	64	60	65	65	67	61	65	61
Property portfolio, 1 January	4,301	3,581	2,916	2,617	4,545	4,165	4,690	4,111	4,721	4,076	2,256	1,687	4,563	4,275	27,993	24,512
Acquisitions	-	-	-	-	-	-	154	-	-	112	744	-	118	-	1,015	112
Investments in new builds, extensions and conversions	83	78	17	28	32	62	42	19	48	88	29	9	55	14	307	298
Sales	-	-	-	-	-	-	-1	-	-	-	-	-	-	-	-1	-
Unrealised changes in value	104	117	94	32	31	117	106	97	29	8	96	32	73	15	533	418
Property portfolio 31 March	4,488	3,776	3,027	2,677	4,608	4,344	4,991	4,227	4,799	4,283	3,125	1,728	4,809	4,304	29,847	25,340

Columns/rows may not add up due to rounding.

Financial key ratios

The interim reports use 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 31 and in the descriptions of the purpose of the various KPIs in the annual report for 2021. The financial targets for 2022 adopted by the Board are presented on page 27 of this report.

Figures refer to SEKm unless otherwise indicated.

Share information	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Number of shares outstanding at end of period (thousands)	141,431	134,071	141,344
Average number of shares ('000)	141,417	134,450	134,699

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

Property management income	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Profit before tax	892	658	2,872
Reversal			
Change in value, properties	-533	-418	-1,806
Change in value, derivatives	-88	-9	-36
Property management income	271	231	1,030

EPRA earnings (property management income after tax)

Property management income	271	231	1,030
Current tax attributable to property management income	-34	-3	-42
Profit attributable to non-controlling interests	0	-5	-17
EPRA earnings	237	223	971
EPRA earnings per share, SEK	1.68	1.66	7.21

Loan-to-value ratio	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Interest-bearing liabilities	14,973	13,463	14,748
Reversal			
Cash and cash equivalents	-247	0	-1,150
Drawn overdraft facilities	0	143	0
Net debt	14,727	13,606	13,598
Investment properties	29,847	25,340	27,993
Loan-to-value ratio, %	49.3	53.7	48.6

Secured loan-to-value ratio

Net debt	14,727	13,606	13,598
Unsecured liabilities	-4,107	-2,222	-4,353
Secured liabilities	10,620	11,384	9,245
Investment properties	29,847	25,340	27,993
Secured loan-to-value ratio, %	35.6	44.9	33.0

Equity ratio

Equity	12,471	9,669	11,823
Total assets	30,555	25,837	29,437
Equity ratio, %	40.8	37.4	40.2

Interest coverage ratio

Property management income	271	231	1,030
Reversal			
Financial costs	47	43	190
Total	318	274	1,220
Financial costs	47	43	190
Interest coverage ratio, times	6.8	6.3	6.4

	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Net debt to EBITDA			
Interest-bearing liabilities	14,973	13,463	14,748
Cash and cash equivalents	-247	0	- 1,150
Overdraft facilities	0	143	0
Net debt	14,727	13,606	13,598
Operating surplus rolling 12 months	1,336	1,219	1,289
Central administration rolling 12 months	-72	-76	-75
Reversal			
Depreciation and amortisation rolling 12 months	4	5	4
EBITDA	1,259	1,148	1,218
Net debt to EBITDA	11.7	11.9	11.1

EPRA NRV/NTA

Equity	12,471	9,669	11,823
Equity relating to non-controlling interests	-	-62	-74
Reversal			
Fair value of financial instruments	-126	-12	-39
Deferred tax on temporary differences	2,230	1,721	2,104
EPRA NRV	14,575	11,317	13,815
EPRA NRV per share	103.1	84.4	97.7

Deductions:

Fair value of financial instruments	126	12	39
Estimated actual deferred tax on temporary differences, approx. 4% ¹	-424	-321	-0.60
EPRA NTA	14,278	11,008	13,461
EPRA NTA per share	101.0	82.1	95.2

EPRA NDV

Equity	12,471	9,669	11,823
Equity relating to non-controlling interests	-	-62	-74
EPRA NDV	12,471	9,607	11,749
EPRA NDV per share	88.2	71.7	83.1

OTHER KPIS

	2022 3 mos Jan-Mar	2021 3 mos Jan-Mar	2021 12 mos Jan-Dec
Return on equity, %	22.6	13.6	22.1
Equity per share, SEK	88.2	72.1	83.6
Earnings per share, SEK	5.00	3.86	17.08

Cash flow per share, SEK

Profit before tax	892	658	2,872
Reversal			
Unrealised change in value, properties	-533	-418	-1,790
Unrealised change in value, derivatives	-88	-9	-36
Depreciation and amortisation	1	1	4
Current tax	-20	-3	-53
Total	252	229	997
Average number of shares ('000)	141,470	134,071	134,699
Cash flow per share, SEK	1.78	1.70	7.40

Net leasing, SEKm

Newly signed contracts	66	30	159
Terminated contracts	-44	-35	-128
Net leasing	22	-5	31

OTHER INFORMATION

Contracted rental income, SEKm	520	475	1,909
Economic occupancy rate, %	90	90	89
Surplus ratio, %	65	61	68
Debt/equity ratio, times	1.2	1.4	1.2

EPRA vacancy rate

Estimated market rent for vacant space	195	189	189
Annualised rental value, whole portfolio	2,227	2,042	2,110
EPRA vacancy rate, %	8.8	9.3	9.0

> Financial key ratios, cont.

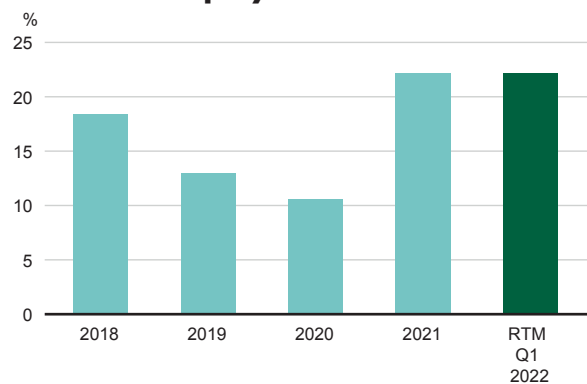
Summary of quarterly results

	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue, SEKm	539	500	480	504	483	472	478	450
Operating surplus, SEKm	336	321	325	353	290	295	335	299
Property management income, SEKm	271	250	261	288	231	229	271	229
Profit for the period, SEKm	708	965	402	435	522	438	229	57
Surplus ratio, %	65	65	68	76	61	63	72	69
Economic occupancy rate, %	90	89	89	88	90	90	90	84
Equity ratio, %	40.8	40.2	36.5	40.2	37.4	36.8	36.0	35.5
Property loan-to-value ratio, %	49.3	48.6	52.7	48.6	53.7	54.3	55.2	54.9
Average interest rate at end of period, % ¹	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.3
Interest coverage ratio, times	6.8	5.9	6.4	7.0	6.3	6.1	6.7	5.3
Property management income per share, SEK	1.92	1.77	1.95	2.15	1.72	1.70	2.02	1.71
Earnings per share after tax, SEK	5.00	7.03	2.98	3.22	3.86	3.26	1.72	0.42
Equity per share, SEK	88.2	83.7	75.1	72.1	72.1	68.2	65.0	63.3
Market price per share, SEK	102.4	118.8	85.4	88.7	71.8	76.8	63.5	62.3

¹ Includes expenses relating to commitment fees and derivatives.

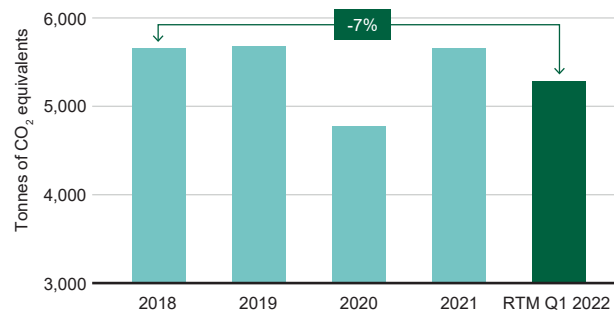
Target follow-up:

Return on equity



The target is to reach an annual return of at least 12 per cent on equity. Improved earnings and increased property values are contributing to a positive outcome.

Greenhouse gas emissions



By 2030, our CO₂ emissions will decrease by 50 per cent compared with 2018. A cold winter had a negative impact on the outcome for 2021.



Maryanne Karlsson, Property Manager, Sundsvall.

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 43m (43) and the profit after tax was SEK 21m (13). Income referred chiefly to services sold to the Group's subsidiaries. Cash and cash equivalents were SEK 221m (0) at 31 March 2022 and drawn overdraft facilities were SEK 0m (160). External interest-bearing liabilities, excluding overdraft facilities, totalled SEK 5,660m (3,794), of which SEK 2,207m (2,222) referred to outstanding commercial paper. The average annual interest rate based on the situation at 31 March 2022 amounted to 1.2 per cent (1.2). The parent company prepares its financial reports in compliance with RFR 2, Financial Reporting for Legal Entities.

Condensed parent company income statement and statement of comprehensive income, SEKm

	2022 3 mos Jan-Mar	2021 3 months Jan-Mar	2021 12 months Jan-Dec
INCOME STATEMENT			
Revenue	43	43	175
Gross profit	43	43	175
Central administration	-49	-49	-213
Operating profit	-6	-6	-38
Income from interests in Group companies	0	0	142
Financial income	112	95	402
Financial costs	-85	-76	-321
Profit after financial items	21	13	185
Appropriations	-	-	-
Profit after appropriations	21	13	185
Current tax	-	-	-2
Profit after tax	21	13	183
STATEMENT OF COMPREHENSIVE INCOME			
Profit after tax	21	13	183
Comprehensive income for the year	21	13	183

Condensed parent company balance sheet, SEKm

	2022 31 Mar	2021 31 Mar	2021 31 Dec
ASSETS			
Investments in Group companies	2,332	2,265	2,265
Receivables from Group companies	17,870	15,167	16,481
Other assets	17	24	18
Cash and cash equivalents	221	-	1,129
TOTAL ASSETS	20,440	17,456	19,893
EQUITY AND LIABILITIES			
Equity	3,506	2,954	3,475
Untaxed reserves	16	16	16
Provisions	-	1	-
Interest-bearing liabilities	5,660	3,794	5,412
Liabilities to Group companies	11,200	10,490	10,948
Overdraft facilities	-	160	-
Other liabilities	58	41	42
TOTAL EQUITY AND LIABILITIES	20,440	17,456	19,893

Taxonomy reporting

Reporting under Article 8 of the Taxonomy Regulation

Our entire operation is covered by the EU Taxonomy Regulation. In the long term, it will require full information on the extent to which our activities are compatible with the criteria defined in relation to the EU's six environmental objectives. The six environmental objectives are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Our assessment

Our business is determined to be exposed to the EU taxonomy, and the established environmental objective of limiting climate impact, Climate mitigation. We see that we can contribute to the climate transition in society through, among other things, energy efficiency in our properties and purchasing renewable energy, but also promoting a low climate footprint in connection with new construction and renovations. We have assessed that our primary economic activities constitute the acquisition and ownership of properties 7.7 Acquisition and ownership of buildings. For 2021, we choose to report the combined data for all activities. For the 2022 financial year, current assumptions and interpretations may be adjusted and reporting extended.

Activity 7.7	Q1 2022 (SEKm)	Total 2021 (SEKm)	Percentage covered (%)	Percentage not covered (%)
Sales	437	1,647	100%	0%
Operating expenditure (OPEX)	48	169	100%	0%
Capital expenditure (CAPEX)	307	1,219	100%	0%

Key performance indicators are presented on page 19.

Interpreting KPIs:

- **Revenues/Sales:** We assess that rental income excluding deferred property tax and service income related to property management are included in this key figure.
- **CAPEX/Capital expenditure:** We assess that capitalised expenses that increase the value of our properties including redevelopment, new construction and acquisitions and additional rights of use during 2021 are included in this key figure.
- **OPEX/Operating expenditure:** We assess that all ongoing costs related to internal and external property management and repair and maintenance, in order to maintain the value of our properties, are included in this key figure.



Göran Fonzén, Business Manager, Malin Edfors, Property Manager, and David Nygren, Leasing Officer, at the tenant in Noorconsult Umeå.

Four reasons to invest in Diös



Unique position in an attractive market



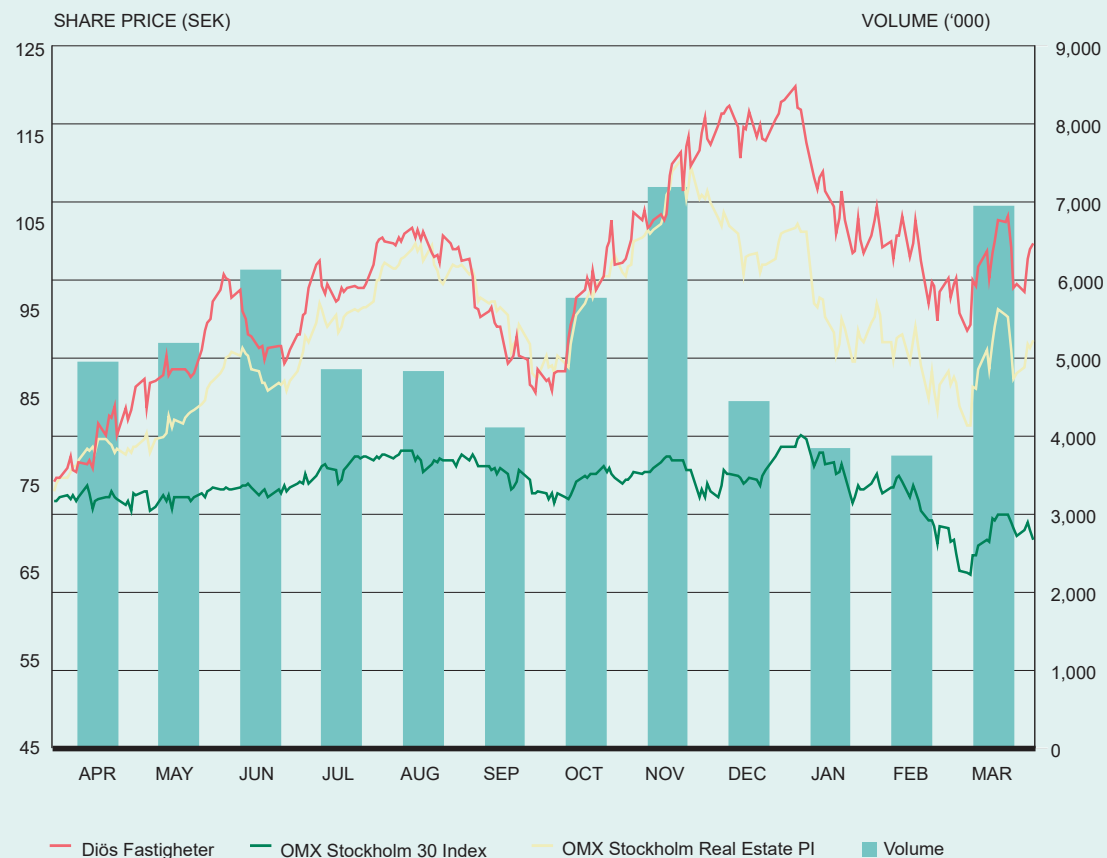
Long-term sustainable business model



Value creation through three revenue streams



Strong and stable cash flows



Share information

Share performance

Diös' share price at the end of the period was SEK 102.4 (71.8), which represents a market capitalisation of SEK 14,519m (9,658), and the return for the past 12 months was 42.6 per cent (-16.3). If the dividend is included, the total return on the shares for the period was 48.0 per cent (-14.1). The return on the OMX Stockholm 30 Index was -4.5 per cent (23.8) and the return on the OMX Stockholm Real Estate PI index was 27.2 per cent (-6.7).

At 31 March, Diös Fastigheter AB had 18,705 shareholders (17,597). The share of foreign-owned shares was 24.0 per cent (22.5) while the total number of shares during the period remained unchanged at 141,785,165 (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 53.3 per cent (53.1) of the total number of shares and voting rights.

The Annual General Meeting 2022 resolved to authorise the company to buy back ten per cent of the total number of outstanding shares of the company.

No new changes of ownership were flagged during the period.

Diös Fastigheter AB is a publicly traded company listed on the NASDAQ OMX Nordic Exchange 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 12 per cent. Return for the period was SEK 22.6m (13.6). Equity at the end of the year was SEK 12,471m (9,669) and the long-term net asset value, EPRA NRV, was SEK 14,575m (11,317). On a per share basis, EPRA NRV was SEK 103.1 (84.4), which means that the share price at 31 March represented 99 per cent (85) of long-term net asset value. The net asset value per share for the period, expressed as EPRA NTA, was SEK 101.0 (82.1).

EARNINGS

Earnings per share for the period were SEK 5.00 (3.86) while long-term earnings per share, expressed as EPRA EPS, were SEK 1.68 (1.66). EPRA EPS, which is designed to show an entity's long-term earnings per share, is calculated as property management income after deducting 20.6 per cent corporation tax attributable to property management income less minority share of earnings.

Largest shareholders

of Diös Fastigheter AB at 31 March 2022

SHAREHOLDER	No. of shares	Capital and votes, %
AB Persson Invest	21,818,606	15.4
Backahill Inter AB	14,857,452	10.5
Nordstjerman AB	14,308,698	10.1
Pensionskassan SHB Försäkringsförening	8,096,827	5.7
BlackRock	3,069,311	2.2
Vanguard	3,030,880	2.1
Avanza Pension	2,971,246	2.1
Länsförsäkringar Fonder	2,646,863	1.9
Karl Hedin	2,485,547	1.8
Sten Dybeck, including company and family	2,175,183	1.5
Total, largest shareholders	75,460,613	53.3
Treasury shares	354,218	0.2
Other shareholders	65,970,334	46.5
TOTAL	141,785,165	100.0

Source: Monitor of Modular Finance AB. Compiled and processed data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

Other information

Employees and organisation

The number of employees as at 31 March 2022 was 147 (151), of whom 61 were women (65). The majority of our employees, 95 people (100), work in our business units and the rest at our head office in Östersund. Our Pick-Pack-Post concept currently employs four people (4), all women (4).

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 decreased in the short term compared with the previous year. Tenants in particularly vulnerable segments, such as hotels, cafés, restaurants and stores selling consumer durables, have experienced a decrease in turnover and fewer visitors. This affects the ability to make payments and the liquidity situation and thus increases the risk of suspended or deferred rent payments. This risk remains, but decreased as a result of repealed restrictions and the reduction of the spread of infection.

Effects of the military conflict in Ukraine

Russia's invasion of Ukraine in mid-February 2022 and the resulting humanitarian disaster is a major setback for the world. Sanctions against Russia and changed world trade affect global flows of goods and capital as well as energy prices. The most obvious effect in the immediate future is rising inflation, higher interest rates and increased risk premiums on the capital market, which can result in higher financing costs compared with the conditions at the beginning of the year.

In addition, there are clear downward risks for economic growth and that the supply of goods and products where the conflict countries had large production contributions is restricted. For our part, this can lead to higher costs for production materials, supply shortages and longer lead times in the project business, in particular.

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	27,608	29,847	32,086
Equity ratio, %	36.0	40.7	44.7
Loan-to-value ratio, %	53.3	49.3	45.9

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%	+/-20
Economic occupancy rate	+/- 1 percentage point	+/-22
Property costs	+/- 1%	+/-7
Interest rate on interest-bearing liabilities	+/- 1 percentage point	+/-80

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, good diversification, 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.

For more information on risks and risk management, see Diös' annual report for 2021, pages 58-60, 74 and 78.

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

We comply 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. All property-related transactions in the first quarter have been recognised based on calculations of the preliminary consideration. The final purchase consideration calculation will be obtained during the second quarter of 2022. 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 2021¹, not 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 2021 is available at www.dios.se.



Anna Ericson, HR Manager

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, 28 April 2022

Bob Persson
Chairman

Peter Strand
Board member

Erika Olsén
Board member

Ragnhild Backman
Board member

Tobias Lönnevall
Board member

Anders Nelson
Board member

Jenny Svensson
Board member
Employee representative

Knut Rost
Chief Executive Officer

Financial calendar

Q2 Interim Report January-June 2022 7 July 2022

Q3, Interim Report January-September 2022 21 October 2022

Events after the reporting period

At the 2022 Annual General Meeting on 5 April, a resolution was passed to approve the dividends according to the Board of Directors' proposal on the following dates:

1st payment date, 12 April 2022	SEK 0.88 per share
2nd payment date, 12 July 2022	SEK 0.88 per share
3rd payment date, 12 Oct 2022	SEK 0.88 per share
4th payment date, 12 Jan 2023	SEK 0.88 per share

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 28 April 2022, 7:00 a.m. CEST.*

Definitions

> Financial

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.

Interest coverage ratio

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

Loan-to-value ratio, properties

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

Net debt

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

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 calculated as the sum of the opening and closing balance divided by two.

Return on total assets

Profit before tax plus financial costs divided by average assets. Average assets are calculated by adding the opening and closing balances and dividing by two.

Secured loan-to-value ratio

Net debt less amortised cost on the commercial paper and a nominal amount for unsecured bonds divided by the properties' book value at the end of the period.

Service income

Income relating to tariff-based services and income from the care and upkeep of properties.

> Share-related

Average number of outstanding shares

Number of shares outstanding at the beginning of the period, adjusted by the number of shares issued or withdrawn 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.

Cash flow per share

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

Dividend per share

Approved or proposed dividend divided by the number of shares outstanding at the end of the period.

Earnings per share

The profit for the period after taxation, attributable to shareholders, divided by the average number of outstanding shares.

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.

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 Net Disposal Value (NDV)

Equity at the end of the period as per balance sheet adjusted for the non-controlling interests' share of the equity.

EPRA Net Reinstatement Value (NRV)

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.

EPRA Net Tangible Asset (NTA)

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.

Equity per share

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

Net debt to EBITDA

Net debt is calculated as interest-bearing liabilities less cash and cash equivalents plus overdraft facilities. Net debt is then divided by EBITDA.

> Property-related and other

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.

Contracted rental income

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

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 vacancy rate

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

Market value of properties

Estimated market value from the most recent valuation.

Net leasing

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

Operating costs

Costs of electricity, heating, water, care and upkeep of properties, cleaning, insurance and regular maintenance.

Operating surplus

Rental income less building operating and maintenance costs, ground rent, property taxes and property management.

Physical occupancy rate

Rented area in relation to total leasable area.

Project property

New builds or improvement properties with an investment amounting to at least 20 per cent of the initial market value and a project period exceeding 12 months. A project property will be returned as an investment property no earlier than 12 months after completion.

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.

Property category

The main use of the properties is based on the distribution of their areas. Properties are defined according to the purpose and use of the largest proportion of the property's total area.

Property management income

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

Rental value

Rent invoiced for the period plus estimated market rent for unoccupied floor space.

Surplus Ratio

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

Yield

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

Diös Fastigheter AB (publ)

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Telephone: +46 (0)770-33 22 00

Corporate ID number: 556501-1771

Registered office of the company: Östersund

www.dios.se

Presentation of the interim report

We will present the interim report for January-March to investors, analysts, the media and other stakeholders **on 28 April 2022 at 09.30 a.m.**

CEO Knut Rost and CFO Rolf Larsson will give a presentation of the results, which will be followed by a question and answer session. The presentation will be in English and will take the form of an online teleconference.

The details and a telephone number for the teleconference are available on: <https://investors.dios.se/English/reports-and-presentations/calendar/default.aspx>

The presentation can be viewed after the event.

Diös

DIÖS KOMMUNIKATION 2022. PHOTOGRAPHS: ANETTE ANDERSSON, GÖRAN STRAND, HENRIK BODIN, LIRKA ERICSSON, JAN HEDSTRÖM AND PAULINA HOLMGREN