

"Net leasing for 2022 was the highest in the company's history"

Knut Rost, CEO Diös

Diös



Diös Fastigheter Year-end report January–December 2022

Highlights for the quarter

Revenue increased by 14 per cent to SEK 568m (500).

Net leasing was SEK 18m (6).

Property management income decreased by 15 per cent to SEK 213m (250).

Unrealised changes in value of properties were SEK -356m (874) and unrealised changes in value of derivatives were SEK -13m (15).

The profit after tax was SEK -113m (965).

Earnings per share were SEK -0.80 (7.03).

Overview of the year

Revenue increased by 12 per cent to SEK 2,209m (1,967).

Net leasing was SEK 77m (30).

Property management income increased by 5 per cent to SEK 1,081m (1,030).

Unrealised changes in value of properties were SEK -150m (1,790) and unrealised changes in value of derivatives were SEK 104m (36).

The profit after tax was SEK 830m (2,324).

Earnings per share were SEK 5.87 (17.08).

The Board of Directors proposes a dividend of SEK 2.00 per share (3.52), evenly distributed over four payout dates.

Summary of earnings, SEKm

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Revenue	568	500	2,209	1,967
Operating surplus	365	321	1,469	1,289
Property management income	213	250	1,081	1,030
Profit before tax	-147	1,149	1,045	2,872
Profit after tax	-113	965	830	2,324
Surplus ratio, %	66	65	68	68
Occupancy rate, %	91	89	91	89
Return on equity, %			7.0	22.1
Property management income per share, SEK			7.6	7.6
Equity ratio, %			38.1	40.2
Property loan-to-value ratio, %			51.9	48.6
Equity per share, SEK			85.6	83.6
EPRA NRV per share, SEK			100.5	97.7

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

Significant events during the quarter

- Diös acquires a property of SEK 25m in central Gävle. Completion in November 2022.
- Diös receives a building permit for the Vale block in central Umeå and a five-year lease of 3,300 sq.m. is signed with Försäkringskassan. The project will commence in January 2023.
- Diös is listed on Nasdaq Stockholm Large Cap.

38.1%

Equity ratio

51.9%

Loan-to-value ratio

68%

Surplus ratio

4.6

Interest coverage ratio, times

Chief Executive's review

Continued high net leasing and increased earnings in a market in the limelight

I sum up 2022 as a good year for us, where net operating income grew by 14 per cent and the surplus ratio was strong at 68 per cent. The property management income for the year increased by 5 per cent to SEK 1,081m. We increased the occupancy rate to 91 per cent and our net leasing reached SEK 77m, which is our strongest net leasing ever. This is a testament to our active, successful efforts and the strength of our market.

The year was characterised by a strong business focus where we improved several of our KPIs. Our revenues increased by 12 per cent, attributable to active letting work, high retention rates, completed projects and strategic acquisitions. Among other things, we completed the new Clarion Hotel in Umeå with a total investment of SEK 390m and additional income of SEK 23 million. We acquired and took possession of 28 properties for over SEK 2.2bn. These have both rental and development potential and an initial yield above 5 per cent. Our surplus ratio has increased over the past five years by 4 percentage points to 68 per cent, which is something I am very proud of. During the year, we invested SEK 800m in our tenant adaptations at an average yield-on-cost of 9.5 per cent. These investments increase the quality of our portfolio while allowing us to sign longer leases at higher rent levels. The average contract term for commercial premises has increased in recent years, and is now at 4.3 years.

2022 was affected by the war in Ukraine, the energy crisis, high inflation and rapidly rising interest rates, which led to a new business climate with new financial conditions. Regardless of the challenges mentioned above, I am very positive about our future. The world's eyes are on our part of Sweden, where the green transition and large investments in Swedish base industry are accelerating economic growth. I am convinced that these investments will not slow down, but rather will be

strengthened moving forward. Increased economic growth is leading to greater demand for attractive premises, higher rent levels and reduced vacancies. As a market-leading commercial property company in northern Sweden, with our local teams, we are positioned to take advantage of the business opportunities that the greater demand for commercial premises and residential properties entails.

We are seeing increased financial costs as a result of a strong increase in the key interest rate by 275 reference points in the second half of 2022. Despite this, we increased the year's property management income by 5 per cent to SEK 1,081m. Our loan-to-value ratio is 51.9 per cent and 80 per cent of our financing is comprised of bank loans. We have two unsecured bonds totalling SEK 1.4bn, which mature during June and September. The aim is to refinance them in part or in whole during the spring. If the financial conditions on the capital market for this are not available, we have available credit in banks and unused credits.

“The eyes of the world are on our part of Sweden.”

Unrealised changes in value for the year are SEK -150m and SEK -356m for the quarter. The average valuation yield increased by 18 reference points to 5.74 per cent during the quarter, which is offset by future net operating income, which increased as a result of new transactions and higher rent indexation. To reflect future cyclical uncertainty, we have adjusted our long-term vacancy rate upwards. All properties were valued by an external party for the fourth quarter.

In order to create the most favorable situation for the company and the owners given the new financial conditions, the board proposes a dividend of SEK 2.00 per share (3.52). This is to both protect a strong balance sheet and to be able to take advantage of future business opportunities.

We have a good diversification of tenants in our portfolio, where more than 50 per cent of our leasable area is offices and 28 per cent of our rental income come from tenants with tax-funded operations. The announced upward index adjustment of 10.9 per cent for 2023 naturally has an impact on our tenants. However, we see that the majority are well equipped for this and in terms of the payments for the first quarter of 2023, they follow the same payment pattern as for 2022.

We are focusing on a reduced climate footprint, optimised energy use, increased security in our cities, re-use and a stronger employer brand. All to become an even more profitable and sustainable company. During the year, we exceeded our energy efficiency target with a decrease of 3.3 per cent, where the fourth quarter showed the largest savings. This is by systematically optimising the properties' operations as well as investing in energy-efficient technology and own energy production, where we commissioned six solar panel installations during the year. Our self-produced energy volume increased by 26 per cent compared with 2021.

I am proud that we have delivered yet another strong result that demonstrates our ability to act. We find ourselves in an environment with new challenging financial conditions, where our business focus and strong market are crucial to continue creating long-term value. I look bright on the future.



Knut Rost, CEO

This is Diös

We are a commercial property company with a unique position in our 10 growth cities in northern Sweden. The foundation of our business is lettings & property management, projects & business development and transactions. By always relying on our values, being proactive and professional and acting on the right opportunities, we strengthen our cash flow and increase the long-term value of our properties.

Our offer is about commercial premises – primarily offices – in the right location, for the right tenant as well as in the right property, neighbourhood and district. This creates opportunities for an even more profitable and long-term business, which contributes to increased value for our tenants, our shareholders and us as a company.



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.

Our promise to tenants

Everything is possible!

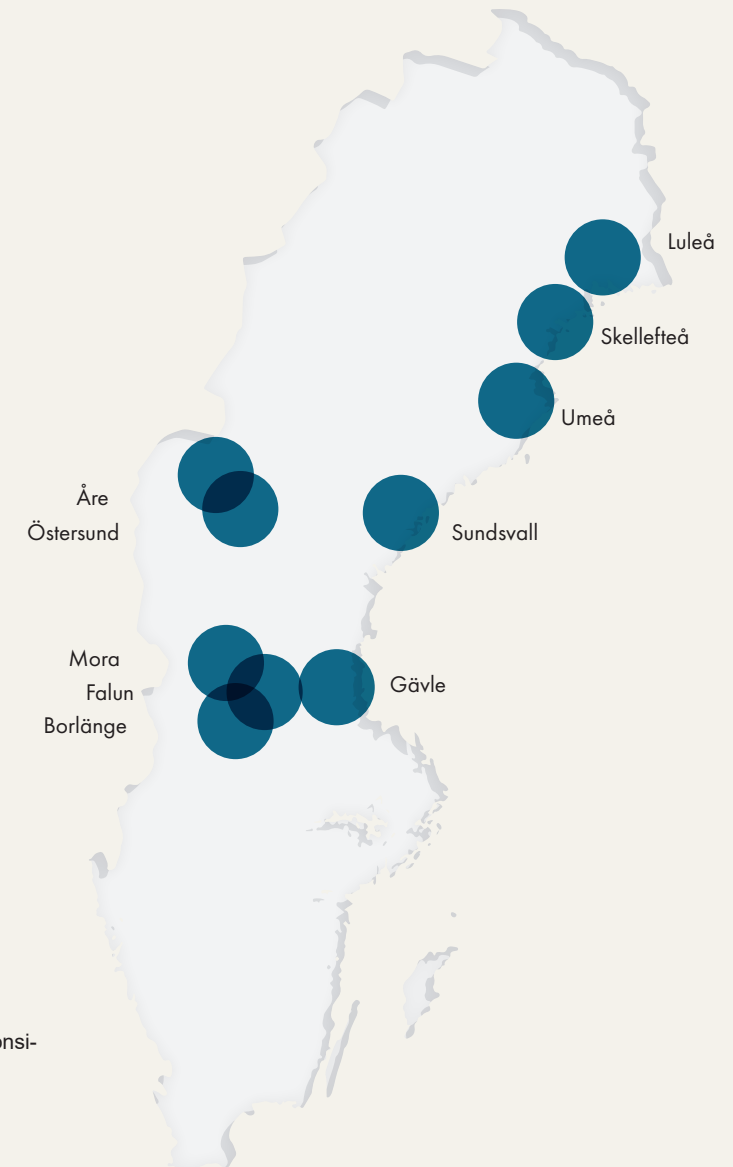
We want our tenants to do well and everything is possible! Our tenants are our primary focus – if they thrive, we thrive.

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.





363

No. of properties



31.1

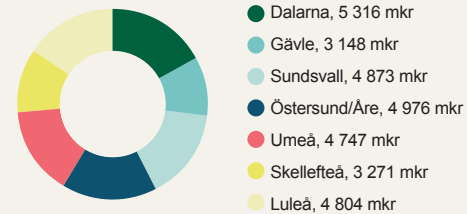
Property value, SEKbn



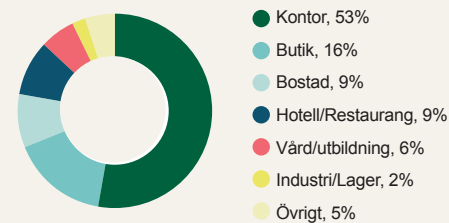
1.623

Leasable area, thousand sq.m.

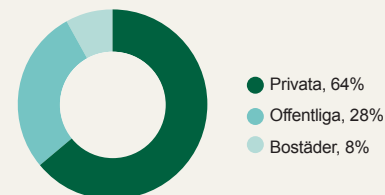
Property value per business unit, SEKm



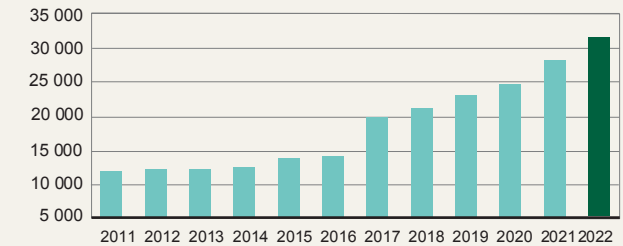
Rental value by type of premises, %



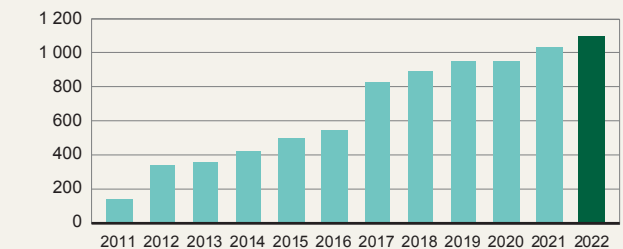
Contract value by category, %



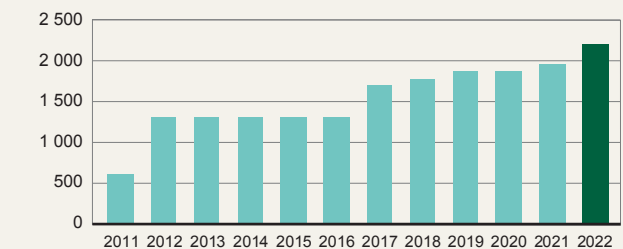
Property value, SEKm



Property management income, SEKm



Rental income, SEKm



Sustainability

We invest in our property portfolio to make it more attractive, more resource-efficient and more climate-friendly. We want to take financial, environmental and social responsibility throughout the business model, which is also what is requested by our tenants, employees and shareholders. Our climate targets have been reviewed and approved by the Science Based Target initiative, SBTi. These targets mean 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.

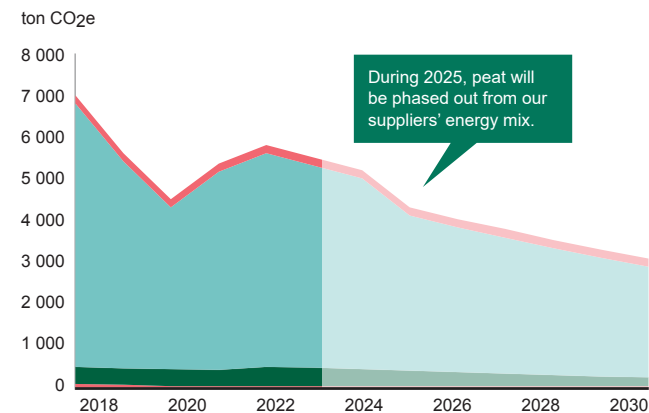
Climate target follow-up, SBTi

During 2022, we recalculated our emissions from base year 2018, using an improved method for refrigerant leakage and allocated energy-related emissions within scope 2 to scope 3, category 3 according to updated recommendations from the property owner association (Fastighetsägarna). In addition, the input data quality has improved with more detailed statistics from our suppliers.

A complete emissions statement is presented in the Annual Report for 2022.

55% green assets by 2026 are one of our targets. The goal is to drive development of our property portfolio and is measured as a percentage of the market value. Today, 11 per cent of the portfolio meets our three criteria for green assets: environmental certification, climate risk analysis and primary energy figure.

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, emissions that are highly dependent on the building's heating needs. We are actively working on energy efficiency improvements that are linked to properties' operational economy and tenants' indoor climate to halve scopes 1 and 2. Power optimisation is becoming an increasing issue where our energy suppliers, like us, have ambitious climate targets; our suppliers' green transition to reduce the

climate impact of energy production is an important factor on our path to cutting emissions in half. Our Scope 2 emissions are presented according to the *market-based methodology of the GHG protocol*.

Scope 3

Today, we present annual data from our business travel and private cars, which is a very small part of our emissions. Our climate survey showed that construction production is the major emission item within scope 3 that we have the greatest control over and we are working to ensure data collection. Our quarterly report presents the measures we planned during the year to increase the possibilities for measurement as well as measures to reduce our Scope 3 emissions.

Tonnes of CO₂ equivalents

	2022	2021	2020	2018 ¹
Scope 1				
Fuel	51	24	35	92
Refrigerant ²	450	400	400	400
Total	501	424	435	492
Scope 2				
Electricity	0.26	0.25	0.21	0.26
District heating and cooling	5,298	4,919	4,061	6,480
Total	5,298	4,919	4,061	6,480

At 31 Dec 2022, the history was recalculated with more detailed statistics.

¹ Reference year.

² Emissions from the refrigerant leaks were adjusted during 2022 and are now based on historical data from our cooling plants and replace the previously estimated figure.

Planned activities 2022

Re-used framework in two projects, one of which is ongoing	✓
In-house training on climate calculations in construction projects	✓
Re-use inventory carried out in a large project	✓
Climatic calculation of early-stage projects	✓
Summary, evaluation and action plan for 2023	On-going

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.

Energy consumption for comparable portfolio

		2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Electricity	kWh/sq.m Atemp	12.3	12.3	42.8	43.6
District heating	kWh/sq.m Atemp	26.9	26.0	70.8	73.8
District cooling	kWh/sq.m Atemp	2.7	2.1	14.3	12.9

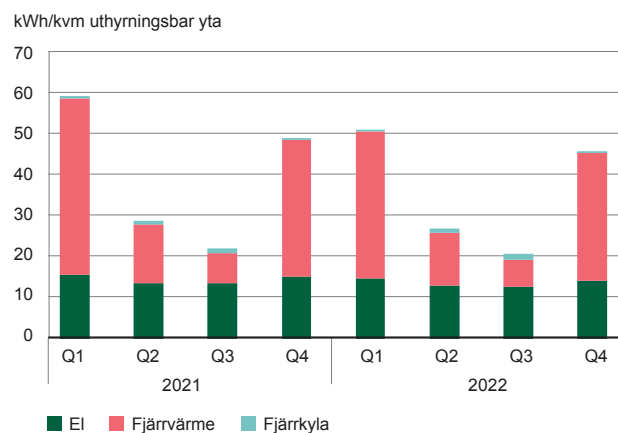
Comment and analysis

In the fourth quarter of 2022, we continued to optimise our energy use and, accumulated for 2022, we had an efficiency improvement of -3.3 per cent and we thereby reached our energy savings target.

Energy efficiency improvement is always high on our agenda and we reviewed certain routines and measures during the year, both temporary and urgent. In various forms of networking and collaboration, we work together with the industry to continue to improve and optimise our own and our tenants' energy use and power requirements.

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, data quality and coverage for district cooling statistics are of lower quality, which means that data are more likely to be forecast.

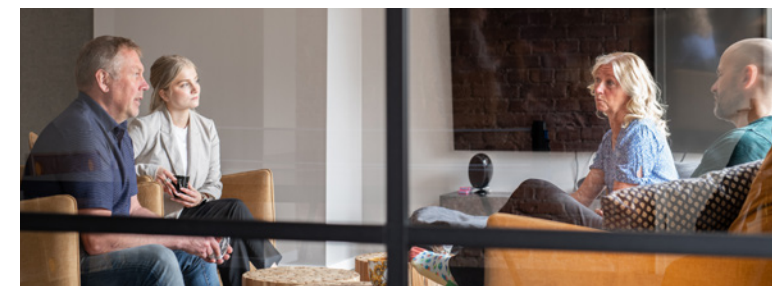
Actual energy use by quarter



Comment and analysis

Energy costs and climate impact (scope 2) are directly linked to actual energy use. The diagram shows actual energy use (not normal-year-adjusted district heating) divided by total leasable area. Actual energy use largely depends on outdoor temperature, hours of sunshine and wind. The power costs are a large part of the total energy cost, which further strengthens the link between cost and outdoor temperature.

In order to continue to improve efficiency and work systematically to secure long-term goals, we want to involve tenants even more clearly through the green lease agreements, and find common solutions and thereby create a commitment to an energy efficiency improvement that benefits both parties.



General economic analysis

Energy areas

During the year, Europe experienced a volatile energy market with high spot prices and a risk of a shortage of electricity. We are actively working on the issue from multiple angles where the following areas are in focus and strong competitive advantages:

Long-term strategy for electricity purchases. Provides predictable electricity prices for up to 5 years. In volatile times, our strategy generates a very advantageous electricity price.

Stable supply of energy. 74 per cent of our portfolio is located in electricity areas SE 1 and SE 2. These electricity areas are net exporters of fossil-free electricity.

Cold climate. In our geographical location, energy is always a topical issue. Energy efficiency improvement and operational optimisation are a high priority in our everyday lives.

The green transition and the energy shortage. The green revolution in our region means that we will see more collaborative efforts between different industries to increase flexibility in the electricity market and the availability of renewable energy. It is important that we all reduce our use of electricity, although the starting point for us in northern Sweden is much better than in southern Sweden and Europe.

We and the tenant. Energy efficiency improvement and optimisation create a good indoor climate for our tenants, while reducing energy costs and electricity consumption and minimising greenhouse gas emissions.

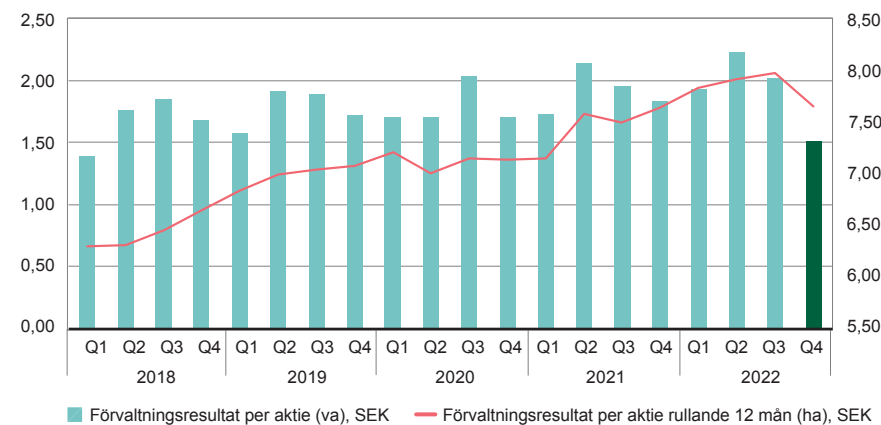
Income statement

Condensed consolidated income statement and statement of comprehensive income, SEKm

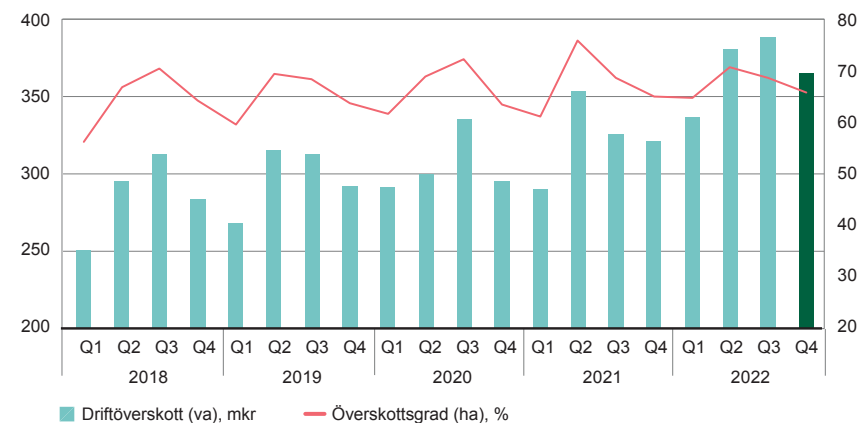
INCOME STATEMENT	Note	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Rental income		448	402	1,789	1,587
Service income		120	98	420	376
Other income		-	-	-	4
Total income	1	568	500	2,209	1,967
Property costs	2	-203	-179	-740	-678
Operating surplus	3	365	321	1,469	1,289
Central administration	4	-37	-22	-90	-75
Net financial items	5	-115	-49	-298	-184
Property management income	6	213	250	1,081	1,030
Change in value, properties	7	-347	884	-140	1,806
Change in value, interest rate derivatives	8	-13	15	104	36
Profit before tax	9	-147	1,149	1,045	2,872
Current tax	10	50	6	-16	-53
Deferred tax	10	-16	-190	-199	-495
Profit after tax		-113	965	830	2,324
Profit attributable to shareholders of the parent company		-113	959	830	2,306
Profit attributable to non-controlling interests		-	5	-	17
Total		-113	965	830	2,324
STATEMENT OF COMPREHENSIVE INCOME					
Profit after tax		-113	965	830	2,324
Comprehensive income for the period		-113	965	830	2,324
Comprehensive income attributable to shareholders of the parent company		-113	959	830	2,306
Comprehensive income attributable to non-controlling interests		-	5	-	17
Total		-113	965	830	2,324
Earnings per share, SEK		-0.80	7.03	5.87	17.08
Number of shares outstanding at end of period		141,430,947	141,343,747	141,430,947	141,343,747
Average number of shares		141,430,947	136,442,561	141,427,602	134,668,778
Number of treasury shares at the end of the period		354,218	441,418	354,218	441,418
Average number of treasury shares		354,218	441,418	357,563	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 October-December 2022

Markus Olsson, Project Manager, at the tenant Ykesakademien in Falun.

Note 1 Revenue

Revenue for the quarter was SEK 568m (500), representing a 91 per cent (89) economic occupancy rate. In a comparable portfolio, contracted rental income, excluding project properties, increased by 6.7 per cent in the quarter compared with the previous year. Other property management income totalled SEK 1m (7) 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, 96 per cent have upward index adjustments, where 93 per cent have a CPI adjustment and 3 per cent a fixed upwards adjustment.

Revenue growth	2022 Oct-Dec	2021 Oct-Dec	Change %
Comparable properties	504	472	6.7
Rent discounts ¹	-	-	
Projects in progress	22	20	
Completed projects	6	0	
Acquired properties	35	0	
Sold properties	-	1	
Contracted rental income	567	493	
Other property management income	1	7	
Other income²	0	0	
Revenue	568	500	

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 203m (179). The increase in costs is related to a larger property portfolio and partly higher tariff-based costs. Of the total property costs, SEK 6m (4) refers to work on leased premises where the costs are passed on to tenants.

Note 3 Operating surplus

The operating surplus was SEK 365m (321), representing a surplus ratio of 66 per cent (65). For comparable properties, our operating

surplus increased by 10 per cent compared with the fourth quarter of the previous year.

Note 4 Central administration

The central administration expense was SEK 37m (22). Central administration includes Group-wide costs for staff functions, such as IT, annual reports, auditors' fees, legal advice and so on. The item includes a cost of SEK 10m, which refers to feasibility studies on projects that were not realised.

Note 5 Net financial items

Net financial items for the quarter were SEK -115m (-49). The higher cost is related to higher market interest rates and larger interest-bearing liabilities. The interest costs for the quarter, including costs for interest rate derivatives and loan commitments, represent borrowings at an average annual interest rate of 2.7 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 213m (250). This is a decrease of 15 per cent compared with the previous year. For comparable properties, property management income decreased by 7 per cent compared with the fourth quarter of the previous year.

Note 7 Changes in value, properties

The average valuation yield at the end of the quarter was 5.74 per cent (5.44). The unrealised change in value for the quarter was SEK -356m (874), the realised change in value was SEK 9m. The increased yield requirement is mostly offset by increased future net operating income as a result of upwards index adjustment and increased rental income from new transactions. Higher long-term vacancies have a negative impact on unrealised value. For more information, see Note 11. The market value was SEK 31,136m (27,993) at 31 December.

During the quarter, 2 properties (5) were acquired while 1 property (3) was divested.



> Earnings analysis October-December 2022, continued

Unrealised changes in value, properties

SEKm	2022 3 mos. Oct-Dec	2021 3 mos. Oct-Dec
Investment properties	-303	762
Project properties	-41	104
Development rights	-12	8
Unrealised change in value	-356	874

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 -13m (15), which have been fully recognised in the income statement. The change in value is attributable to a shorter time to maturity.

Note 9 Profit before tax

The profit before tax was SEK -147m (1,149). The change in profit is mainly due to negative unrealised property values compared with the previous year.

Note 10 Tax

The nominal corporate tax rate in Sweden is 20.6 per cent. There are no tax loss carry-forwards in the Group and otherwise there are untaxed reserves of SEK 467m (504). The fair value of the properties exceeds their tax value by SEK 16,195m (14,388). Deferred tax has been calculated at 10,956 (10,216). The difference is attributable to deferred tax on asset acquisitions.

Diös has no ongoing tax disputes.

Tax calculation

SEKm	2022 3 mos Oct-Dec
Profit before tax	-147
Nominal tax rate 20.6%	31
Other tax adjustments	3
Reported tax expense	34
<i>Of which current tax</i>	50
<i>Of which deferred tax</i>	-16

Current tax was SEK 50m (6) and deferred tax was SEK -16m (-190). The change in current tax is attributable to a tax reduction for equipment purchases made in 2021 and the change in deferred tax is attributable to the unrealised changes in value.

The period January-December 2022

Property management income for the period, i.e. income excluding changes in value and tax, was SEK 1,081m (1,030).

The operating surplus was SEK 1,469m (1,289), representing a surplus ratio of 68 per cent (68).

- Revenue for the reporting period was SEK 2,209m (1,967) representing an economic occupancy rate of 91 per cent (89).
- Total property costs were SEK 740m (678).

Net financial items for the period were SEK -298m (-184). The profit before tax was SEK 1,045m (2,872). Changes in the value of properties had a negative impact of SEK 140m (positive: 1,806) while changes in the value of interest rate derivatives had a positive impact of SEK 104m (36). Profit after tax was SEK 830m (2,324), of which SEK -199m (-495) refers to deferred tax and SEK -16m (-53) to current tax.



Jenny Forsell, Commercial Property Manager, Skellefteå.

Our tenants

Tenants

Our tenant base is well diversified geographically and in terms of industry. There were 3,219 premises leases (3,036) and there were 2,232 residential leases (1,909). The ten largest tenants represent 17 per cent (16) of Diös' total contracted rental income. At 31 December, 28 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 green leases is 11 per cent of the annual contract value.

Net leasing

Net leasing for the quarter was SEK 18m (6) and the total for the period was SEK 77m (30). Major lettings during the quarter were to Försäkringskassan in Vale 17, Umeå, Nordic Performance Center in Sirius 25, Skellefteå and ABB in Rind 5, Umeå.

Lease term

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

Vacancies

At 31 December, the economic vacancy rate was 9 per cent (9) while the vacant area was 12 per cent (13). Adjusted for project-related and non-leasable vacancies¹, the physical vacancy rate was 10 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 DEC 2022	No. of contracts	Annual contract value ¹ , SEK '000s	Average lease term ¹ , years
⊗ Swedish Transport Administration	20	85,042	7.0
⊗ Swedish Police Authority	39	59,676	7.2
Nordic Choice Hotels	5	56,604	15.3
⊗ Swedish Social Insurance Agency	23	36,186	3.8
⊗ Municipality of Falun	11	32,042	7.0
⊗ Östersund Local Authority	74	31,678	2.0
⊗ Swedish Public Employment Service	24	30,133	2.1
Åhléns AB	6	26,840	1.5
Scandic Hotels AB	3	25,127	11.1
⊗ Swedish Migration Board	9	23,541	3.5
	214	406,869	6.8

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

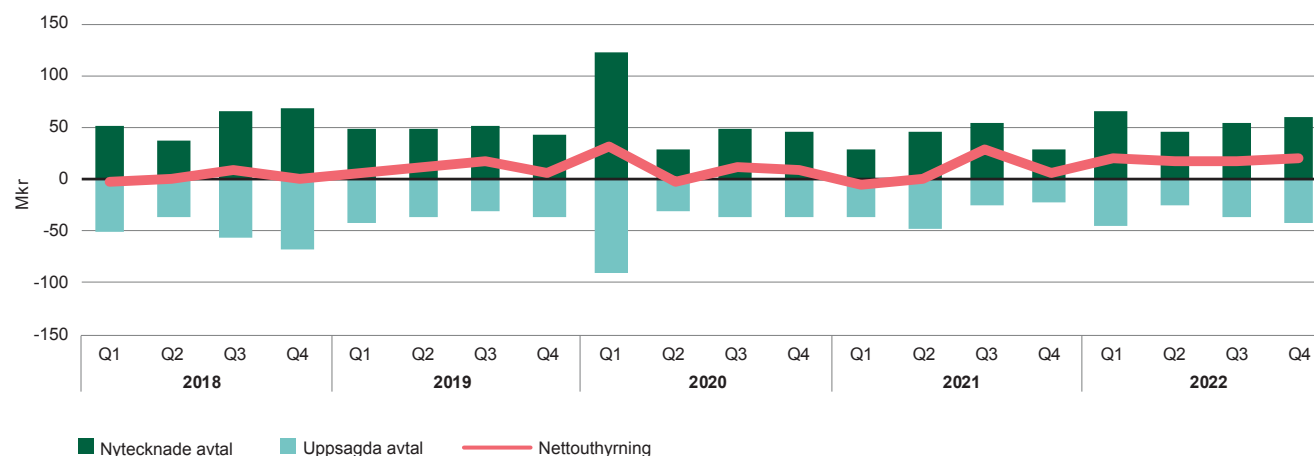
¹ Includes contracts with completion dates in the future.

Leases and maturities

	No. of contracts	Contract value, SEKm	Share of value, %
Leases for premises, maturity year			
2023	1,019	274	12
2024	867	469	21
2025	650	364	16
2026	433	296	13
2027+	250	557	25
Total	3,219	1,959	89
Residential	2,232	187	8
Other leases ¹	2,138	67	3
Total	7,589	2,213	100

¹ Other leases refer mainly to garage and parking spaces.

Net leasing



Balance sheet and equity

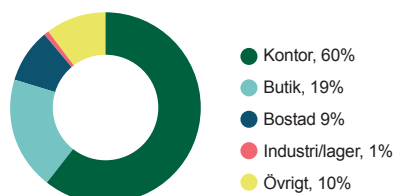
Condensed consolidated balance sheet, SEKm

ASSETS	Note	2022 31 Dec	2021 31 Dec
Investment properties	11	31,136	27,993
Other non-current assets		77	71
Derivative instruments		143	38
Current receivables		289	185
Cash and cash equivalents	14	88	1,150
TOTAL ASSETS		31,733	29,437
EQUITY AND LIABILITIES			
Equity	12	12,102	11,823
Deferred tax liability		2,383	2,194
Liabilities to credit institutions	13	10,781	9,068
Non-current lease liability		52	54
Other non-current liabilities		17	-
Current portion of liabilities to credit institutions	13	5,478	5,680
Overdraft facilities	14	-	-
Current liabilities		920	618
TOTAL EQUITY AND LIABILITIES		31,733	29,437

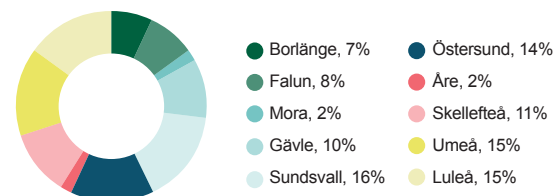
Condensed statement of changes in equity, SEKm

	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>	2,324	2,306	17
Comprehensive income for the period	2,324	2,306	17
<i>Dividend</i>	-442	-442	-
<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>	830	830	0
Comprehensive income for the period	830	830	0
<i>Sale of own shares</i>	9	9	-
<i>Acquisition of minority interests</i>	-65	8	-74
<i>Dividend</i>	-496	-496	-
Equity, 31 December 2022	12,102	12,102	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 and primarily consists of residential and office properties and premises for urban service. 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 by CBRE 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 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 4 per cent for 2023 and 2 per cent in the long term, 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

Equity at 31 December was SEK 12,102m (11,823). The equity ratio was 38.1 per cent (40.2), which exceeds the target of 35 per cent. During the year, the remaining minority interest of 28 per cent of Åre Centrum AB was acquired.

PROPERTY PORTFOLIO

	31 Dec 2022	31 Dec 2021
	SEKm	SEKm
Investment properties	28,246	24,686
Project properties	2,757	3,211
Development rights	133	96
Total	31,136	27,993

CHANGE IN PROPERTY VALUE

	31 Dec 2022		31 Dec 2021	
	SEKm	Number of	SEKm	Number
Value of property portfolio, 1 Jan	27,993	340	24,512	329
Acquisitions	2,004	28	695	14
Investments in new builds, extensions and conversions	1,307	-	1,219	-
Sales	-18	-10	-224	-7
Unrealised changes in value	-150	-	1,790	-
Value of property portfolio, 31 Dec	31,136	363¹	27,993	338²

¹ Four properties were added through property reallocation during the third quarter of 2022. One property was added through property reallocation during the fourth quarter; the property was sold in the same period.

² Two properties were added through property reallocation during the third quarter of 2021.

VALUATION ASSUMPTIONS PER PROPERTY CATEGORY

	31 Dec 2022					31 Dec 2021				
	Office	Retail	Residential	Industrial/warehouse	Other	Office	Retail	Residential	Industrial/warehouse	Other
Rental value, SEK per sq.m	1,745	1,868	1,422	789	1,502	1,470	1,697	1,331	715	1,181
Operations & maintenance, SEK per sq.m	368	477	459	237	345	333	458	419	220	346
Yield for assessing residual value, %	5.8	6.1	4.4	5.8	5.8	5.4	5.8	4.3	7.3	5.8
Cost of capital for discounting to present value, %	8.2	8.6	6.9	8.3	8.2	7.4	7.9	6.4	9.5	5.8
Long-term vacancy, %	6.3	6.6	3.5	10.1	5.6	4.7	4.1	1.7	10.7	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 comparable property stocks. Valuation assumption 31 December 2021 has been restated to take account of a changed breakdown property segment to property category.

PROPERTY TRANSACTIONS JANUARY-DECEMBER 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
Plot Arvesund	2	ÅRE	-	0.2
Polaris 40	4	Skellefteå	-	26.3
Total			-	27.7

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 Borlänge	2	Falun/Borlänge	36,117	564
Andersberg 14:58	3	Gävle	-	107
Office 2	3	Skellefteå	3,816	86
Juno 4 & 5	3	Sundsvall	5,497	177
Alderholmen 20:1 & 20:2	4	Gävle	996	25
Total			106,764	2,159

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	675,317	-675,317	305,187	-305,187	146,697	-146,697	59,925	-59,925	159,822	-159,822	1,346,948	-1,346,948
Operations & maintenance, +/- SEK 25 per sq.m	-337,658	337,658	-152,594	152,594	-73,349	73,349	-29,962	29,962	-79,911	79,911	-673,474	673,474
Yield, +/- 0.5%	-801,822	959,264	-319,861	377,357	-174,554	220,940	-32,912	40,357	-147,144	175,397	-1,476,293	1,773,315
Cost of capital, +/- 0.5%	-612,297	642,372	-266,549	279,382	-98,728	103,691	-33,662	35,770	-143,637	152,185	-1,154,872	1,213,400
Long-term vacancy rate, +/- 1%	-218,002	218,002	-104,379	104,379	-41,634	41,625	-8,739	8,739	-38,418	34,432	-411,171	407,177

Project portfolio

We have an ongoing project portfolio of SEK 4,124m, of which SEK 2,300m was earned at 31 December. 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 1,307m for the period. Investments in the existing portfolio relate to new builds, conversions and extensions and en-

ergy-saving measures. The return on completed investments for the period was 7.3 per cent on the invested amount while the return on our ongoing projects was 5.3 per cent.

Project properties

There are 9 project properties with a market value of SEK 2,757m. The total estimated investment is SEK 2,556m, where the produced investment at 31 December was SEK 1,623m.






INVESTMENTS

	31 Dec 2022	31 Dec 2021
Investments in new builds	275	334
Investments in improvement properties	339	337
Investments in tenant adaptations	693	548
Total	1,307	1,219

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.

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	47	3.8	Q1 2023	
Improvement	Sundsvall	Glädjen 4.9	Office	1,870	100	51	19	5.2	Q2 2023	BREEAM In-Use Very Good
 New build	Luleå	Porsön 1:446	Office	5,452	100	182	116	11.7	Q2 2023	BREEAM SE Very Good
 Improvement	Borlänge	Mimer 1	Education/training	13,332	100	484	188	27.7	Q2 2024	BREEAM SE Very Good
 New build	Luleå	Biet 4	Office	4,920	100	206	69	14.1	Q2 2024	BREEAM SE Excellent
 Improvement	Umeå	Vale 17	Offices/Homes	5,030/2,800	100 ¹	338	9	14.6 ¹	Q1 2025	BREEAM SE Very Good ¹
Completed or partially occupied projects										
New build	Umeå	Magne 5	Hotel	14,500	100	402	390 ²	26.2	Q3 2022	BREEAM SE Very Good
Improvement	Borlänge	Intagan 1	Office	31,000	100	555	547	52.9	Q4 2022	BREEAM In-Use Very Good
 New build	Umeå	Stigbygeln 2	Office	9,646	100	290	238	20.9	Q4 2022	BREEAM SE Very Good
Total				91,147		2,556	1,623			

¹ Refers to commercial premises

² Lifting of dormant VAT on completion

 Tenants in the central, regional or local government sectors.



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



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



Hotel, Magne 5, Umeå. Tenant: Choice Hotels



Offices, homes and premises for urban service, Vale block, Umeå.



Education, Mimer 1, Borlänge. Tenant: Dalarna University

➤ Comments on the balance sheet, continued

Capital structure

At 31 December 2022, 38 per cent (40) of Diös' total assets of SEK 31,733m was funded through equity, 51 per cent (50) through debt securities and 11 per cent (10) through other items.

Note 13 Interest-bearing liabilities

Interest-bearing liabilities in the Group were SEK 16,259m (14,748). The change is due to a larger property portfolio as a result of acquisitions made and project investments. Of total interest-bearing liabilities, SEK 13,010m (9,322) relates to bank financing, SEK 790m (1,090) to covered bonds, SEK 570m (2,613) to commercial paper and SEK 1,900m (1,750) to unsecured bonds. Amortised cost of the commercial paper was SEK 568m (2,610). Future refinancing will normally be completed 3-9 months before the maturity date. Maturing bank and bond loans of SEK 1,500m until May 2023 are refinanced while the remaining maturity of the year is under renegotiation. At the end of the period, the loan-to-value ratio in the Group was 51.9 per cent (48.6). The secured loan-to-value ratio amounted to 44.0 percent (33.0). The average annual interest rate, including the cost of derivatives and loan commitments, was 3.2 per cent (1.1) at

the end of the period and the interest coverage ratio for the period was 4.6 times (6.4).

Derivatives

Of the Group's total interest-bearing liabilities, SEK 4,500m (4,500) has been interest hedged through derivative instruments. At 31 December 2022, the market value of the derivative portfolio was SEK 143m (38). The financial instruments limit the impact of changes in interest rates on our average borrowing cost. All financial instruments are measured at fair value and are classified in Level 2 in accordance with IFRS 13, which means that the measurement is based on observable market data (see Note 22 in the Annual Report 2021). Changes in value are recognised through profit or loss.

Fixed-rate terms and loan maturities

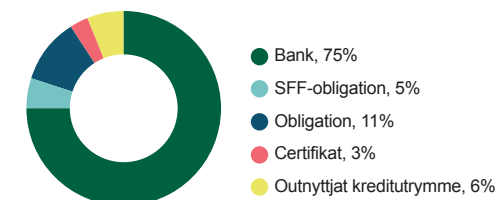
The average fixed-rate term, including derivatives, was 0.8 years (0.9) and the average loan maturity 2.4 years (2.0). Of the Group's outstanding loans, SEK 570m (2,913) is subject to fixed interest rates, of which SEK 570m (2,613) refers to commercial paper.

SENSITIVITY ANALYSIS	If market interest rates increase by 1 percentage point		
	Change in average annual interest rate, %	Change in average annual interest cost, SEKm	Change in market value, SEKm
AT 31 DECEMBER 2022			
Loan portfolio excl. derivatives	1.0	+156	
Derivatives portfolio	-0.1	-7	+72
Loan portfolio incl. derivatives	0.9	+149	+72

Note 14 Cash and cash equivalents and overdraft facilities

Consolidated cash and cash equivalents at the end of the period were SEK 88m (1,150) and drawn overdraft facilities were SEK 0m (0). The approved credit limit on the overdraft facility was SEK 600m (600), and in addition to this, there are unutilised credit facilities of SEK 1,100m (3,855).

BREAKDOWN OF INTEREST-BEARING FINANCING



Interest rate and debt maturity structure at 31 December 2022

Maturity year	Interest rate and margin expiration			Loan maturity	
	Loan amount, SEKm ¹	Average annual interest rate ² , %	Credit agreements, SEKm	Drawn, SEKm	
2023	5,478	3.6	4,303	4,003	
2024	8,785	3.9	6,500	6,450	
2025	743	3.3	1,545	795	
2026	1,263	3.9	1,848	1,848	
>2027	-	-	3,174	3,174	
Drawn credit facilities	16,270	3.8	17,370	16,270	
Undrawn credit facilities ³	1,100	0.0			
Financial instruments	4,500	-0.6			
Total		3.2			

¹ Nominal amount

² Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding liability as at 31 December 2022.

³ The cost of unused credit facilities affects the average annual interest rate by 0.03 percentage points.

Derivatives at 31 December 2022

Type	Nominal value, SEKm	Remaining maturity, years	Swap rate, %	Market value, SEKm
Interest rate swaps	1,500	5.0	1.04	30.7
Interest rate swaps	1,000	0.4	-0.09	15.0
Interest rate swaps	1,000	0.9	-0.05	33.1
Interest rate swaps	500	2.1	0.05	35.9
Interest rate swaps	500	1.6	0.00	28.2
TOTAL	4,500	2.4	0.32	142.9

Cash flow

Condensed consolidated cash flow statement, SEKm

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
OPERATING ACTIVITIES				
Operating surplus	365	321	1,469	1289
Central administration	-37	-20	-90	-70
Reversal of depreciation, amortisation and impairment	0	0	0	0
Interest received	3	1	4	5
Interest paid	-116	-51	-302	-189
Tax paid	50	-6	-16	-53
Cash flow from operating activities before changes in working capital	265	257	1,065	982
Changes in working capital				
Decrease (+)/increase (-) in receivables	51	132	-106	91
Decrease (-)/increase (+) in current liabilities	131	-35	178	-60
Total changes in working capital	182	97	72	31
Cash flow from operating activities	447	354	1,137	1,013
INVESTING ACTIVITIES				
Investments in new builds, conversions and extensions	-383	-352	-1,307	-1,219
Acquisition of properties	-20	-280	-2,004	-696
Sale of properties	27	96	28	240
Cash flow from investing activities	-376	-536	-3,283	-1,675

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
FINANCING ACTIVITIES				
Dividends paid	-121	-222	-371	-443
Sale of own shares	-	-	9	-
New issue less transaction costs	-	794	-	794
Acquisition of minority interests	3	-	-65	-
New borrowing, interest-bearing liabilities	-196	236	1,599	1,658
Repayment and redemption of interest-bearing liabilities	-22	-29	-88	-134
Change in overdraft facility	-	-	-	-63
Cash flow from financing activities	-336	779	1,084	1,812
Cash flow for the period	-265	598	-1,062	1,150
Cash and cash equivalents at beginning of period	353	553	1,150	0
Cash and cash equivalents at end of period	88	1,150	88	1,150



Julia Flink, Sustainability Specialist, together with Järgeen Johansson, Property Manager, and Simon Holmström, Property Technician, in Umeå.

Reporting by business unit at 31 December

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	301	259	189	169	271	267	306	277	245	225	174	116	303	274	1,789	1,587
Service income																
Tariff-based services	53	46	27	21	43	36	59	52	29	29	31	19	34	34	275	237
Care and upkeep	24	20	14	14	20	20	35	34	18	19	12	8	23	24	146	139
Other income	-	1	-	0	-	0	-	1	-	1	-	0	-	1	-	4
Repair and maintenance	-15	-13	-6	-7	-11	-9	-15	-15	-10	-10	-9	-5	-10	-10	-77	-69
Tariff-based costs	-49	-43	-22	-20	-37	-34	-51	-51	-27	-27	-29	-18	-31	-30	-246	-222
Property tax	-14	-14	-13	-11	-19	-17	-20	-17	-20	-17	-12	-7	-24	-22	-123	-106
Other property costs	-32	-31	-24	-24	-33	-32	-49	-43	-30	-31	-18	-12	-33	-36	-220	-209
Property management	-13	-13	-8	-9	-10	-9	-16	-16	-9	-9	-6	-5	-11	-11	-74	-72
Operating surplus	253	212	156	133	223	222	247	222	197	180	141	97	251	224	1,469	1,289
Central administration/net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-388	-259
Property management income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,081	1,030
Property, realised	-	2	-	3	-	10	1	-	-	-	9	-	-	-	10	16
Property, unrealised	86	272	62	141	9	294	-60	405	-102	211	-25	286	-121	181	-150	1,790
Interest rate derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104	36
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,045	2,872
Leasable area, sq.m	318,939	289,540	159,565	158,569	218,127	215,019	315,099	299,257	220,835	207,306	179,033	135,043	211,009	206,687	1,622,607	1,511,421
Rental value	408	358	246	231	365	343	427	401	320	301	240	158	370	348	2,376	2,141
Economic occupancy rate, %	92	89	91	87	89	85	90	90	90	89	90	90	96	94	91	89
Surplus ratio, %	68	66	69	67	69	77	65	62	68	67	66	68	71	69	68	68
Property portfolio, 1 January	4,301	3,580	2,916	2,617	4,545	4,167	4,690	4,111	4,721	4,075	2,256	1,686	4,563	4,276	27,993	24,512
Acquisitions	545	190	68	103	172	11	154	42	-	112	948	238	118	-	2,004	696
Investments in new builds, extensions and conversions	385	307	102	124	147	179	192	133	128	323	108	46	244	107	1,307	1,219
Sales	-	-48	-	-70	-	-106	-1	-	-	-	-17	-	-	-	-18	-224
Unrealised changes in value	86	272	62	141	9	294	-60	405	-102	211	-25	286	-121	181	-150	1,790
Property portfolio, 31 Dec	5,316	4,301	3,148	2,916	4,873	4,545	4,976	4,690	4,747	4,721	3,271	2,256	4,804	4,563	31,136	27,993

Columns/rows may not add up due to rounding.

Comparative figures regarding rental rate and surplus rate for Sundsvall and Östersund have been corrected compared to the previous year.

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 22 of this report.

Figures refer to SEKm unless otherwise indicated.

Share information	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Number of shares outstanding at end of period (thousands)	141,431	141,344	141,431	141,344
Average number of shares ('000)	141,431	136,443	141,428	134,669

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

Property management income	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Profit before tax	-147	1,149	1,045	2,872
Reversal				
Change in value, properties	347	-884	140	-1,806
Change in value, derivatives	13	-15	-104	-36
Property management income	213	250	1,081	1,030

EPRA earnings (property management income after tax)

Property management income	213	250	1,081	1,030
Current tax attributable to property management income	49	7	-16	-42
Profit attributable to non-controlling interests	-	-6	-	-17
EPRA earnings	262	251	1,064	971
EPRA earnings per share, SEK	1.85	1.84	7.52	7.21

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Loan-to-value ratio				
Interest-bearing liabilities			16,259	14,748
Reversal				
Cash and cash equivalents			-88	-1,150
Drawn overdraft facilities				
Net debt			16,171	13,598
Investment properties			31,136	27,993
Loan-to-value ratio, %			51.9	48.6

Secured loan-to-value ratio

Net debt			16,171	13,598
Unsecured liabilities			-2,470	-4,353
Secured liabilities			13,701	9,245
Investment properties			31,136	27,993
Secured loan-to-value ratio, %			44.0	33.0

Equity ratio

Equity			12,102	11,823
Total assets			31,733	29,437
Equity ratio, %			38.1	40.2

Interest coverage ratio

Property management income	213	250	1,081	1,030
Reversal				
Financial costs	116	51	302	190
Total	328	301	1,382	1,220
Financial costs	116	51	302	190
Interest coverage ratio, times	2.8	5.9	4.6	6.4

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Net debt to EBITDA				
Interest-bearing liabilities			16,259	14,748
Cash and cash equivalents			-88	-1,150
Overdraft facilities			-	-
Net debt			16,171	13,598
Operating surplus			1,469	1,289
Central administration			-90	-75
Reversal				
Depreciation and amortisation			4	4
EBITDA			1,383	1,218
Net debt to EBITDA			11.7	11.1
EPRA NRV/NTA				
Equity			12,102	11,823
Equity relating to non-controlling interests			-	-74
Reversal				
Fair value of financial instruments			-143	-39
Deferred tax on temporary differences			2,257	2,104
EPRA NRV			14,216	13,815
EPRA NRV per share			100.5	97.7
Deductions:				
Fair value of financial instruments			143	39
Estimated actual deferred tax on temporary differences, approx. 4% ¹			-421	-392
EPRA NTA			13,938	13,461
EPRA NTA per share			98.6	95.2
EPRA NDV				
Equity			12,102	11,823
Equity relating to non-controlling interests				-74
EPRA NDV			12,102	11,749
EPRA NDV per share			85.6	83.1

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
OTHER KPIS				
Return on equity, %			7.0	22.1
Equity per share, SEK			85.6	83.6
Earnings per share, SEK	-0.80	7.03	5.87	17.08

Cash flow per share, SEK

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Profit before tax	-147	1,149	1,045	2,872
Reversal				
Unrealised change in value, properties	356	-874	150	-1,790
Unrealised change in value, derivatives	13	-15	-104	-36
Depreciation and amortisation	1	1	4	4
Current tax	50	6	-16	-53
Total	273	267	1,079	997
Average number of shares ('000)	141,431	136,443	141,428	134,699
Cash flow per share, SEK	1.93	1.96	7.63	7.40

Net leasing, SEKm

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Newly signed contracts	61	27	227	159
Terminated contracts	-43	-21	-150	-128
Net leasing	18	6	77	31

OTHER INFORMATION

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Contracted rental income, SEKm	556	493	2,164	1,909
Economic occupancy rate, %	91	89	91	89
Surplus ratio, %	66	65	68	68
Debt/equity ratio, times			1.3	1.2

EPRA vacancy rate

	2022 3 mos Oct-Dec	2021 3 mos Oct-Dec	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
Estimated market rent for vacant space			204	189
Annualised rental value, whole portfolio			2,391	2,110
EPRA vacancy rate, %			8.5	9.0

> Financial key ratios, cont.

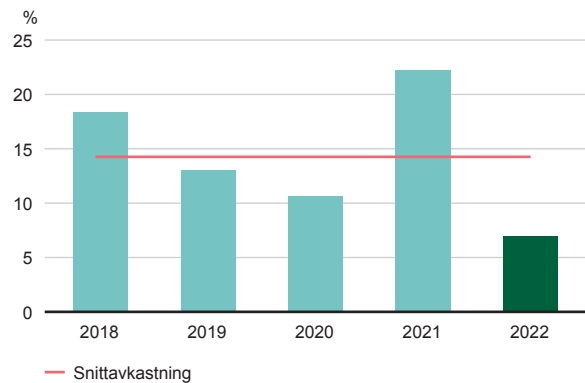
Summary of quarterly results

	31 Dec 2022	30 Sept 2022	30 June 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue, SEKm	568	559	543	539	500	480	504	483
Operating surplus, SEKm	365	388	380	336	321	325	353	290
Property management income, SEKm	213	283	313	271	250	261	288	231
Profit for the period, SEKm	-113	-120	356	708	965	402	435	522
Surplus ratio, %	66	70	71	65	65	68	76	61
Economic occupancy rate, %	91	92	91	90	89	89	88	90
Equity ratio, %	38.1	38.1	39.1	40.8	40.2	36.5	36.0	37.4
Property loan-to-value ratio, %	51.9	51.8	50.4	49.3	48.6	52.7	53.8	53.7
Average interest rate at end of period, % ¹	3.2	2.5	1.8	1.1	1.1	1.1	1.1	1.1
Interest coverage ratio, times	2.8	5.7	7.1	6.8	5.9	6.4	7.0	6.3
Property management income per share, SEK	1.51	2.00	2.21	1.92	1.83	1.95	2.15	1.72
Earnings per share after tax, SEK	-0.80	-0.84	2.52	5.00	7.03	2.98	3.22	3.86
Equity per share, SEK	85.6	86.3	87.2	88.2	83.6	75.1	72.1	72.1
Market price per share, SEK	75.5	70.5	71.1	102.4	118.8	85.4	88.7	71.8

¹ Includes expenses relating to commitment fees and derivatives.

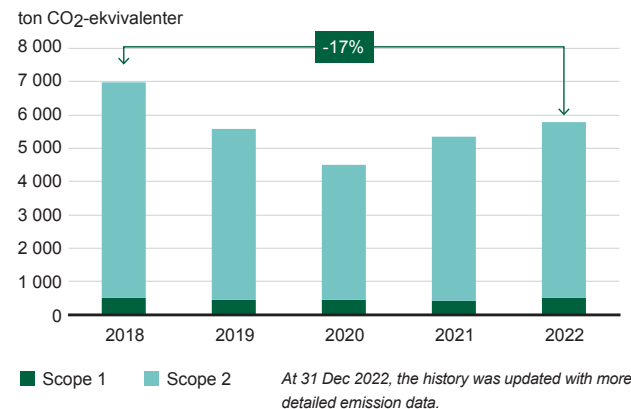
Target follow-up:

Return on equity



The target is to reach an average return of at least 12 per cent on equity over a five-year period. The outcome of 2022 is affected by negative unrealised property values.

Greenhouse gas emissions



By 2030, our CO2 emissions will decrease by 50 per cent compared with 2018.



Linnéa Lord, Sustainability Controller.

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 189m (175) and the profit after tax was SEK 242m (183). Income referred chiefly to services sold to the Group's subsidiaries. Cash and cash equivalents at 31 December 2022 were SEK 36m (1,129) and drawn overdraft facilities were SEK 0m (0). External interest-bearing liabilities, excluding overdraft facilities, totalled SEK 5,813m (5,412), of which SEK 568m (2,610) referred to outstanding commercial paper. The average annual interest rate based on the situation at 31 December 2022 amounted to 3.8 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

	2022 12 mos Jan-Dec	2021 12 mos Jan-Dec
INCOME STATEMENT		
Revenue	189	175
Gross profit	189	175
Central administration	-232	-213
Operating profit	-43	-38
Income from interests in Group companies	124	142
Financial income	647	402
Financial costs	-501	-321
Profit after financial items	227	185
Appropriations	15	-
Profit after appropriations	242	185
Current tax	0	-2
Profit after tax	242	183
STATEMENT OF COMPREHENSIVE INCOME		
Profit after tax	242	183
Comprehensive income for the year	242	183

Condensed parent company balance sheet, SEKm

	2022 31 Dec	2021 31 Dec
ASSETS		
Investments in Group companies	2,362	2,265
Receivables from Group companies	18,917	16,481
Other assets	24	18
Cash and cash equivalents	36	1,129
TOTAL ASSETS	21,339	19,893
EQUITY AND LIABILITIES		
Equity	3,228	3,475
Untaxed reserves	1	16
Interest-bearing liabilities	5,813	5,412
Liabilities to Group companies	12,115	10,948
Overdraft facilities	-	-
Other liabilities	182	42
TOTAL EQUITY AND LIABILITIES	21,339	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 assessed to be exposed to the EU taxonomy, and the established environmental objective of limiting climate impact, *Climate change 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 2022, we choose to report the combined data for all activities. Current assumptions and interpretations may be adjusted and reporting increased as the legislation is clarified.

Activity 7.7	Jan-Dec 2022 (SEKm)	Total 2021 (SEKm)	Percentage covered (%)	Percentage not covered (%)
Sales	1,843	1,647	100%	0%
Operating expenditure (OPEX)	174	169	100%	0%
Capital expenditure (CAPEX)	1,306	1,219	100%	0%

Key performance indicators are presented on page 20.

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 2022 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.

Stefan Karlsson, Property Technician, Anders Maureen, Property Technician and Erik Pedersen, Energy Optimiser, Umeå.



Four reasons to invest in Diös



Unique position in an attractive market



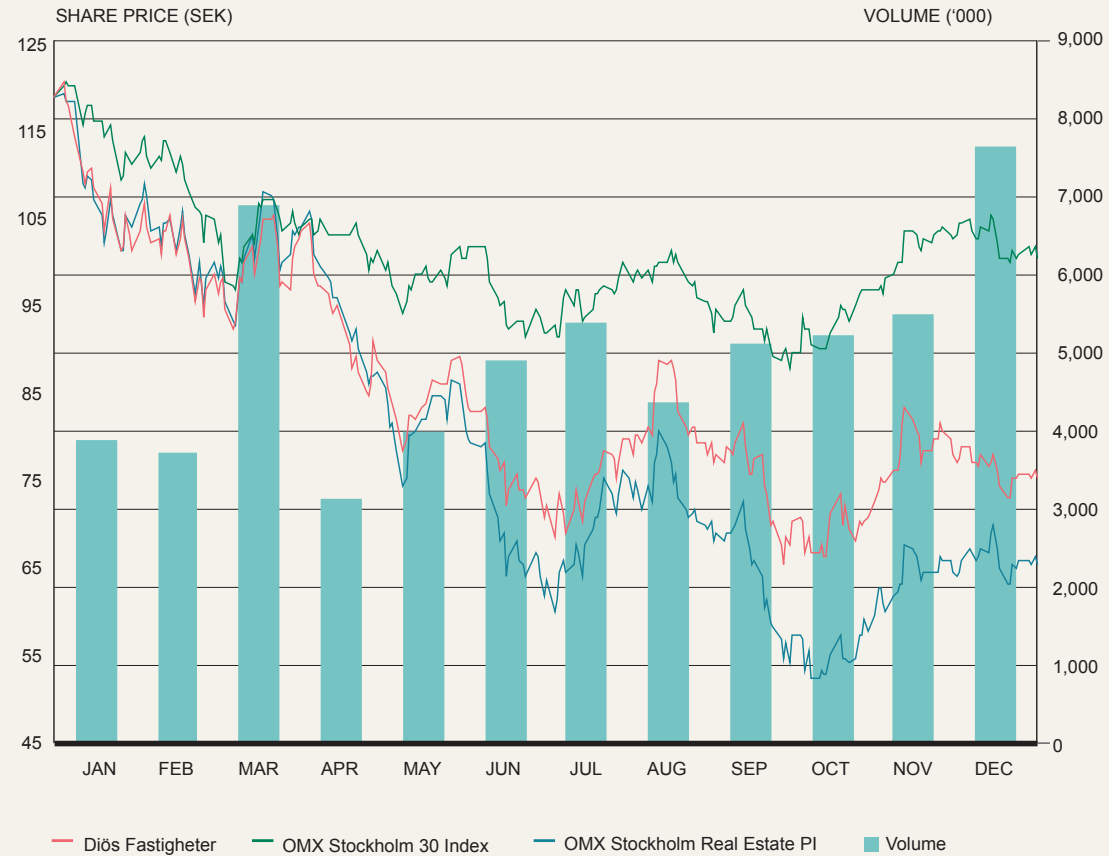
Long-term sustainable business model



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 75.5 (118.8), which represents a market capitalisation of SEK 10,698m (16,844), and the return for the past 12 months was -36.5 per cent (54.7). If the dividend is included, the total return on the shares for the period was -34.3 per cent (60.6). The return on the OMX Stockholm 30 Index was -15.6 per cent (29.1) and the return on the OMX Stockholm Real Estate PI index was -44.7 per cent (43.6).

On 31 December, Diös Fastigheter AB had 19,057 shareholders (18,733). The share of foreign-owned shares was 21.1 per cent (24.3) while the total number of shares during the period remained unchanged at 141,785,165 (141,785,165). The single largest shareholder was AB Persson Invest, with 15.6 per cent (15.4) of the shares. The ten largest shareholders accounted for 56.1 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.

During the fourth quarter of 2022, Nordstjernen AB flagged that the shareholding is less than 10 per cent and Länsförsäkringar Fonder flagged that the shareholding exceeds 5 per cent.

Diös Fastigheter AB is a publicly traded company listed on the Nasdaq OMX Nordic Exchange Stockholm, Large 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 7 per cent (22.1). Equity at the end of the period was SEK 12,102m (11,823) and the long-term net asset value, EPRA NRV, was SEK 14,216m (13,815). On a per share basis, EPRA NRV was SEK 100.5 (97.7), which means that the share price at 31 December represented 75 per cent (126) of long-term net asset value. The net asset value per share for the period, expressed as EPRA NTA, was SEK 98.6 (95.2).

EARNINGS

Earnings per share for the period were SEK 5.87 (17.08) while long-term earnings per share, expressed as EPRA EPS, were SEK 7.52 (7.21). 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 December 2022

SHAREHOLDER	No. of shares	Capital and votes, %
AB Persson Invest	22,074,488	15.6
Backahill Inter AB	14,857,452	10.5
Nordstjernen AB	11,373,698	8.0
Pensionskassan SHB Försäkringsförening	8,096,827	5.7
Länsförsäkringar Fonder	7,878,971	5.6
Karl Hedin	3,562,547	2.5
Vanguard	3,397,801	2.4
Avanza Pension	3,140,874	2.2
BlackRock	3,065,332	2.2
Sten Dybeck, including company and family	2,175,183	1.5
Total, largest shareholders	79,623,173	56.1
Treasury shares	354,218	0.2
Other shareholders	61,807,774	43.6
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 at 31 December 2022 was 157 (144), of whom 66 were women (61). The majority of our employees, 102 people (95), work in our business units and the rest at our head office in Östersund. Our Pick-Pack-Post concept currently employs 5 people (5), of whom 5 were women (5).

Risks and uncertainties

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 inflation and 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	28,801	31,136	33,471
Equity ratio, %	33.2	38.1	42.4
Loan-to-value ratio, %	56.1	51.9	48.3

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%	+/- 22
Economic occupancy rate	+/- 1 percentage point	+/- 24
Property costs	-/+ 1%	+/- 7
Interest rate on interest-bearing liabilities	-/+ 1 percentage point	+/- 149

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 fourth quarter have been recognised based on calculations of the preliminary consideration. The calculation of the final consideration will be completed in the first quarter of 2023. 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.

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

Susanna Johansson, Leasing Officer, at tenant Voyd in Sundsvall.



Report signatures

The Board of Directors and the CEO declare that the financial statement gives a true and fair view of the operations, financial position and income of the company and the Group, and describes the principal risks and uncertainties faced by the company and the Group's companies.

This financial statement 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, 14 February 2023

Bob Persson
Chairman

Peter Strand
Board member

Erika Olsén
Board member

Ragnhild Backman
Board member

Tobias Lönnevall
Board member

Anders Nelson
Board member

Knut Rost
Chief Executive Officer

Financial calendar

Annual Report 2022	Week 12
Annual General Meeting 2023	18 April 2023
Q1, Interim Report January-March 2023	28 April 2023
Q2, Interim Report January-June 2023	7 July 2023
Q3, Interim Report January-September 2023	27 October 2023

Significant events after the reporting period

There have been no significant events since the reporting date.

Dividend

The Board of Directors proposes a dividend of SEK 2.00/share for the 2023 Annual General Meeting on 18 April with payment as follows:

1st payment date, 25 April 2023	SEK 0.50 per share
2nd payment date, 25 July 2023	SEK 0.50 per share
3rd payment date, 25 Oct 2023	SEK 0.50 per share
4th payment date, 25 Jan 2024	SEK 0.50 per share

For further information, please contact:

Knut Rost, CEO

+46 (0)770-33 22 00, +46 (0)70-555 89 33, knut.rost@dios.se

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).

The information was submitted for publication through the above contact person on 14 February, at 7:00 A.M. CET.

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

Property management income with reversal of financial expenses in relation to financial expenses during 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.

Yield-on-Cost (YoC)

Operating surplus in relation to investment.

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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Postal address: Box 188, SE-831 22 Östersund
Telephone: +46 (0)770-33 22 00
Corporate ID number: 556501-1771
Registered office of the company: Östersund

www.dios.se

Diös

Presentation of the year-end report

We will present the 2022 year-end report to investors, analysts, the media and other interested parties on 14 February 2023 at 10:00 A.M. CFO Rolf Larsson and Head of IR Johan Dernmar will present the earning 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.

Arbetskläder på väg!
100% grön el.