



"The development of Sweden's most modern university in Borlänge city centre gives the whole city power and energy for increased growth."

Tobias Norestrand, Property Manager

Highlights for the quarter

Revenue increased by 8 per cent to SEK 543m (504).

Property management income increased by 8 per cent to SEK 313m (288).

Unrealised changes in value on properties were SEK 106m (257) and SEK 27m (5) on derivatives.

The profit after tax was SEK 356m (435).

Earnings per share were SEK 2.52 (3.22).

Highlights for the period

Revenue increased by 10 per cent to SEK 1,082m (987).

Property management income increased by 13 per cent to SEK 584m (519).

Unrealised changes in value of properties were SEK 638m (675) and unrealised changes in value of derivatives were SEK 115m (14).

The profit after tax was SEK 1,064m (957).

Earnings per share were SEK 7.52 (7.07).

Summary of earnings, SEKm

	2022 3 mth Apr-June	2021 3 mth Apr-June	2022 6 mth Jan-June	2021 6 mth Jan-June	2021 12 mth Jan-Dec
Revenue	543	504	1,082	987	1,967
Operating surplus	380	353	716	643	1,289
Property management income	313	288	584	519	1,030
Profit before tax	446	555	1,338	1,213	2,872
Profit after tax	356	435	1,064	957	2,324
Surplus ratio, %	71	76	68	68	68
Occupancy rate, %	91	88	91	89	89
Return on equity, % ¹			22.1	17.9	22.1
Property management income per share, SEK ¹			7.9	7.6	7.6
Equity ratio, %			39.1	36.0	40.2
Property loan-to-value ratio, %			50.4	53.8	48.6
Equity per share, SEK			87.2	72.1	83.6
EPRA NRV per share, SEK			102.2	84.9	97.7

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

¹Rolling 12-month basis

Significant events

- Diös acquires a property for SEK 107m in Gävle. Completion on 1 July 2022.
- Diös acquires a property with related building rights for SEK 86m in Skellefteå. Completion on 1 September 2022.
- Diös signs a green lease agreement with Försäkringskassan of 3,300 sq.m. in the new Vale block in Umeå.
- Diös leases 1,900 sq.m. to Länsförsäkringar Västernorrland in central Sundsvall.

39.1%

Equity ratio

50.4%

Loan-to-value ratio

68%

Surplus ratio

6.9

Interest coverage ratio, times

Chief Executive's review

Strong lettings in an attractive market

We are delivering a very good profit for the quarter with net leasing of SEK 17m and an occupancy rate of 91 per cent in a continued strong market. Revenue increased by 8 per cent and the surplus ratio was 71 per cent.

The strong net leasing comes from active letting at generally higher rent levels in all our cities. The increase in property management income of 13 per cent for the period is mainly attributable to increased income due to higher rent levels, reduced vacancies and a larger property portfolio.

The positive development in northern Sweden is ongoing and strengthened. We notice this through increased relocation to the area and the willingness to invest in the green transition regarding in basic Swedish industry. The latest in a series of examples is H2 Green Steel, which has just received permission to start building the new steelworks in Boden as a part of their 25 billion investment in fossil-free steel, and Sundsvall Energi, which together with Liquid Winds plans to invest SEK 5-6 billion in a new electric fuel plant in Sundsvall. I firmly believe that we are also just seeing the beginning of this development. In our cities, we are working intensively to complement all the green industrial initiatives with housing, offices and urban service.

We are operating in the strong market and several significant lettings were made during the quarter. We are signing an increasing number of green leases, which means a joint commitment together with the tenant for sustainable operations. Examples of new green contracts during the quarter are to Försäkringskassan in Umeå, Sweco in Skellefteå and Länsförsäkringar's new offices of 1,900 sq.m. in central Sundsvall. The Municipality of Falun in central Falun of 2,225 sq.m and the office boom in central Luleå with Jobsolution and EDC are other very good examples. The fact that Dagens Nyheter is also establishing an office in Luleå for a better media coverage of northern Sweden shows in our part of Sweden's news value and attractiveness.

We have acquired the right properties with potential. In June, we announced the acquisition of a property under construction in the expansive Gävle Bro area and a property in Hedensbyn just outside central Skellefteå, near Northvolt's battery factory. This type of business strengthens our cash flow and has been made on a yield of just over 6 per cent.

During the first quarter, we announced a sale of a number of properties that mostly serve the retail market. The transaction was subject to a non-fulfilled financing reservation, which means that the properties will remain in Diös' ownership. The properties are basically fully let and we will continue to manage and develop them in each city.

During the past quarter, two major construction starts were announced – Dalarna University in Borlänge city centre and the new Västra Strandens neighbourhood in Luleå. In Luleå, we are converting a parking area into an attractive new entrance to the central peninsula, with more people visiting the area. Stage 1 will be about 5,000 sq.m. of modern offices where Försäkringskassan has signed a green lease agreement and is expected to move in during the spring of 2024. Dalarna University will be a new hub in the city where we are building sustainably by reusing existing concrete structures. We work with stable contractors and the return levels in the projects are secured. In new construction, we require energy use to be at least 20 per cent lower than the current BBR requirements. In both of the above cases, we also complement this with solar power facilities on the properties.

Inflation and higher interest rates affect all of us. The interest rate is now moving more towards a normal situation from being at extremely low, even negative, levels for an extended period of time. Thanks to very good relations with our banks, during the first half of the year we refinanced capital maturity of SEK 3.7 billion and thus extended the loan maturity on stable margins.

We have a strong financial position with a balanced loan-to-value ratio, a high interest coverage ratio and a stable cash flow.

Through a long-term electricity trading strategy, by trading in futures and emission guarantees, we can ensure that we have access to renewable electricity at a stable, predictable and currently relatively low price despite an uncertain energy market. Regarding property values in our part of Sweden, I am convinced that good properties with the right location, which are well maintained and have a market-based cash flow will continue to have a positive development.

There is an uncertain world situation and we are adapting to what is happening in the outside world and acting on by continuing to develop our long-term sustainable business. We live close to our tenants and partners and take an even greater responsibility for sustainable earnings, on our journey towards our goal of halved carbon dioxide emissions by 2030. I believe very strongly in our cities and the opportunities that come with large planned investments, strong willingness to move in and attractive growth targets. In our clear position as a market-leading property company in our cities and with our strong local teams, we have both the knowledge and the ability to continue to create value for our employees, our tenants and our shareholders.



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.



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.



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.

**354**

No. of properties

**31.0**

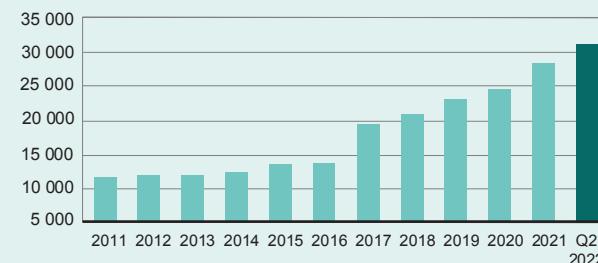
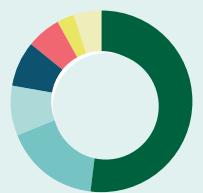
Property value, SEKbn

**1,599**

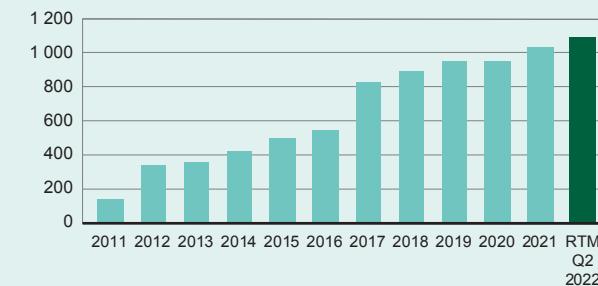
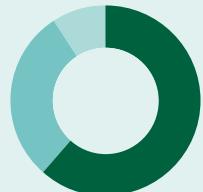
Leasable area, thousand sq.m.

Property value per business unit, SEKm

- Dalarna, SEK 5,158m
- Gävle, SEK 3,080m
- Sundsvall, SEK 4,682m
- Östersund/Åre, SEK 5,036m
- Umeå, SEK 4,875m
- Skellefteå, SEK 3,275m
- Luleå, SEK 4,849m

Property value, SEKm**Rental value by type of premises, %**

- Office, 52%
- Retail, 17%
- Residential, 9%
- Hotel/Restaurant, 8%
- Care/Education, 6%
- Industrial/Warehouse, 3%
- Other, 5%

Property management income, SEKm**Contract value by category, %**

- Private, 62%
- Public, 29%
- Residential, 9%

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.

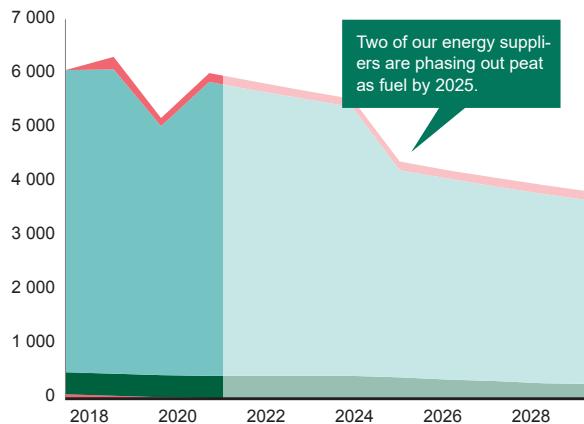
We have set a climate target that has been reviewed and approved by the Science Based Target initiative, SBTi. This target means that we must cut our carbon dioxide emissions by at least 50 per cent in Scope 1 and 2 by 2030 in order to reach net zero by 2045, and take responsibility for our impact in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

19% **35%** **12%**

of the property value is classified as green assets*
Of the property value has a primary energy figure of less than 85kWh/sq.m., Atemp
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. We work actively with energy efficiency improvement and optimisation to halve Scope 1 and 2. This work is closely linked to our tenants' indoor climate and the properties' operational economy. Power optimisation is becoming an ever-larger issue and is closely linked to the climate impact of energy production. Several of our energy suppliers have ambitious targets just like we do and their journey will also be a factor on our path to halved emissions. Our Scope 2 emissions are presented according to the Market based methodology of the GHG protocol.

The base year for our SBTi target is 2018; the level of the base year is recalculated annually for transactions under the GHG protocol.

Scope 3

According to our climate survey, emissions from our construction production and tenants' driving are two major items in our Scope

Tonnes of CO2 equivalents

	2018*	2020	2021	Jan-Jun 2022
Scope 1				
Fuel	92	35	24	12
Refrigerant**	400	400	400	200
Total	492	435	424	212
Scope 2				
Electricity	0.26	0.24	0.24	0.12
District heating and cooling	5,567	4,739	5,583	2,802
Total	5,567	4,739	5,583	2,802

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

3 emissions. A major difference between these items is the control we have over these emissions, where we make the assessment that we have far more control over the emissions from our projects. 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	On-going
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

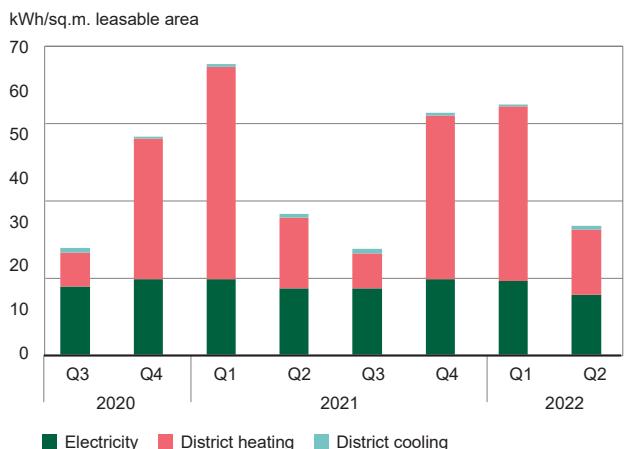
		2022 3 mth Apr-Jun	2021 3 mth Apr-Jun	2021 12 mth Jan-Dec
Electricity	kWh/sq.m Atemp	10.7	10.7	47.0
District heating	kWh/sq.m Atemp	10.3	10.7	77.7
District cooling	kWh/sq.m Atemp	0.7	0.7	16.6

Comment and analysis

For the second quarter of 2022, we achieved energy efficiency improvement of -4 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 -1.5 per cent for the second quarter of the year compared with the previous year. The pace of energy investments has increased during the quarter and we see good conditions for more profitable energy projects to come.

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:

Spökis 1, Östersund

A socially important industrial property where we have changed the sea heat pump installation and installed a new ventilation unit with better heat recovery. Better control equipment has also been installed.

Earnings:

-95%

heat consumption

-61%

heating cost

Income statement

Condensed consolidated income statement and statement of comprehensive income, SEKm

INCOME STATEMENT	Note	2022 3 mth Apr-Jun	2021 3 mth Apr-Jun	2022 6 mth Jan-Jun	2021 6 mth Jan-Jun	2021 12 mth Jan-Dec
Rental income		451	424	867	784	1,587
Service income		92	76	215	199	376
Other income		-	4	-	4	4
Total income	1	543	504	1,082	987	1,967
Property costs	2	-163	-151	-366	-344	-678
Operating surplus	3	380	353	716	643	1,289
Central administration	4	-18	-18	-36	-35	-75
Net financial items	5	-49	-47	-96	-89	-184
Property management income	6	313	288	584	519	1,030
Change in value, properties	7	106	262	639	680	1,806
Change in value, interest rate derivatives	8	27	5	115	14	36
Profit before tax	9	446	555	1,338	1,213	2,872
Current tax	10	-26	-33	-46	-36	-53
Deferred tax	10	-64	-87	-228	-220	-495
Profit after tax	356	435	1,064	957	2,324	
Profit attributable to shareholders of the parent company	356	431	1,064	948	2,306	
Profit attributable to non-controlling interests	-	4	-	9	17	
Total	356	435	1,064	957	2,324	
STATEMENT OF COMPREHENSIVE INCOME						
Profit after tax	356	435	1,064	957	2,324	
Comprehensive income for the period	356	435	1,064	957	2,324	
Comprehensive income attributable to shareholders of the parent company	356	431	1,064	948	2,306	
Comprehensive income attributable to non-controlling interests	-	4	-	9	17	
Total	356	435	1,064	957	2,324	
Earnings per share, SEK		2.52	3.22	7.52	7.07	17.08
Number of shares outstanding at end of period	141,430,947	134,071,020	141,430,947	134,071,020	141,343,747	
Average number of shares	141,430,947	134,071,020	141,424,202	134,071,020	134,668,778	
Number of treasury shares at end of period	354,218	441,418	354,218	441,418	441,418	
Average number of treasury shares	354,218	441,418	360,963	441,418	441,418	

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

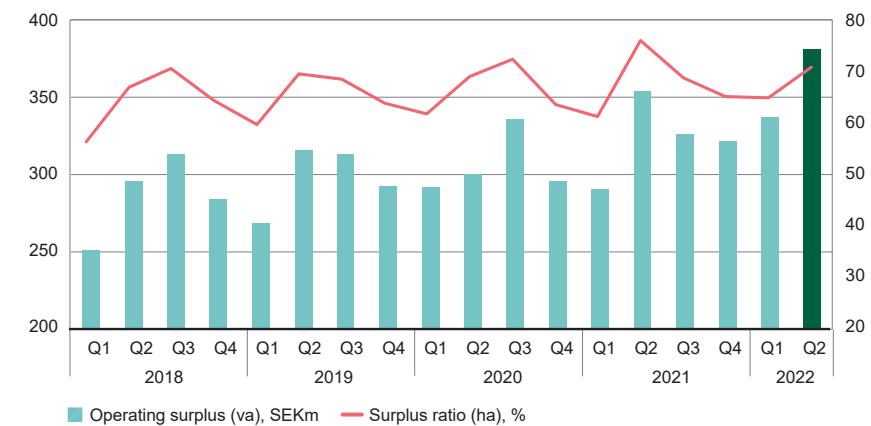
The accounting policies are presented on page 28.

Columns/rows may not add up due to rounding.

Property management income per share



Operating surplus and surplus ratio



Earnings analysis April-June 2022

Note 1 Revenue

Revenue for the quarter was SEK 543m (504), representing a 91 per cent (88) economic occupancy rate. In a comparable portfolio, contracted rental income, excluding project properties, increased by 5.8 per cent in the quarter compared with the previous year. Other property management income totalled SEK 6m (35) and consisted of the costs of work on leased premises that are passed on to tenants and compensation in the event of early vacancy. Of our commercial leases, 97 per cent have upward index adjustments, where 94 per cent have a CPI adjustment and 3 per cent a fixed upwards adjustment.

Revenue growth

	2022 Apr-Jun	2021 Apr-Jun	Change %
Comparable properties	471	445	5.8
Rent discounts ¹	0	-6	
Projects in progress	22	23	
Completed projects	11	3	
Acquired properties	33	-	
Sold properties	0	1	
Contracted rental income	537	466	
Other property management income	6	35	
Other income ²	0	4	
Revenue	543	504	

¹ Discounts attributable to the government rent support scheme.

² Government support for granted rent discounts.

Note 2 Property costs

The property costs for the quarter were SEK 163m (151). The increase in costs is related to a larger property portfolio. Of the total property costs, SEK 6m (3) refers to work on leased premises where the costs are passed on to tenants.

Note 3 Operating surplus

The operating surplus was SEK 380m (353), representing a surplus ratio of 71 per cent (76). For comparable properties, our operating surplus was unchanged compared with the second quarter of the preceding year.

Note 4 Central administration

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

Note 5 Net financial items

Net financial items for the quarter were SEK -49m (-47). The higher cost is related to higher interest rates and larger 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 1.2 per cent (1.2).

Note 6 Property management income

Property management income for the quarter, i.e., income excluding changes in value and tax, was SEK 313m (288). This is an increase of 8 per cent compared with the previous year. For comparable properties, property management income increased by 1 per cent compared with the second quarter of the preceding year.

Note 7 Changes in value, properties

The average valuation yield at the end of the quarter was 5.41 per cent (5.59). The lower yield is attributable to a changed property stock and decreased vacancies. The unrealised changes in value amounted to SEK 106m (257) for the quarter and are mainly attributable to increased market rents and improved net operating



➤ Earnings analysis April-June 2022, continued

income. For more information, see Note 11. At 30 June, the market value was SEK 30,956m (26,068).

During the quarter, 15 properties (6) were acquired while 1 property (3) was divested.

Unrealised changes in value, properties

SEKm	2022	2021
	3 mth Apr-Jun	3 mth Apr-Jun
Investment properties	80	225
Project properties	26	-24
Development rights	0	56
Unrealised change in value	106	257

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 27m (5), 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 446m (555). The lower profit is mainly due to reduced 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 568m (529). The fair value of the properties exceeds their tax base by SEK 11,138m

(8,725), including SEK 5,010m (3,960) in deferred tax relating to asset acquisitions.

Diös has no ongoing tax disputes.

Tax calculation

SEKm	Apr-Jun 2022
Profit before tax	446
Nominal tax rate 20.6%	-92
Other tax adjustments	2
Reported tax expense	-90
<i>Of which current tax</i>	-26
<i>Of which deferred tax</i>	-64

Current tax was SEK -26m (-33) and deferred tax was SEK -64m (-87). The change in deferred tax is attributable to the unrealised changes in value.

The period Jan-June 2022

Property management income for the period, i.e. income excluding changes in value and tax, was SEK 584m (519). The operating surplus was SEK 716m (643), representing a surplus ratio of 68 per cent (68).

- Revenue for the reporting period was SEK 1,082m (987), representing a 91 per cent (89) economic occupancy rate.
- Total property costs were SEK 366m (344).

Net financial items for the period were SEK -96m (-89). The profit before tax was SEK 1,338m (1,213). Changes in the value of properties had a positive impact of SEK 639m (680) while changes in the value of interest rate derivatives had an impact of SEK 115m (14). Profit after tax was SEK 1,064m (957), of which SEK -228m (-220) refers to deferred tax and SEK -46m (-36) to current tax.



Daniel Jansson Westblom, Leasing Officer, and Jonathan Fredriksson, Commercial Property Manager, in Gävle.

Our tenants

Tenants

Our tenant base is well diversified geographically and in terms of industry. There were 3,123 premises leases (2,899) and there were 2,176 residential leases (1,884). The ten largest tenants represent 15 per cent (17) of Diös' total contracted rental income. At 30 June, 29 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 9 per cent of the annual contract value.

Net leasing

Net leasing for the quarter was SEK 17m (1) and the total for the period was SEK 39m (-4). Major lettings during the quarter were to Municipality of Falun in Kansliet 20, Falun, Länsförsäkringar Västernorrland in Gläjen 4, Sundsvall and Noor Digital Agency AB in Rind 5, Umeå.

Lease term

The average lease term for commercial premises at 30 June was 4.1 years (4.0).

Vacancies

Vacancies decreased during the quarter, with economic vacancies standing at 8 per cent (11) and physical vacancies at 12 per cent (14) at 30 June. Adjusted for project-related and non-leaseable 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-leaseable 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 2022	No. of Annual contract contracts value ¹ , SEK '000	Average lease term ¹ , years
Swedish Transport Administration	16	81,828
Swedish Police Authority	37	61,962
Östersund Local Authority	73	31,965
Municipality of Falun	11	31,057
Swedish Public Employment Service	29	30,024
Swedish Social Insurance Agency	25	27,863
Ahléns AB	5	26,705
Nordic Choice Hotels	4	25,023
Swedish Migration Board	9	23,441
Swedbank AB	12	22,061
Total, largest tenants	221	361,929
		6.2

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

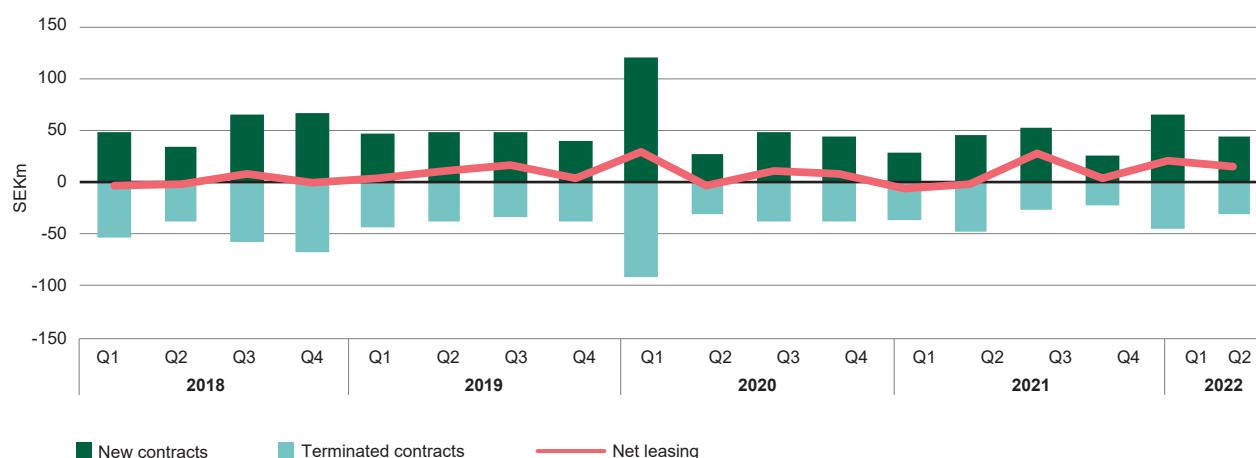
¹ Includes contracts with completion dates in the future.

Leases and maturities

	Number of contracts	Contract value, SEKm	Share of value, %
Leases for premises, maturity year			
2022	530	144	7
2023	928	354	17
2024	706	433	20
2025	566	321	15
2026+	393	624	29
Total	3,123	1,876	88
Residential	2,176	184	9
Other leases ¹	2,175	62	3
Total	7,474	2,122	100

¹ Other leases refer mainly to garage and parking spaces.

Net leasing



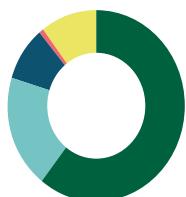
Balance sheet and equity

Condensed consolidated balance sheet, SEKm

ASSETS	Note	2022 30 Jun	2021 30 Jun	2021 31 Dec
Investment properties	11	30,956	26,068	27,993
Other non-current assets		71	73	71
Current receivables		386	384	223
Cash and cash equivalents	14	159	325	1,150
TOTAL ASSETS		31,572	26,850	29,437

EQUITY AND LIABILITIES				
Equity	12	12,330	9,662	11,823
Deferred tax liability		2,399	1,919	2,194
Interest-bearing liabilities	13	15,762	14,344	14,748
Overdraft facilities	14	-	-	-
Non-current lease liability		53	54	54
Current liabilities		1,028	871	618
TOTAL EQUITY AND LIABILITIES		31,572	26,850	29,437

PROPERTY VALUE PER CATEGORY



- Office, 60%
- Retail, 19%
- Residential, 9%
- Industrial/warehouse, 1%
- Other, 10%

PROPERTY VALUE PER CITY



- Borlänge, 7%
- Östersund, 14%
- Falun, 8%
- Åre, 2%
- Mora, 2%
- Skellefteå, 11%
- Gävle, 10%
- Umeå, 16%
- Sundsvall, 15%
- Luleå, 16%

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>	957	948	9
<i>Comprehensive income for the period</i>	957	948	9
<i>Dividend</i>	-442	-442	-
Equity, 30 Jun 2021	9,662	9,597	65
<i>Profit for the period after tax</i>			9
<i>Comprehensive income for the period</i>	1,367	1,358	9
<i>Issue of new shares</i>	800	800	-
<i>Issue costs</i>	-8	-8	-
<i>Tax effect of issue costs</i>	2	2	-
Equity, 31 Dec 2021	11,823	11,749	74
<i>Profit for the period after tax</i>	1,064	1,064	0
<i>Comprehensive income for the period</i>	1,064	1,064	0
<i>Sale of own shares</i>	9	9	0
<i>Acquisition of minority interests</i>	-68	6	0
<i>Dividend</i>	-498	-498	0
Equity, 30 Jun 2022	12,330	12,330	0

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 5.0 percent for 2022, 2.5 per cent for 2023 and 2.0 per cent thereafter, 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 30 June, equity was SEK 12,330m (9,662). The equity ratio was 39.1 per cent (36.0), which exceeds the target of 35 per cent.

PROPERTY PORTFOLIO

	30 Jun 2022	30 Jun 2021
	SEKm	SEKm
Investment properties	27,927	24,102
Project properties	2,907	1,841
Development rights	122	125
	30,956	26,068

CHANGE IN PROPERTY VALUE

	30 Jun 2022		30 Jun 2021	
	SEKm	Number of	SEKm	Number
Value of property portfolio, 1 Jan	27,993	340	24,512	329
Acquisitions	1,678	23	405	8
Investments in new builds, extensions and conversions	648	-	594	-
Sales	-1	-9	-118	-3
Unrealised changes in value	638	-	675	-
Value of property portfolio, 30 Jun	30,956	354	26,068	334

VALUATION ASSUMPTIONS PER PROPERTY CATEGORY

	30 Jun 2022				30 Jun 2021			
	Office	Retail	Residential	Industrial/warehouse	Office	Retail	Residential	Industrial/warehouse
Rental value, SEK per sq.m.	1,652	1,744	1,348	745	1,333	1,464	1,579	1,238
Operations & maintenance, SEK per sq.m.	343	443	438	224	307	340	493	429
Yield for assessing residual value, %	5.5	5.8	4.1	5.5	5.4	5.6	6.2	3.9
Cost of capital for discounting to present value, %	7.6	7.9	6.2	7.6	7.6	7.4	8.4	6.0
Long-term vacancy, %	5.7	6.1	3.3	8.9	5.1	5.0	4.3	0.6
								10.7
								4.3

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 comparable property stocks.

LIST OF PROPERTY TRANSACTIONS JANUARY–JUNE 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	Äre	-	1.1
Plot Arvesund	2	Äre	-	0.2
Total			-	1.4

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
Portfolio Skellefteå	2	Skellefteå	5,847	118
Portfolio Falun Bortlänge	2	Falun/Bortlänge	36,117	564
Total			96,455	1,764

¹ Underlying property value.

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.	752,286	-752,286	338,299	-338,299	161,461	-161,461
Operations & maintenance, +/- SEK 25 per sq.m.	-376,143	376,143	-169,149	169,149	-80,730	80,730
Yield, +/- 0.5%	-921,107	1,113,296	-370,428	441,901	-201,906	260,188
Cost of capital, +/- 0.5%	-647,643	680,046	-269,357	282,010	-101,650	106,696
Long-term vacancy rate, +/- 1%	-224,756	224,069	-107,643	107,643	43,337	-8,593
					8,593	-38,021
					32,307	-422,377
						415,949

Project portfolio

We have an ongoing project portfolio of SEK 4,087m, of which SEK 2,554m was earned at 30 June. 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 648m for the period. 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 8.0 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 2,907m. The total estimated investment is SEK 2,851m, where the produced investment at 30 June was SEK 1,929m.

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										
New build	Umeå	Magne 5	Hotel	14,500	100	413	413	26.2	Q3 2022	BREEAM SE Very Good
Improvement	Borlänge	Intagan 1	Office	31,000	100	555	499	52.9	Q3 2022	BREEAM In-Use Very good
New build	Umeå	Stigbygeln 2	Office	9,646	100	290	222	20.9	Q4 2022	BREEAM SE Very Good
Improvement	Sundsvall	Aeolus 5	Residential	2,597	-	48	28	3.8	Q1 2023	
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	87	11.7	Q2 2023	BREEAM SE Very Good
Improvement	Borlänge	Mimer 1	Education/training	13,332	100	484	70	27.7	Q2 2024	BREEAM SE Very Good
New build	Luleå	Biet	Office	4,920	100	206	2	14.1	Q2 2024	BREEAM SE Excellent
Completed or partially occupied projects										
New build	Umeå	Cisternen 3, 4	Industrial	3,197	100	65	65	5.4	Q2 2021	
New build	Sundsvall	Noten 3	Hotel	14,150	100	442	433	22	Q3 2021	BREEAM SE Very Good
Improvement	Sundsvall	Lyckan 6	Office	3,883	100	107	107	6.2	Q4 2021	
Total				104,011		2,851	1,929	193.5		



Offices, Biet 1, "Västra Stranden", Luleå. Tenant: Swedish Social Insurance Agency



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



Offices, Infagan 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 30 June 2022, 39 per cent (36) of Diös' total assets of SEK 31,572m was funded through equity, 50 per cent (53) through interest-bearing liabilities and 11 per cent (11) through other items.

Note 13 Interest-bearing liabilities

Interest-bearing liabilities in the Group were SEK 15,762m (14,344). Of total interest-bearing liabilities, SEK 11,521m (10,080) refers to bank financing, SEK 1,090m (1,093) to covered bonds, SEK 1,265m (2,675) to commercial paper and SEK 1,900m (500) of unsecured bonds. Amortised cost of the commercial paper was SEK 1,263m (2,670). The loan-to-value ratio in the Group was 50.4 per cent (53.8) at the end of the period. The secured loan-to-value ratio amounted to 40.2 per cent (41.6). The average annual interest rate, including the cost of derivatives and loan commitments, was 1.8 per cent (1.1) and the interest coverage ratio for the year was 6.9 times (6.7).

Derivatives

Of the Group's total interest-bearing liabilities, SEK 4,500m (4,500) has been interest hedged through derivative instruments. At 30 June 2022, the market value of the derivative portfolio was SEK 153.5m (16.1). 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

AT 30 JUNE 2022	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
Loan portfolio excl. derivatives	0.9	+142	
Derivatives portfolio	-0.3	-45	+238
Loan portfolio incl. derivatives	0.6	+97	+238

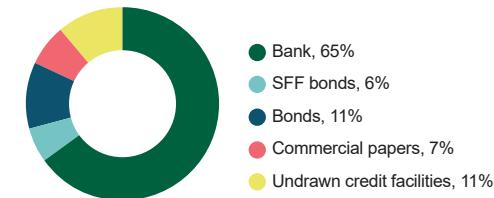
Fixed-rate terms and loan maturities

The average fixed-rate term, including derivatives, was 1.0 years (1.1) and the average loan maturity 2.1 years (2.3). Of the Group's outstanding loans, SEK 1,585m (2,975) is subject to fixed interest rates, of which SEK 1,265m (2,675) 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 159m (325) and drawn overdraft facilities were SEK 0m (0). The agreed limit on the overdraft facility was SEK 600m (600).

BREAKDOWN OF INTEREST-BEARING FINANCING



Interest and loan maturity structure at 30 June 2022

Maturity year	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average annual interest rate ¹ , %	Credit agreements, SEKm	Drawn, SEKm
2022	1,908	1.2	2,858	1,708
2023	5,650	1.9	5,061	5,061
2024	8,022	2.0	6,880	6,080
>2025	196	1.5	2,926	2,926
Drawn credit facilities	15,776	1.8	17,726	15,776
Undrawn credit facilities ²	1,950	0.0		
Financial instruments	4,500	-0.1		
Total		1.8		

¹ Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding liability as at 30 June 2022.

² The cost of unused credit facilities affects the average annual interest rate by 0.05 percentage points.

Derivative contracts as at 30 June 2022

Type	Nominal value, SEKm	Remaining maturity, years	Swap rate, %	Market value, SEKm
Interest rate swaps	1,500	4.8	-0.03	44.6
Interest rate swaps	1,000	0.9	-0.09	18.5
Interest rate swaps	1,000	1.4	-0.05	33.1
Interest rate swaps	500	2.6	0.05	31.8
Interest rate swaps	500	2.1	0.00	25.4
TOTAL	4,500	2.7	-0.04	153.5

Cash flow

Condensed consolidated cash flow statement, SEKm

OPERATING ACTIVITIES	2022	2021	2022	2021	2021
	3 mth. Apr-Jun	3 mth Apr-Jun	6 mth Jan-Jun	6 mth Jan-Jun	12 mth Jan-Dec
Operating surplus	380	353	716	643	1,289
Central administration	-18	-17	-36	-33	-70
Reversal of depreciation, amortisation and impairment	0	0	0	0	0
Interest received	1	2	1	2	5
Interest paid	-50	-45	-97	-85	-189
Tax paid	-26	-33	-46	-36	-53
Cash flow from operating activities before changes in working capital	286	260	538	491	982
Changes in working capital					
Decrease (+)/increase (-) in receivables	49	44	-37	-68	91
Decrease (-)/increase (+) in current liabilities	-68	-31	13	-37	-60
Total changes in working capital	-19	13	-24	-105	31
Cash flow from operating activities	267	273	514	386	1,013
INVESTING ACTIVITIES					
Investments in new builds, conversions and extensions	-341	-296	-648	-594	-1,219
Acquisition of properties	-663	-293	-1,678	-405	-696
Sale of properties	0	125	2	125	240
Cash flow from investing activities	-1,004	-464	-2,324	-874	-1,675

FINANCING ACTIVITIES	2022	2021	2022	2021	2021
	3 mth Apr-Jun	3 mth Apr-Jun	6 mth Jan-Jun	6 mth Jan-Jun	12 mth Jan-Dec
Dividends paid	-124	-221	-124	-221	-442
Sale of own shares	-	-	9	-	-
New issue less transaction costs	-	-	-	-	794
Acquisition of minority interests	-	-	-68	-	-
New borrowing, interest-bearing liabilities	798	909	1,050	1,145	1,658
Repayment and redemption of interest-bearing liabilities	-25	-29	-48	-48	-134
Change in overdraft facility	-	-143	-	-63	-63
Cash flow from financing activities	649	516	819	813	1,812
Cash flow for the period	-88	325	-991	325	1,150
Cash and cash equivalents at beginning of period	247	0	1,150	0	0
Cash and cash equivalents at end of period	159	325	159	328	1,150



Tenant Andreas Johansson, Cygni, together with Anna Wårell, Customer and Office Coordinator, Luleå.

Reporting by business unit at 30 June

Amounts in SEKm unless otherwise indicated.

By business unit	Dalarna		Gävle		Sundsvall		Åre/Östersund		Umeå		Skellefteå		Luleå		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Rental income	144	125	93	84	131	143	155	135	116	110	82	55	146	133	867	784
Service income																
Tariff-based services	26	24	13	11	22	18	30	27	15	15	15	10	18	19	139	124
Care and upkeep	12	10	7	7	10	11	19	18	10	11	7	4	13	14	76	75
Other income	-	1	-	-	-	-	-	1	-	1	-	-	-	-	-	4
Repair and maintenance	-7	-5	-3	-2	-5	-4	-6	-8	-3	-3	-4	-1	-4	-4	-33	-27
Tariff-based costs	-24	-22	-11	-10	-19	-18	-26	-26	-14	-14	-15	-10	-17	-17	-125	-118
Property tax	-7	-7	-6	-6	-9	-8	-9	-9	-9	-8	-5	-4	-11	-11	-55	-52
Other property costs	-16	-16	-11	-12	-16	-16	-26	-23	-15	-16	-9	-6	-18	-21	-112	-110
Property management	-7	-7	-4	-4	-5	-5	-8	-8	-5	-5	-4	-3	-7	-6	-41	-38
Operating surplus	119	102	78	67	109	122	128	106	94	89	67	46	120	108	716	643
Central administration/net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-132	-124
Property management income	-	-	-	-	-	-	-	-	584	519						
Property, realised	-	2	-	3	-	-	1	-	-	-	-	-	-	-	1	5
Property, unrealised	135	152	120	56	69	139	118	161	50	46	98	83	48	38	638	675
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115	14
Profit before tax	-	-	-	-	-	-	-	-	1,338	1,213						
Leasable area, sq.m	318,939	284,331	158,569	158,659	212,630	202,945	315,099	291,478	207,306	203,888	175,217	116,016	211,009	206,687	1,598,769	1,463,914
Rental value	197	177	122	116	179	164	213	199	154	150	115	75	182	174	1,162	1,056
Economic occupancy rate, %	92	90	91	88	88	86	90	91	91	90	89	92	95	95	91	89
Surplus ratio, %	66	64	71	65	69	70	67	59	68	65	66	65	69	65	68	68
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	545	190	-	103	-	-	154	-	-	112	862	-	117	-	1,678	405
Investments in new builds, extensions and conversions	177	172	44	67	68	114	75	47	104	148	59	21	121	25	648	594
Sales	-	-48	-	-70	-	-	-1	-	-	-	-	-	-	-	-1	-118
Unrealised changes in value	135	152	120	56	69	139	118	161	50	46	98	83	48	38	638	675
Property portfolio, 30 June	5,158	4,047	3,080	2,773	4,682	4,418	5,036	4,319	4,875	4,381	3,275	1,791	4,849	4,338	30,956	26,068

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	2021	2022	2021	2021
	3 mth Apr-Jun	3 mth Apr-Jun	6 mth Jan-Jun	6 mth Jan-Jun	12 mth Jan-Dec
Number of shares outstanding at end of period (thousands)	141,431	134,071	141,431	134,071	141,344
Average number of shares ('000)	141,431	134,071	141,424	134,071	134,669

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

Property management income	2022	2021	2022	2021	2021
	3 mth Apr-Jun	3 mth Apr-Jun	6 mth Jan-Jun	6 mth Jan-Jun	12 mth Jan-Dec
Profit before tax	446	555	1,338	1,213	2,872

Reversal					
Change in value, properties	-106	-262	-639	-680	-1,806
Change in value, derivatives	-27	-5	-115	-14	-36
Property management income	313	288	584	519	1,030

EPRA earnings (property management income after tax)					
Property management income	313	288	584	519	1,030
Current tax attributable to property management income	-26	-23	-46	-26	-42
Profit attributable to non-controlling interests	-	-4	-	-9	-17
EPRA earnings	287	261	538	484	971
EPRA earnings per share, SEK	2.03	1.95	3.81	3.61	7.21

	2022 3 mth Apr-Jun	2021 3 mth Apr-Jun	2022 6 mth Jan-Jun	2021 6 mth Jan-Jun	2021 12 mth Jan-Dec
Loan-to-value ratio					
Interest-bearing liabilities				15,762	14,344
Reversal					
Cash and cash equivalents				-159	-325
Drawn overdraft facilities					-1,150
Net debt				15,603	14,019
Investment properties				30,956	26,068
Loan-to-value ratio, %				50.4	53.8
Secured loan-to-value ratio					
Net debt				15,603	14,019
Unsecured liabilities				-3,165	-3,171
Secured liabilities				12,438	10,848
Investment properties				30,956	27,993
Secured loan-to-value ratio, %				40.2	41.6
Equity ratio					
Equity				12,330	9,662
Total assets				31,572	26,850
Equity ratio, %				39.1	36.0
Interest coverage ratio					
Property management income	313	288	584	519	1,030
Reversal					
Financial costs	51	48	99	91	190
Total	364	366	683	610	1,220
Financial costs	51	48	99	91	190
Interest coverage ratio, times	7.1	7.0	6.9	6.7	6.4

	2022 3 mth Apr-Jun	2021 3 mth Apr-Jun	2022 6 mth Jan-Jun	2021 6 mth Jan-Jun	2021 12 mth Jan-Dec
Net debt to EBITDA			15,762	14,344	14,748
Interest-bearing liabilities					
Cash and cash equivalents			-159	-325	-1,150
Overdraft facilities					
Net debt			15,603	14,019	13,598
Operating surplus rolling 12 months			1,362	1,273	1,289
Central administration rolling 12 months			-72	-76	-75
Reversal					
Depreciation and amortisation rolling 12 months			4	5	4
EBITDA			1,294	1,202	1,218
Net debt to EBITDA			12.1	11.7	11.1
EPRA NRV/NTA					
Equity			12,330	9,662	11,823
Equity relating to non-controlling interests				-65	-74
Reversal					
Fair value of financial instruments			-154	-16	-39
Deferred tax on temporary differences			2,282	1,797	2,104
EPRA NRV			14,459	11,377	13,815
EPRA NRV per share			102.2	84.9	97.7
Deductions:					
Fair value of financial instruments			154	16	39
Estimated actual deferred tax on temporary differences, approx. 4% ¹			-428	-335	-392
EPRA NTA			14,185	11,059	13,461
EPRA NTA per share			100.3	82.5	95.2
EPRA NDV					
Equity			12,330	9,662	11,823
Equity relating to non-controlling interests				-65	-74
EPRA NDV			12,330	9,597	11,749
EPRA NDV per share			87.2	71.6	83.1

	2022 3 mth Apr-Jun	2021 3 mth Apr-Jun	2022 6 mth Jan-Jun	2021 6 mth Jan-Jun	2021 12 mth Jan-Dec
OTHER KPIs					
Return on equity, %				22.1	17.9
Equity per share, SEK				87.2	72.1
Earnings per share, SEK		2.52	3.22	7.52	7.07
Cash flow per share, SEK					
Profit before tax		446	555	1,338	1,213
Reversal					
Unrealised change in value, properties		-106	-257	-639	-675
Unrealised change in value, derivatives		-27	-5	-115	-14
Depreciation and amortisation		1	1	2	2
Current tax		-26	-33	-46	-36
Total		288	261	541	490
Average number of shares ('000)		141,431	134,071	141,424	134,071
Cash flow per share, SEK		2.04	1.95	3.82	3.65
Net leasing, SEKm					
Newly signed contracts		46	48	112	78
Terminated contracts		-29	-47	-73	-82
Net leasing		17	1	39	-4
OTHER INFORMATION					
Contracted rental income, SEKm		537	466	1,057	940
Economic occupancy rate, %		91	88	91	89
Surplus ratio, %		71	76	68	68
Debt/equity ratio, times				1.3	1.5
EPRA vacancy rate					
Estimated market rent for vacant space				194	212
Annualised rental value, whole portfolio				2,295	2,069
EPRA vacancy rate, %				8.4	10.3

► Financial key ratios, cont.

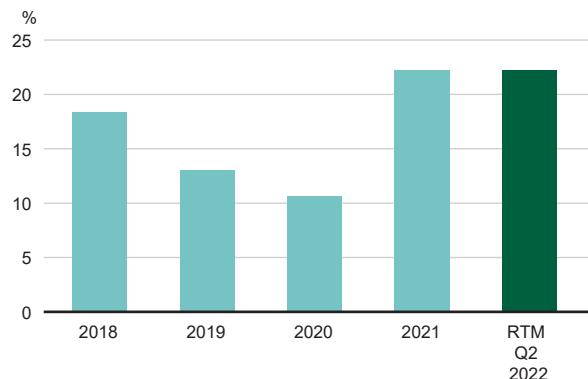
Summary of quarterly results

	30 Jun 2022 Q2	31 Mar 2022 Q1	31 Dec 2021 Q4	30 Sep 2021 Q3	30 Jun 2021 Q2	31 Mar 2021 Q1	31 Dec 2020 Q4	30 Sep 2020 Q3
Revenue, SEKm	543	539	500	480	504	483	472	478
Operating surplus, SEKm	380	336	321	325	353	290	295	335
Property management income, SEKm	313	271	250	261	288	231	229	271
Profit for the period, SEKm	356	708	965	402	435	522	438	229
Surplus ratio, %	71	65	65	68	76	61	63	72
Economic occupancy rate, %	91	90	89	89	88	90	90	90
Equity ratio, %	39.1	40.8	40.2	36.5	36.0	37.4	36.8	36.0
Property loan-to-value ratio, %	50.4	49.3	48.6	52.7	53.8	53.7	54.3	55.2
Average interest rate at end of period, % ¹	1.8	1.1	1.1	1.1	1.1	1.1	1.2	1.2
Interest coverage ratio, times	7.1	6.8	5.9	6.4	7.0	6.3	6.1	6.7
Property management income per share, SEK	2.21	1.92	1.83	1.95	2.15	1.72	1.70	2.02
Earnings per share after tax, SEK	2.52	5.00	7.03	2.98	3.22	3.86	3.26	1.72
Equity per share, SEK	87.2	88.2	83.7	75.1	72.1	72.1	68.2	65.0
Market price per share, SEK	71.1	102.4	118.8	85.4	88.7	71.8	76.8	63.5

¹ Includes expenses relating to commitment fees and derivatives.

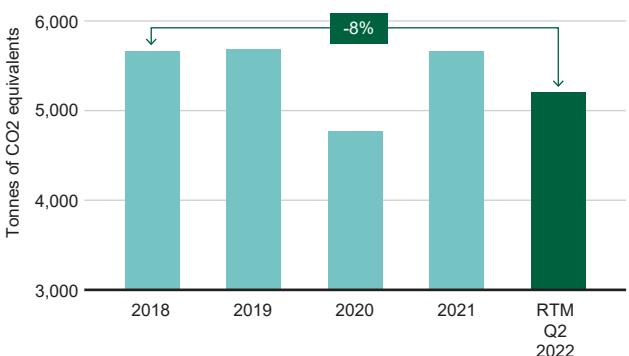
Target follow-up:

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.



Tenant Johnny Hedlund, Local store, Skellefteå.

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 103m (97) and the profit after tax was SEK 149m (128). Income referred chiefly to services sold to the Group's subsidiaries. Cash and cash equivalents were SEK 141m (308) at 30 June 2022 and drawn overdraft facilities were SEK 0m (0). External interest-bearing liabilities, excluding overdraft facilities, totalled SEK 5,718m (4,640), of which SEK 1,263m (2,670) referred to outstanding commercial paper. The average annual interest rate based on the situation at 30 June 2022 amounted to 1.8 per cent (1.1). 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

INCOME STATEMENT	2022 6 mth Jan-Jun	2021 6 mth Jan-Jun	2021 12 mth Jan-Dec
Revenue	103	97	175
Gross profit	103	97	175
Central administration	-113	-109	-213
Operating profit	-10	-12	-38
Income from interests in Group companies	100	100	142
Financial income	234	192	402
Financial costs	-175	-152	-321
Profit after financial items	149	128	185
Appropriations	-	-	-
Profit after appropriations	149	128	185
Current tax	-	-	-2
Profit after tax	149	128	183
STATEMENT OF COMPREHENSIVE INCOME			
Profit after tax	149	128	183
Comprehensive income for the year	149	128	183

Condensed parent company balance sheet, SEKm

ASSETS	2022 30 Jun	2021 30 Jun	2021 31 Dec
Investments in Group companies	2,332	2,265	2,265
Receivables from Group companies	18,763	15,881	16,481
Other assets	32	29	18
Cash and cash equivalents	141	308	1,129
TOTAL ASSETS	21,268	18,483	19,893
EQUITY AND LIABILITIES			
Equity	3,134	2,613	3,475
Untaxed reserves	16	16	16
Interest-bearing liabilities	5,718	4,640	5,412
Liabilities to Group companies	11,971	10,956	10,948
Overdraft facilities	-	-	-
Other liabilities	429	257	42
TOTAL EQUITY AND LIABILITIES	21,268	18,483	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	Jan-Jun 2022 (SEKm)	Total 2021 (SEKm)	Percentage covered (%)	Percentage not covered (%)
Sales	902	1,647	100%	0%
Operating expenditure (OPEX)	88	169	100%	0%
Capital expenditure (CAPEX)	648	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.

Jesper Gabrielli, Property Technician, Jessica Frölin, Customer and Office Coordinator, and Joel Sjöneby, Property Technician, with Linda Angman at Ateljé Liva in Borlänge.



Four reasons to invest in Diös



Unique position in an attractive market



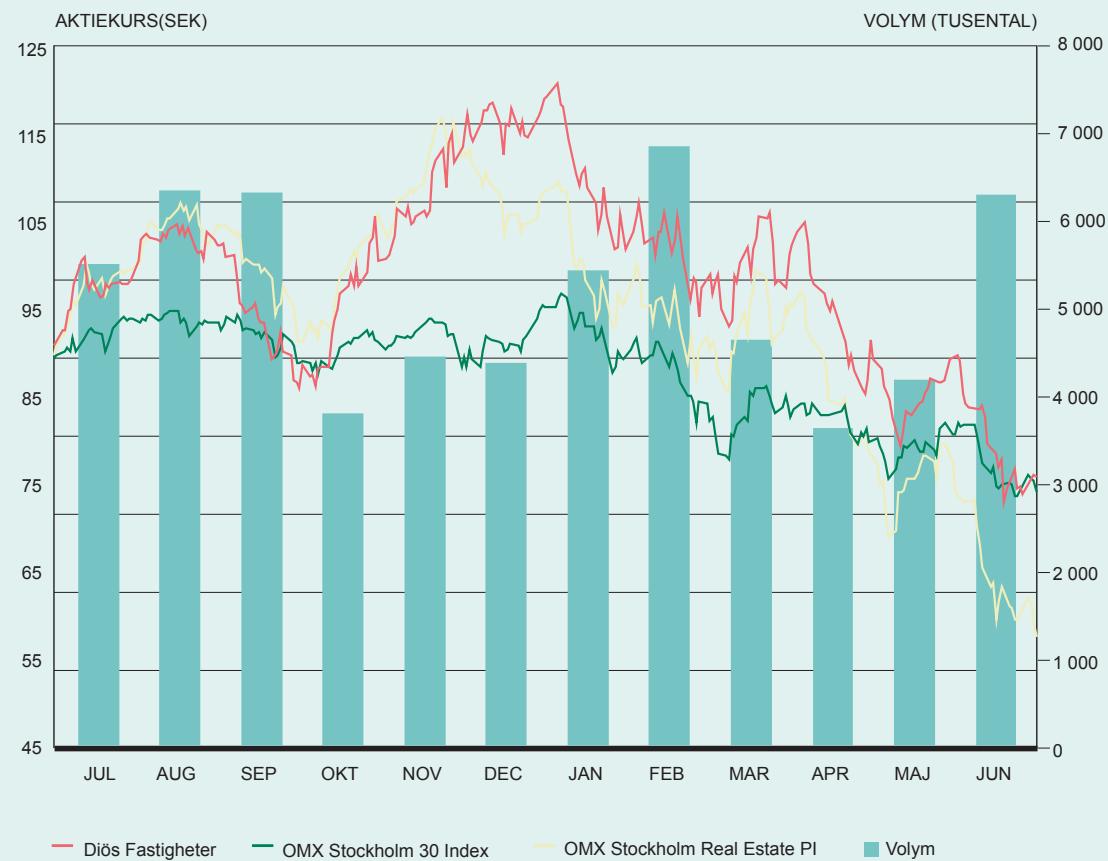
Long-term sustainable business model



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 71.1 (88.7), which represents a market capitalisation of SEK 10,074m (11,925), and the return for the past 12 months was -19.9 per cent (42.3). If the dividend is included, the total return on the shares for the period was -17.8 per cent (49.2). The return on the OMX Stockholm 30 Index was -17.3 per cent (36.0) and the return on the OMX Stockholm Real Estate PI index was -36.3 per cent (42.0).

At 31 May, Diös Fastigheter AB had 18,615 shareholders (17,569). The share of foreign-owned shares was 23.9 per cent (23.5) 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 (53.0) 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 22.1 per cent (17.9). Equity at the end of the period was SEK 12,330m (9,662) and the long-term net asset value, EPRA NRV, was SEK 14,459m (11,377). On a per share basis, EPRA NRV was SEK 102.2 (84.9), which means that the share price at 30 June represented 69 per cent (105) of long-term NRV. The net asset value per share for the period, expressed as EPRA NTA, was SEK 100.3 (82.5).

EARNINGS

Earnings per share for the period were SEK 7.52 (7.07) while long-term earnings per share, expressed as EPRA EPS, were SEK 3.81 (3.61). 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 May 2022

SHAREHOLDER	No. of shares	Capital and votes, %
AB Persson Invest	21,818,606	15.4
Backahill Inter AB	14,857,452	10.5
Nordstjernan AB	14,308,698	10.1
Pensionskassan SHB Försäkringsförening	8,096,827	5.7
Vanguard	3,342,940	2.4
Black Rock	3,032,298	2.1
Avanza Pension	3,000,022	2.1
Karl Hedin	2,485,547	1.8
Länsförsäkringar Fonder	2,457,796	1.7
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 30 June 2022 was 145 (149), of whom 60 were women (64). The majority of our employees, 97 people (98), work in our business units and the rest at our head office in Östersund. Our Pick-Pack-Post concept currently employs 6 people (4), of whom 6 were 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	28,634	30,956	33,278
Equity ratio, %	34.2	39.1	43.2
Loan-to-value ratio, %	54.5	50.4	46.9

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%	+/-21
Economic occupancy rate	+/- 1 percentage point	+/-23
Property costs	-/+ 1%	+/-8
Interest rate on interest-bearing liabilities	-/+ 1 percentage point	+/-97

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 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 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, 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.

¹The Annual Report 2021 is available at www.diös.se.

Fredrik Danell, Project Manager, Luleå.



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, 7 July 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

Q3, Interim Report January-September 2022 21 October 2022

Dividend

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 (EU no 596/2014) and the Swedish Securities Market Act (2007:528).

The information was submitted for publication through the above contact person on 7 July 2022, at 7:00 A.M. CEST.

Definitions

► Financial

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.

Loan-to-value ratio, properties

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

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.

Net debt

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

Interest coverage ratio

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

Service income

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

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.

► Share-related

Equity per share

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

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 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.

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.

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.

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.

Earnings per share

The profit for the period after taxation, attributable to shareholders, 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.

► Property-related and other

Yield

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

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.

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.

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.

Market value of properties

Estimated market value from the most recent valuation.

Property management income

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

Contracted rental income

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

Rental value

Rent invoiced for the period plus 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.

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

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.

Physical occupancy rate

Rented area in relation to total leasable area.

Surplus ratio

Operating surplus for the period divided by contracted rental income for 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-June to investors, analysts, the media and other stakeholders **on 7 July 2022 at 10:00 A.M.** CEO Knut Rost and CFO Rolf Larsson will give a presentation of the results, which will be followed by a Q&A 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 our website.

The presentation can be viewed after the event.