Press release
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Correctional facility project in Östersund cancelled and Diös' sale of the project reversed

The Swedish Prison and Probation Service has announced that it will not proceed with the 15-year lease agreement for the planned Category 2 correctional facility on Frösön in Östersund. As a result, Diös' SEK 117.5 million sale of the project property to Stenvalvet, announced on 12 February 2026, will be reversed and the project cancelled.

The sale was conditional upon the lease agreement remaining valid. As the condition relating to the building permit has not been fulfilled and the deadline has expired, the Swedish Prison and Probation Service has decided not to proceed with the lease agreement. Consequently, the transaction will not be completed.

The decision will result in a negative unrealised change in value of approximately SEK 50 million, which will be recognised in the fourth quarter of 2026. Beyond this, the impact on Diös' earnings is limited.

"We appreciate the good collaboration with both the Swedish Prison and Probation Service and Stenvalvet during the project planning phase. It is of course disappointing that the project will not go ahead after the work we have carried out together with the Swedish Prison and Probation Service. We are now moving ahead at full pace with plans for the future use of the vacant property and the development rights," says David Carlsson, CEO, Diös.

"It is of course regrettable that the project cannot proceed as planned and that, as a result, we will not take possession of the property. We would like to thank Diös and the Swedish Prison and Probation Service for the excellent collaboration throughout the process. For Stenvalvet, this decision does not change our long-term ambition to continue investing in and developing fit-for-purpose properties for the justice sector and other essential public services," says Maria Lidström, CEO, Stenvalvet.

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About Us
Diös Fastigheter owns and develops commercial and residential properties in cities with growth potential. With a property value of SEK 32.9 billion, a portfolio of 307 properties and a lettable area of 1,529 thousand sq.m, our vision is to create Sweden's most inspiring cities. The market extends from Borlänge to Luleå, and the company's head office is in Östersund. Since it started in 2005, the company has had continuous growth in the value of its property portfolio and its shares are listed on NASDAQ OMX Stockholm, Mid Cap. Find out more about Diös at www.dios.se

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