

Q1



“There is strong growth in our market where we clearly note an increased demand for modern offices and premises for urban service.”

**Maria Fjellström,
Business Area Manager Skellefteå**

Q1: Highlights

Revenue increased by 1 per cent to SEK 483 million (478)

Property management income increased by 1 per cent to SEK 231 million (229)

Unrealised changes in value of properties were SEK 418 million (10) and unrealised changes in value of derivatives were SEK 9 million (1)

The profit after tax was SEK 522 million (189)

Earnings per share were SEK 3.86 (1.42)

37.4

Equity ratio, %

6.3

Interest coverage ratio

53.7

Loan-to-value ratio, %

Significant events

- Diös acquires three office properties in central Borlänge and divests three mixed properties – one in Borlänge and two in Gävle – in a barter transaction. The agreed property value for the acquisition is SEK 110 million and is SEK 125 million for the divested properties. Change of possession took place on 1 April 2021.
- Diös acquires two properties comprising 8,000 sq.m. in Gävle. The agreed property value was SEK 103 million and the completion date was 1 April 2021.
- Diös acquires an office property comprising 4,000 sq.m. in Borlänge. The agreed property value was SEK 80 million and the completion date was 1 June 2021.

Profit for the period, SEKm

	2021 3 months Jan-Mar	2020 3 months Jan-Mar	2020 12 mths Jan-Dec
Revenue	483	478	1,878
Operating surplus	290	290	1,219
Property management income	231	229	958
Profit before tax	658	240	1,152
Profit after tax	522	189	913
Surplus ratio, %	61	62	66
Occupancy rate, %	90	91	89
Equity ratio, %	37.4	36.5	36.8
Property loan-to-value ratio, %	53.7	54.8	54.3
Return on equity, %	13.9	12.1	10.4
Equity per share, SEK	72.1	64.5	68.2
EPRA NRV per share, SEK	84.4	75.1	79.7

For definitions of KPIs, see page 31.

A stable quarter and a bright future

Property management income improved by 1 per cent through higher rental income and lower net financial items. The unrealised changes in value amounted to SEK 418 million, which corresponds to 1.6 per cent of the property value, driven by a positive rent development and by a strong market.

We are continuing to deliver stable earnings where property management income increased by 1 per cent compared with previous year, which then was a record-breaking quarter. Revenue is increasing thanks to new leasing and concluded projects while the winter-related expenses are higher. The surplus ratio was 61 per cent. We live near our tenants and we are vigorously navigating a pandemic that is leaving nobody unaffected. Some of our tenants in restaurants and some kinds of retailing continue to have a headwind during applicable pandemic restrictions. 95 per cent of advised rents are received for the second quarter, which can be compared to 91 per cent at the same time last year.

Our market is experiencing very strong growth. We see an increased demand for modern offices from both public and private and public players. This, together with everything positive our 15-minute cities offer, creates conditions for a continued strong development. As one good example, H2 Green Steel has announced that they will establish their business in Luleå, entailing 1,500 new direct jobs, which provides further strength for continued development and opportunities for the region. In a larger perspective, it is estimated that SEK 1,000 billion will be invested in northern Sweden for the manufacture of fossil-free steel, batteries and green electricity supply where the vehicle manufacturers are behind the scenes with growing climate requirements. We already see an industrial service sector growing forth around this where we have already established several technical consulting firms in modern, flexible and central offices. These industrial investments are deemed to create 25,000 jobs, which will entail huge growth and an increased need for new residential units, among other things. The future looks very bright for our cities!

The unrealised changes in value amounted to SEK 418 million. A high level of activity with newly signed agreements for higher rent levels and profitable investments increase cash flow and improve the quality of the portfolio. We see lower required returns mainly related to offices and housing, as well as social-use properties. Several transactions within these segments have been carried out at significantly lower return levels than before, which indicates that our market has become even more interesting. We also see increased interest in acquiring our central development rights.

Demand for conversions and new production of offices remains large, from both public and private tenants. We expect to sign several new leases soon. The use of our central development rights for the new production of residential units is also high on our list of priorities for project investments.



“Our unique position will provide many opportunities for new business.”

During the quarter, we made several exciting transactions at attractive levels of return in locations with extensive development potential and good demand. These deals strengthen our cash flow and will contribute around SEK 11 million in further net operating income on a full-year basis. The competition on the transaction market has increased and business is being done both faster and at lower return requirements.

We continue to have a low financing interest rate and we succeeded in lowering net financial items for the period compared with the previous year despite the increase in interest-bearing liabilities. Better terms of financing and a larger percentage of commercial paper have a positive impact. Loan-to-value ratio decreased to 53.7 per cent.

I claim that we are working in the hottest market in Sweden. Our unique position will provide many opportunities for new business in our segments and areas. Our offering of central offices and homes with all of the surrounding urban services is perfectly meeting the market's demands. We have increased the rate of conversion of retail in less attractive locations to modern flexible offices and are increasing the percentage of central homes through new production and conversion. This provides even greater opportunities for further value creation and growth. I see a very bright future for both our cities and for Diös.


Knut Rost, CEO

Welcome to Diös

Diös is one of Sweden's leading property companies. 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.

Vision:

We want to create Sweden's most inspiring cities.



331

No. of properties



25.3

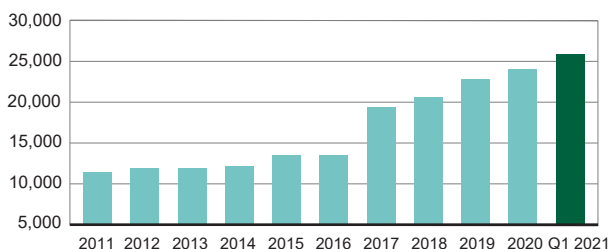
Property value, SEKbn



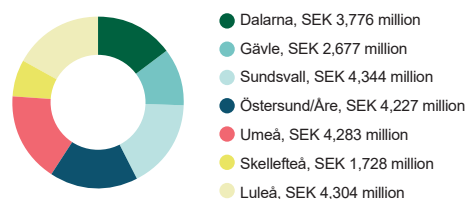
1,459

Leasable area, thousand sq.m

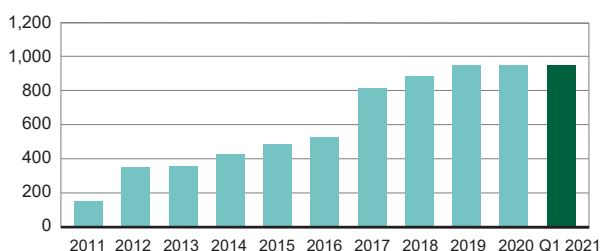
Property value, SEK million



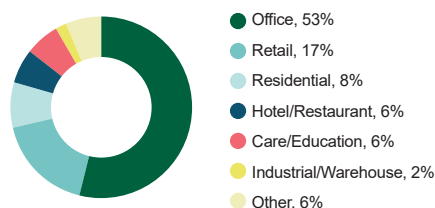
Property value per business unit, SEK million



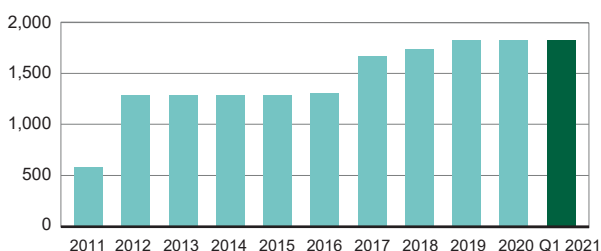
Property management income, SEK million



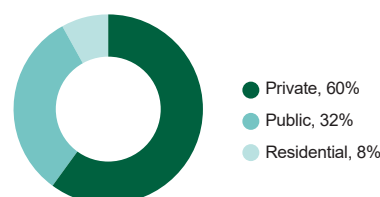
Rental value by type of premises, %



Rental income, SEK million



Contract value per category, %



Property management income and rental income for Q1 2021 are on a rolling 12-month basis.

Our market: the 15-minute city

We operate in a fast-growing market that is best described as 15-minute cities. This means that if you can walk, bicycle or take the car to work in 15 minutes and also buy groceries, go to a café or restaurant, take the children to school, enjoy nature and do everything you want in your everyday life in the same time frame – then you live in a 15-minute city. A city marked by good accessibility and an active lifestyle.



Coupled with the challenges of climate change and changes in globalisation, a growing population and continued urbanisation put our cities in a very good position for continued growth.

Absolutely the right place for us!

With a growing population, strong entrepreneurship and basic industry in high demand, continuing development of infrastructure, such as digitalisation and technical possibilities, driven municipal management and attractive universities, we are in the absolutely right place to create increased growth, increased value and increased opportunities for occupancy for our tenants, shareholders and ourselves. An attractive city draws more people and more companies. This in turn leads to new opportunities for us to develop our business.

Our offering in these cities

By owning the right properties and offering the right premises to the right tenant, we can offer modern offices, homes and premises for urban service. By creating more modern offices in attractive locations, improving the conditions for developed urban service and building more homes in the city centre, we create an accessible city. By also ensuring that the spaces we develop can be used around the clock by several different actors, we create a sustainable and living city for all.



The sustainable city

Our vision to create Sweden's most inspiring cities is our guiding principle. Making the city better for everyone encompasses all aspects of sustainability. Diös' activities should help to build a sustainable future.

By developing and managing our properties, city blocks, districts and, by extension, our cities, we take responsibility for the communities in which we operate. Urban development is about seeing the big picture and taking account of the importance of environmental, social and economic sustainability aspects for creating tomorrow's cities. As a market leader in all our cities, we are in a position to participate in driving that development.

Using the UN Global Sustainable Development Goals to guide us in our sustainability management activities, we have made our sustainability strategy part of our business concept. Integrating sustainability in our daily activities is crucial to our ability to achieve our growth targets and be profitable through long-term value creation. Our long-term sustainability target is to achieve zero net emissions before 2045.

The climate is the most urgent of the UN goals and it is therefore our highest priority sustainability issue. The climate crisis is not only leading to changing weather conditions but will affect economic and social sustainability aspects locally in our cities as well as nationally and globally. Property businesses generally have a big carbon footprint and we are therefore also in a good position to make a difference through changed behaviours. A lifecycle perspective is being integrated in our property management business, resulting in increased resource and energy efficiency, healthier material choices, lower carbon dioxide emissions and less risk.

Four focus areas

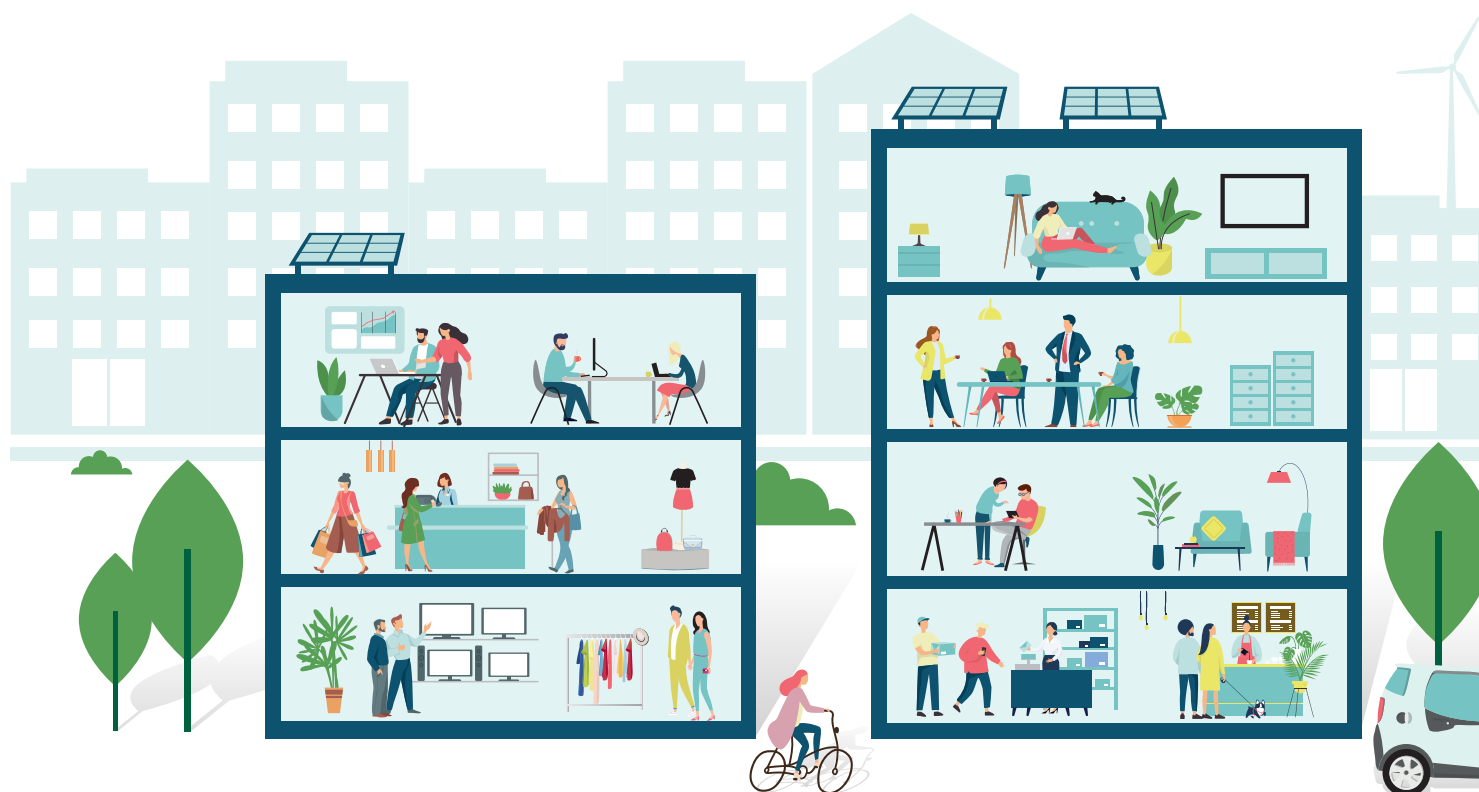
We have chosen to divide our path towards more sustainable cities into four focus areas: Environment and climate, Thriving cities, Fair business practices and Committed employees. Every area has its significant sustainability issues, challenges and goals.

98%

Non-fossil energy

Miljö
& klimat

Välmående
städer





Certifications and energy

We had 41 properties certified under the Miljöbyggnad, Svanen and BREEAM In-Use standards, which represents 21 per cent of the total area of the property portfolio. We have three major projects that will be certified according to BREEAM-SE.

The objective for 2021 is to environmentally certify 14 properties, according to BREEAM In-Use, which entails one to two properties per business unit.

For the first quarter, we are reporting a reduced energy use of 6 per cent. This indicates a continued positive trend and that our investments and our energy optimisation are showing good results.

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

ENERGY USE AND CARBON DIOXIDE EMISSIONS

	Unit	2021 3 months Jan-Mar	2020 3 months Jan-Mar
Heating ¹	kWh/sq.m	31.9	33.9
District cooling ²	kWh/sq.m	2.5	2.2
Electricity ³	kWh/sq.m	12.4	13.1
Carbon dioxide, total ⁴	g CO ₂ /kWh	27.6	22.9
Water	m ³ /sq.m	0.04	0.08

¹ Heating has been adjusted to a normal year.

² District cooling does not include self-produced cooling.

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

⁴ Carbon dioxide from electricity, heating and district cooling.

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

Schyssta
affärer

Engagerade
medarbetare



Income statement

Condensed consolidated income statement and statement of comprehensive income, SEK million

		2021 3 mths Jan-Mar	2020 3 mths Jan-Mar	2020 12 mths Jan-Dec
INCOME STATEMENT				
Rental income		360	370	1,513
Service income		123	108	349
Other income		-	-	16
Total income	2	483	478	1,878
Property costs	3	-193	-188	-659
Operating surplus	4	290	290	1,219
Central administration	5	-17	-17	-76
Net financial items	6	-42	-44	-185
Property management income	1	231	229	958
Change in value, properties	7	418	10	194
Change in value, interest rate derivatives	8	9	1	0
Profit before tax	9	658	240	1,152
Current tax	10	-3	-18	-75
Deferred tax	10	-133	-33	-164
Profit after tax		522	189	913
Profit attributable to shareholders of the parent company		517	190	914
Profit attributable to non-controlling interests		5	-1	-1
Total		522	189	913
STATEMENT OF COMPREHENSIVE INCOME				
Profit after tax		522	189	913
Comprehensive income for the period		522	189	913
Comprehensive income attributable to shareholders of the parent company		517	190	914
Comprehensive income attributable to non-controlling interests		5	-1	-1
Total		522	189	913
Earnings per share, SEK		3.86	1.42	6.81
Number of shares outstanding at end of period		134,071,020	134,071,020	134,071,020
Average number of shares		134,071,020	134,450,282	134,166,164
Number of treasury shares at end of period		441,418	441,418	441,418
Average number of treasury shares		441,418	62,156	347,901

*There is no dilutive effect, as no potential shares (such as convertibles) exist.
The accounting policies are presented on page 26.
Columns/rows may not add up due to rounding.*

Earnings analysis January–March 2021

Note 1 Property management income

Property management income for the period, i.e. income excluding changes in value and tax, was SEK 231 million (229). This is an increase of 1 per cent compared with the previous year. For comparable properties, property management income was unchanged compared with the previous year.

Note 2 Revenue

Revenue for the reporting period was SEK 483 million (478), representing a 90 per cent (91) economic occupancy rate. In a comparable portfolio, contracted rental income, excluding project properties, increased by 1.5 per cent compared with the previous year. Other property management income totalled SEK 8 million (7) and consisted mainly of the costs of work on leased premises that are passed on to tenants.

Revenue growth	2021 Jan-Mar	2020 Jan-Mar	Change %
Comparable properties	450	443	1.5
Project properties	22	25	
Acquired properties	3	0	
Sold properties	0	3	
Contracted rental income	475	471	
Other property management income	8	7	
Revenue	483	478	

Note 3 Property costs

Total property costs were SEK 193 million (188). Costs related to snow and ice increased compared with the previous year. Of the total property costs, SEK 4 million (4) refers to work on leased premises where the costs are passed on to tenants.

Note 4 Operating surplus

The operating surplus was SEK 290 million (290), representing a surplus ratio of 61 per cent (62). For comparable properties, operating surplus was unchanged compared with the previous year.

Note 5 Central administration

The central administration costs amounted to SEK 17 million (17).

Central administration includes Group-wide costs for staff functions, such as IT, annual reports, auditors' fees, legal advice and so on.

Note 6 Net financial items

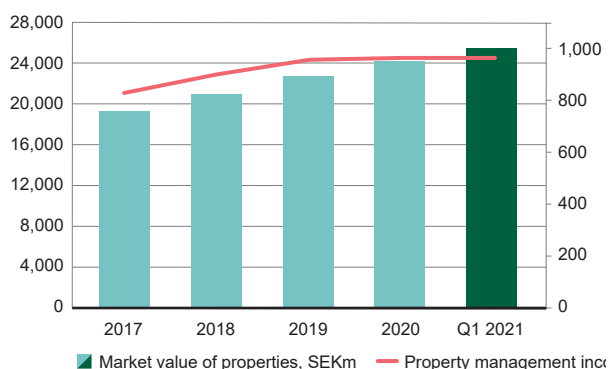
Net financial items for the period were SEK -42 million (-44). The interest costs for the period, including costs for interest rate derivatives and loan commitments, represent borrowings at an average annual interest rate of 1.2 per cent (1.3).

Note 7 Changes in value, properties

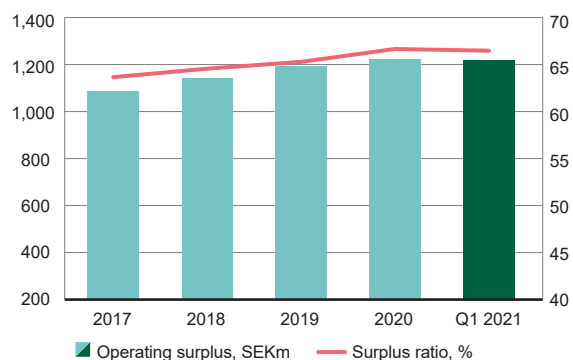
The average valuation yield at the end of the period was 5.65 per cent (5.86). This represents a change of -0.08 percentage points since year-end. The unrealised changes in value amounted to SEK 418 million (10) and are mainly attributable to lower return requirements and improved net operating income in offices and residential properties. The change in value was equivalent to 1.6 per cent (0.04) of the properties' market value. At 31 March, the market value was SEK 25,340 million (23,229).

During the period, two properties (0) were acquired while 0 properties (0) were divested.

Market value and property management income



Operating surplus and surplus ratio



The figures for property management income, operating surplus and surplus ratio in Q1 2021 are on a rolling 12-month basis.

➤ Earnings analysis January–March 2021, continued

Unrealised changes in value, properties

SEKm	2021 3 months Jan-March	2020 3 months Jan-March
Investment properties	316	19
- of which changed future net operating income	64	-69
- of which changed return requirements	252	88
Project properties	33	-9
Development rights	69	0
Unrealised change in value	418	10

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 period, unrealised changes in value on derivatives totalled SEK 9 million (1), 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 658 million (240). The higher profit is mainly due to higher unrealised property values compared with the previous year.

Note 10 Tax

The nominal corporate tax rate in Sweden is 20.6 per cent (21.4). The remaining tax loss carry-forwards are estimated at SEK 0 million (0). The Group also has untaxed reserves of SEK 475 million (390). The fair value of the properties exceeds their tax base by SEK 8,356 million (7,171), less SEK 3,857 million (3,791) in deferred tax relating to asset acquisitions. Tax liabilities have been calculated at a tax rate of 20.6 per cent.

While the reporting of taxes complies with the applicable accounting rules it should be noted that the amount of tax paid over the period generally differs from the reported amount. Diös has no ongoing tax disputes.

Tax calculation

SEKm	Jan-Mar 2021
Profit before tax	658
Nominal tax rate 20.6%	-136
Tax effect of	
Realised changes in value, properties	0
Other tax adjustments	0
Reported tax expense	-136
<i>Of which current tax</i>	<i>-3</i>
<i>Of which deferred tax</i>	<i>-133</i>

The period's low tax expense is primarily attributable to larger tax deductions attributable to larger projects. The change in deferred tax is attributable to the unrealised changes in value. Current tax was SEK -3 million (-18) and deferred tax was SEK -133 million (-33).



The tenant Marie Andersson, Ingmar Inredning, with property technician Isak Borgström in Skellefteå.

Our tenants

Tenants

Our tenant base is well diversified geographically and in terms of industry. There were 2,878 premises leases (2,900) and there were 1,850 residential leases (1,724). The ten largest tenants represent 17 per cent (16) of Diös' total contracted rental income. At 31 March, 31 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.

Net leasing

Net leasing for the period was SEK -5 million (31). A large vacating termination during the period was Luleå Municipality in Luleå of SEK -4 million, with relocation in 2025. Noteworthy new leasing during the period were to Tieto Sweden AB in Skellefteå, DoSpace Gävle AB in Gävle, Showify AB in Sundsvall and Samhall AB in Östersund.

Lease term

The average lease term for commercial premises at 31 March was 3.9 years (3.8).

Vacancies

At 31 March, the economic vacancy rate was 9 per cent (9) while the vacant area was 13 per cent (14). Adjusted for project-related and non-leasable vacancies, the physical vacancy rate was 111 per cent. Economic vacancies are highest in office and retail premises while physical vacancies are highest in office and industrial/warehouse premises. The economic vacancy rate for the period, excluding discounts, was 9 per cent (9).

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

Our largest tenants

TENANTS AT 31 MARCH 2021	No. of contracts	Annual contract value, SEK '000	Average contract term ¹ , years
Swedish Transport Administration	25	72,939	8.5
Swedish Police Authority	34	36,130	8.4
Östersund Local Authority	103	34,341	2.0
Swedish Public Employment Service	33	30,515	2.5
Falun Local Authority	10	27,402	8.4
Swedish Social Insurance Agency	26	27,135	3.7
Ahléns AB	5	22,712	4.1
Swedbank AB	13	21,603	3.1
Telia Sverige AB	32	21,486	8.1
Internationella Engelska Skolan	8	18,812	9.7
Total, largest tenants	289	313,075	6.3

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

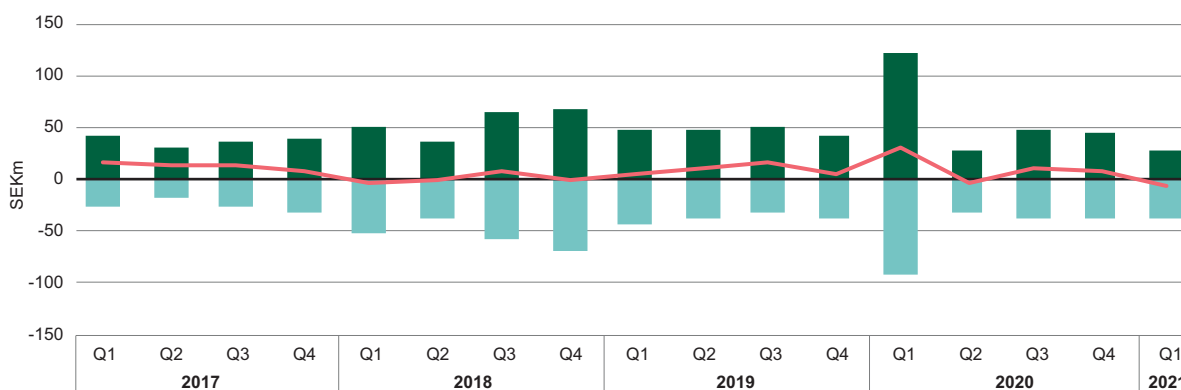
¹ Includes contracts with completion dates in the future.

Leases and maturities

	Number contracts	Contract value, SEKm	Share of value, %
Leases for premises, maturity year			
2021	612	136	7
2022	839	377	20
2023	626	329	18
2024	545	367	20
2025+	256	445	24
Total	2,878	1,654	89
Residential	1,850	153	8
Other leases ¹	3,180	59	3
Total	7,908	1,866	100

¹ Other leases refer mainly to garage and parking spaces.

Net leasing



■ New contracts ■ Terminated contracts — Net leasing



Tenant Mattias Forsberg, Humblebrag, together with Tobias Norestrand manager in Borlänge.

Balance sheet and equity

Condensed consolidated balance sheet, SEK million

ASSETS	Note	2021 31 Mar	2020 31 Mar	2020 31 Dec
Investment properties	11	25,340	23,229	24,512
Other non-current assets		72	85	74
Current receivables		425	357	304
Cash and cash equivalents	14	-	40	-
TOTAL ASSETS		25,837	23,711	24,890
EQUITY AND LIABILITIES				
Equity	12	9,669	8,646	9,148
Deferred tax liability		1,833	1,567	1,699
Interest-bearing liabilities	13	13,463	12,760	13,247
Overdraft facilities	14	143	-	63
Non-current lease liability		54	57	55
Current liabilities		675	681	678
TOTAL EQUITY AND LIABILITIES		25,837	23,711	24,890

Condensed statement of changes in equity, SEK million

	Equity	Of which attributable to shareholders of the parent company	Of which attributable to non- controlling interests
Equity, 31 Dec 2019	8,484	8,426	58
<i>Profit for the period after tax</i>	189	190	-1
Comprehensive income for the period	189	190	-1
<i>Share-buy-backs</i>	-29	-29	-
Equity, 31 Mar 2020	8,646	8,589	57
<i>Profit for the period after tax</i>	724	724	-
Comprehensive income for the period	724	724	-
<i>Dividend</i>	-221	-221	-
Equity, 31 Dec 2020	9,148	9,091	57
<i>Profit for the period after tax</i>	522	517	5
Comprehensive income for the period	522	517	5
Equity, 31 Mar 2021	9,669	9,607	62

Columns/rows may not add up due to rounding.

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 92 per cent (93) commercial properties and 8 per cent (7) residential properties based on rental value by type of premises.

PROPERTY PORTFOLIO

	31 Mar 2021	31 Mar 2020
	SEKm	SEKm
Investment properties	22,790	21,855
Project properties	2,463	1,370
Development rights	87	4
	25,340	23,229

Property value

At each closing date, all properties are measured at fair value. The aim is to determine the properties' individual values in a sale executed through a structured transaction between market players. Any portfolio effects are thus not taken into account. Diös' property portfolio is divided into a main portfolio and a subsidiary portfolio. The main portfolio comprises around 70 per cent of the property value, or SEK 17,752 million, and 129 properties. The valuation method requires that an external valuation of the entire main portfolio be made each year. The external valuation is made by valuation consultants Savills, who assess 25 per cent of the main portfolio each quarter. The remaining portion is valued internally. All properties in the main portfolio are also physically inspected by Savills for a three-year period. In addition to the regular inspections, physical visits are also made after major changes. Properties in the secondary portfolio are valued internally with assistance from Savills. All property valuations are based on a number of assumptions about the future and the market. Savills' calculations thus have an uncertainty range of +/-7.5 per cent. For Diös, this translates into a value range of SEK 23,440 million – SEK 27,241 million. No changes in terms of valuation methodology or approach were made during the year. The valuations were made in accordance with IFRS 13 level 3. For more information, see Note 11 in the Annual Report 2020.

VALUATION ASSUMPTIONS PER PROPERTY CATEGORY

	31 Mar 2021					31 Mar 2020				
	Office	Retail	Residential	Industrial/warehouse	Other	Office	Retail	Residential	Industrial/warehouse	Other
Rental value, SEK per sq.m	1,455	1,579	1,279	554	1,125	1,421	1,586	1,269	517	1,089
Operations & maintenance, SEK per sq.m	341	444	415	210	346	337	454	412	207	340
Yield for assessing residual value, %	5.6	5.9	4.6	7.3	6.1	5.8	6.0	4.9	7.8	6.3
Cost of capital for discounting to present value, %	7.2	7.8	6.3	9.2	7.9	7.8	8.1	6.9	10.0	8.4
Long-term vacancy, %	4.8	3.9	1.9	13.6	5.1	4.8	3.8	2.0	14.9	5.2

The valuation model is based on a forecast period that ranges from five to ten years, but is generally five years, and a long-term inflation rate of 2 per cent.

AVERAGE DIRECT RETURN REQUIREMENT PER PREMISES TYPE

	31 Mar 2021	31 Mar 2020
	%	%
Office	5.6	5.8
Retail	6.3	6.3
Residential	3.9	4.3
Industrial/warehouse	6.7	6.9
Other business	6.0	6.1

CHANGE IN PROPERTY VALUE

	31 Mar 2021		31 Mar 2020	
	SEKm	Number of	SEKm	Number
Value of property portfolio, 1 Jan	24,512	329	22,885	333
Acquisitions	112	2	-	-
Investments in new builds, extensions and conversions	298		334	
Sales	-	-	-	-
Unrealised changes in value	418		10	
Value of property portfolio 31 March	25,340	331	23,229	333

LIST OF PROPERTY TRANSACTIONS JANUARY–MARCH 2021

Acquired and completed

Property	Quarter	City	Area, sq.m	Price ¹ , SEKm
Spaken 2 and 4	1	Umeå	6,304	112
Total			6,304	112

¹ Underlying property value.

During the period, no properties were vacated.

► 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	515,602	-514,378	257,701	-257,580	120,260	-120,114	36,814	-36,834	92,969	-92,932	1,023,346	-1,021,838
Operations & maintenance, +/- SEK 25 per sq.m	-314,881	314,859	-156,043	156,043	-64,198	64,193	-24,496	24,489	-59,502	559,494	-619,120	618,808
Yield, +/- 0.5%	-1,041,146	1,261,068	-493,320	590,724	-199,931	250,962	-21,024	24,567	-127,221	151,922	-1,882,642	2,279,243
Cost of capital, +/- 0.5%	-317,645	328,739	-166,874	172,927	-43,298	44,498	-7,009	7,222	-42,379	43,861	-577,205	597,247
Long-term vacancy rate, +/- 1%	-140,088	136,841	-73,997	70,672	-25830	16,500	-4,199	4,199	-18,973	18,543	-263,087	246,755

Investments

We invest continually in our properties to improve, adapt and increase the efficiency of our tenants' premises. During the period, our investments helped to increase the value of the portfolio by SEK 298 million (334).

Improvement, new builds and tenant adaptations

Our investments in our existing portfolio comprise new builds, conversions and extensions as well as energy-saving measures. The investments result in a higher occupancy rate, increased customer satisfaction, lower costs and a reduced impact on the environment. During the year, SEK 298 million (334) was invested in a total of 428 projects (646). At the end of the period, 33 major¹ project was ongoing, with a remaining investment volume of SEK 1,113 million and a total investment volume of SEK 2,773 million. During the year, decisions were made on 98 new investments. The return on completed investments for the period was 9.0 per cent on the invested amount while the return on our ongoing projects was 5.5 per cent.

¹Initial investment volume > SEK 6 million.

INVESTMENTS	31 Mar 2021	31 Mar 2020
Investments in new builds	67	105
Investments in improvement properties	52	40
Investments in tenant adaptations	179	189
Total	298	334

Projects in progress and development rights

Projects in progress comprise approximately 100,000 sq.m. In addition to this, we have identified around 200,000 sq.m of gross floor space that can be used to create both residential and commercial premises.

PROJECT DEVELOPMENT

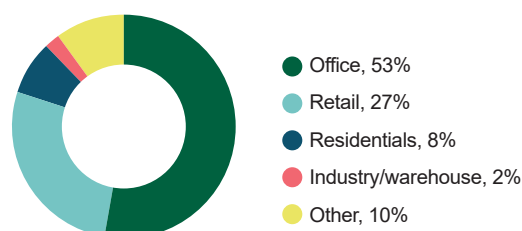
Projects refer to the creation of new spaces, property improvement refers to investments in existing properties in the form of conversions and extensions as well as energy-saving measures.

Type	City	Property	Property type	Leasable area, sq.m	Occupancy rate, %	Planned investment, SEK million	Rental value, SEK thousand	Start of construction	Estimated completion	Environmental category
New build	Sundsvall	Noten 9	Hotel	14,350	100	444	27,084	Q1 2019	Q3 2021	BREEAM SE Very good
New build	Umeå	Magne 4	Hotel	14,500	100	410	26,195	Q1 2019	Q3 2022	BREEAM SE Very good
Improvement	Borlänge	Intagan 1	Office	31,000	100	500	47,481	Q1 2020	Q3 2022	BREEAM In-use Very good
New build	Umeå	Stigbygelh 2	Office	9,646	100	350	20,854	Q2 2020	Q3 2022	BREEAM SE Very good
Improvement	Borlänge	Mimer 1	Education/training	11,175	100	344	22,685	Q3 2020	Q3 2022	BREEAM In-use Very good
Improvement	Sundsvall	Lyckan 6	Office	3,883	100	107	8,931	Q4 2020	Q4 2021	

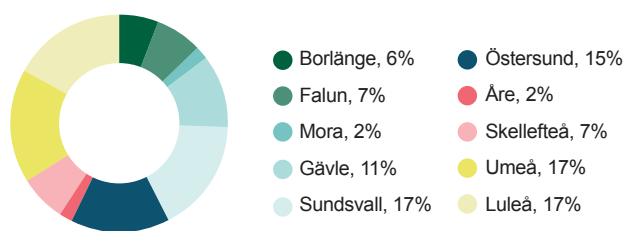
 Tenants in the central, regional or local government sectors.

Projects with an initial investment volume >SEK 100 million.

Property value per category



Property value per city





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



Hotel, Magne 4, Umeå. Tenant: Choice Hotels



Education, Mimer 1, Borlänge. Tenant: Dalarna University



Hotel, Noten 9, Sundsvall. Tenant: Choice Hotels



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



Offices, Lyckan 6, Sundsvall. Tenant: Tele2

► Comments on the balance sheet, continued

Capital structure

At 31 March 2021, 37 per cent (37) of Diös' total assets of SEK 25,837 million was funded through equity, 52 per cent (54) through debt securities and 11 per cent (9) through other items.

Note 12 Equity

At 31 March, equity was SEK 9,669 million (8,646). The equity ratio was 37.4 per cent (36.5), which exceeds the target of 35 per cent.

Note 13 Interest-bearing liabilities

Interest-bearing liabilities in the Group were SEK 13,463 million (12,760). Of total interest-bearing liabilities, SEK 10,212 million (9,539) refers to bank financing, SEK 1,029 million (1,248) to covered bonds and SEK 2,225 million (1,975) to commercial paper. The accrued cost of the commercial paper is SEK 2,222 million (1,973). At the end of the period, the loan-to-value ratio in the Group was 53.7 per cent (54.8). The average annual interest rate, including the cost of derivatives and loan commitments, was 1.1 per cent (1.3) and the interest coverage ratio for the period was 6.3 times (6.1).

Derivatives

Out of the Group's total interest-bearing liabilities, SEK 5,750 million (4,000) has been hedged through derivatives. At 31 March 2021, the market value of the derivative portfolio was SEK 11.6 million (0). 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 23 in the Annual Report 2020). Changes in value are recognised through profit or loss. For financial instruments not measured at fair value in the balance sheet fair values do not differ materially from the carrying amounts, either because interest receivable or payable is close to the current market interest rates or because the instruments are short-term.

Interest and loan maturity structure at 31 March 2021

Maturity year	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average annual interest rate ¹ , %	Credit agreements, SEKm	Drawn, SEKm
2021	6,703	0.9	2,159	1,874
2022	4,106	1.2	6,980	5,096
2023	1,049	1.0	3,171	3,171
2024	1,608	1.2	1,862	1,562
>2025	-	-	1,764	1,764
Total	13,466	1.1	15,935	13,466
Undrawn credit facilities ²	2,469	0.1		
Financial instruments	5,750	0.0		
Total		1.1		

¹ Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding liability as at 31 March 2021.

² The cost of undrawn credit facilities affects the average annual interest rate by 0.07 percentage points.

SENSITIVITY ANALYSIS	If market interest rates increase by 1 percentage point			
	AT 31 MARCH 2021	Change in annual average interest rate, %	Change in annual average interest expense, SEKm	Change in market value, SEKm
Loan portfolio excl. derivatives		0.8	+109	
Derivatives portfolio		-0.3	-45	+141
Loan portfolio incl. derivatives		0.5	+64	+141

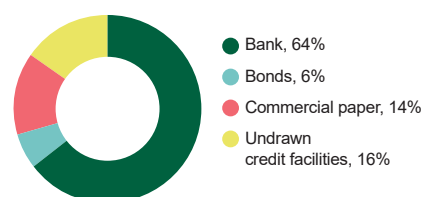
Fixed-rate terms and loan maturities

The average fixed-rate term, including derivatives, was 1.3 years (0.4) and the average loan maturity 2.4 years (3.2). Of the Group's outstanding loans, SEK 2,525 million (2,804) is subject to fixed interest rates, of which SEK 2,225 million (1,975) 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 0 million (40) and drawn overdraft facilities were SEK 143 million (0). The agreed limit on the overdraft facility was SEK 600 million (600).

BREAKDOWN OF INTEREST-BEARING FINANCING



Derivative contracts as at 31 December 2021

Type	Nominal value, SEK million	Remaining maturity, years	Swap rate, %	Rate cap, %	Market value, SEKm
Interest rate swaps	1,000	3.7	0.05	-	4.4
Interest rate swaps	1,000	2.2	0.09	-	1.2
Interest rate swaps	1,000	2.7	-0.05	-	1.4
Interest rate swaps	500	3.2	-0.02	-	1.4
Interest rate swaps	500	3.8	0.04	-	2.1
Interest rate swaps	500	3.3	0.00	-	1.1
Interest rate caps	1,250	0.2	-	3.0	0.0
Total	5,750	2.5	-0.02	3.0	11.6

Cash flow

Condensed consolidated cash flow statement, SEK million

	2021 3 mths Jan-Mar	2020 3 mths Jan-Mar	2020 12 mths Jan-Dec
OPERATING ACTIVITIES			
Operating surplus	290	290	1,219
Central administration	-16	-16	-71
Reversal of depreciation, amortisation and impairment	0	0	1
Interest received	0	1	6
Interest paid	-40	-42	-196
Tax paid	-3	-18	-75
Cash flow from operating activities before changes in working capital	231	216	884
Changes in working capital			
Decrease (+)/increase (-) in receivables	-112	-136	-80
Decrease (-)/increase (+) in current liabilities	-6	-182	-91
Total changes in working capital	-118	-318	-171
Cash flow from operating activities	113	-102	713
INVESTING ACTIVITIES			
Investments in new builds, conversions and extensions	-298	-238	-1,518
Acquisition of properties	-112	-	-38
Sale of properties	-	-	141
Cash flow from investing activities	-410	-238	-1,415
FINANCING ACTIVITIES			
Dividends paid	-	-	-221
Share-buy-backs	-	-29	-29
New borrowing, interest-bearing liabilities	236	622	1,202
Repayment and redemption of interest-bearing liabilities	-19	-7	-107
Change in overdraft facility	80	-206	-143
Cash flow from financing activities	297	380	702
Cash flow for the period	0	40	0
Cash and cash equivalents at beginning of period	0	0	0
Cash and cash equivalents at end of period	0	40	0

Columns/rows may not add up due to rounding.

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

2021

By business unit	Dalarna	Gävle	Sundsvall	Åre/Östersund	Umeå	Skellefteå	Luleå	Group
Rental income	59	42	55	63	52	26	63	360
Service income								
Tariff-based operations	14	7	12	16	9	6	12	76
Care and upkeep	6	4	6	11	8	3	9	47
Other income								
Repair and maintenance	-2	-1	-1	-3	-1	0	-2	-10
Tariff-based costs	-14	-6	-12	-16	-9	-6	-10	-72
Property tax	-3	-3	-4	-4	-4	-2	-5	-26
Other property costs	-9	-6	-10	-13	-11	-3	-14	-67
Property management	-3	-2	-2	-4	-2	-1	-3	-18
Operating surplus	47	35	44	50	41	23	50	290
Central administration/net financial items	-	-	-	-	-	-	-	-59
Property management income	-	-	-	-	-	-	-	231
Property, realised	-	-	-	-	-	-	-	-
Property, unrealised	117	32	117	97	8	32	15	418
Interest rate derivatives	-	-	-	-	-	-	-	9
Profit before tax	-	-	-	-	-	-	-	658
Leasable area, sq.m	277,782	160,604	202,945	291,478	203,888	116,016	206,687	1,459,400
Rental value	87	58	82	99	75	38	87	526
Economic occupancy rate, %	91	92	89	91	92	92	97	90
Surplus ratio, %	60	66	60	55	59	65	60	61
Property portfolio, 1 January	3,581	2,617	4,165	4,111	4,076	1,687	4,275	24,512
Acquisitions	-	-	-	-	112	-	-	112
Investments in new builds, extensions and conversions	78	28	62	19	88	9	14	298
Sales	-	-	-	-	-	-	-	-
Unrealised changes in value	117	32	117	97	8	32	15	418
Property portfolio 31 March	3,776	2,677	4,344	4,227	4,283	1,728	4,304	25,340

Columns/rows may not add up due to rounding.



2020

By business unit	Dalarna	Gävle	Sundsvall	Åre/Östersund	Umeå	Skellefteå	Luleå	Group
Rental income	63	40	56	66	52	28	66	370
Service income								
Tariff-based operations	13	6	11	14	9	5	11	69
Care and upkeep	5	4	7	9	5	2	7	39
Other income	-	-	-	-	-	-	-	-
Repair and maintenance	-3	-1	-3	-2	-1	-2	-3	-15
Tariff-based costs	-13	-6	-11	-14	-9	-5	-10	-70
Property tax	-3	-3	-4	-4	-4	-2	-5	-25
Other property costs	-9	-6	-9	-11	-9	-3	-10	-57
Property management	-3	-2	-4	-4	-3	-1	-3	-21
Operating surplus	48	31	43	53	40	22	52	290
Central administration/Net financial items	-	-	-	-	-	-	-	-61
Property management income	-	-	-	-	-	-	-	229
Property, realised	-	-	-	-	-	-	-	-
Property, unrealised	10	2	-4	20	-19	9	-8	10
Interest rate derivatives	-	-	-	-	-	-	-	1
Profit before tax	-	-	-	-	-	-	-	240
Leasable area, sq.m	277,782	160,604	233,490	291,478	200,829	113,157	205,440	1,482,780
Rental value	87	57	85	96	72	37	87	520
Economic occupancy rate, %	92	86	87	91	89	95	94	91
Surplus ratio, %	63	66	60	61	65	64	66	62
Property portfolio, 1 January	3,197	2,468	3,803	3,828	3,789	1,590	4,210	22,885
Acquisitions	-	-	-	-	-	-	-	-
Investments in new builds, extensions and conversions	37	46	97	49	65	8	32	334
Sales	-	-	-	-	-	-	-	-
Unrealised changes in value	10	2	-4	20	-19	9	-8	10
Property portfolio 31 March	3,244	2,516	3,896	3,897	3,835	1,607	4,234	23,229

Columns/rows may not add up due to rounding.



Tenant Jonas Svedin, Gullers Grupp, together with manager Maryanne Karlsson, Sundsvall.

Financial key ratios

The interim reports uses non-IFRS KPIs. We consider that these measures provide valuable additional information for investors, analysts and the company's management, as they enable the evaluation of relevant trends and the company's performance. As not all companies calculate financial measures in the same way, these are not always comparable with the measures used by other companies. These financial measures should therefore not be viewed as substitutes for IFRS-defined measures. The following table presents non-IFRS measures unless otherwise stated. Definitions of these measures are provided on page 31 and in the descriptions of the purpose of the various KPIs in the annual report for 2020. The financial targets for 2021 adopted by the Board are presented on page 27 of this report.

Figures refer to SEK million unless otherwise indicated.

	2021 3 mths Jan-Mar	2020 3 months Jan-Mar	2020 12 mths Jan-Dec
Share information			
Number of shares outstanding at end of period (thousands)	134,071	134,071	134,071
Average number of shares ('000)	134,071	134,450	134,166
<i>There is no dilutive effect, as no potential shares (such as convertibles) exist.</i>			
Property management income			
Profit before tax	658	240	1,152
Reversal			
Change in value, properties	-418	-10	-194
Change in value, derivatives	-9	-1	0
Property management income	231	229	958
EPRA earnings (property management income after tax)			
Property management income	231	229	958
Current tax attributable to property management income	-3	-20	-29
Profit attributable to non-controlling interests	-5	-1	1
EPRA earnings	223	208	930
EPRA earnings per share, SEK	1.66	1.55	6.93
Loan-to-value ratio			
Interest-bearing liabilities	13,463	12,760	13,247
Reversal			
Cash and cash equivalents	0	-40	0
Drawn overdraft facilities	143	0	63
Net debt	13,606	12,720	13,310
Investment properties	25,340	23,229	24,512
Loan-to-value ratio, %	53.7	54.8	54.3
Equity ratio			
Equity	9,669	8,646	9,148
Total assets	25,837	23,711	24,890
Equity ratio, %	37.4	36.5	36.8
Interest coverage ratio			
Property management income	231	229	958
Reversal			
Financial costs	43	45	191
Total	274	274	1,149
Financial costs	43	45	191
Interest coverage ratio, times	6.3	6.1	6.0



	2021 3 mths Jan-Mar	2020 3 months Jan-Mar	2020 12 mths Jan-Dec
Net debt to EBITDA			
Interest-bearing liabilities	13,463	12,760	13,247
Cash and cash equivalents	0	-40	0
Overdraft facilities	143	-	63
Net debt	13,606	12,720	13,310
Operating surplus rolling 12 months	1,219	1,209	1,219
Central administration rolling 12 months	-76	-73	-76
Reversal			
Depreciation and amortisation rolling 12 months	5	5	5
EBITDA	1,148	1,141	1,148
Net debt to EBITDA	11.9	11.1	11.6
EPRA NRV/NTA			
Equity	9,669	8,646	9,148
Equity relating to non-controlling interests	-62	-57	-57
Reversal			
Fair value of financial instruments	-12	-1	-3
Deferred tax on temporary differences	1,721	1,477	1,592
EPRA NRV	11,317	10,065	10,680
EPRA NRV per share	84.4	75.1	79.7
Deductions:			
Fair value of financial instruments	12	1	3
Estimated actual deferred tax on temporary differences, approx. 4% ¹	-321	-276	-297
EPRA NTA	11,008	9,790	10,386
EPRA NTA per share	82.1	73.0	77.5
EPRA NDV			
Equity	9,669	8,646	9,148
Equity relating to non-controlling interests	-62	-57	-57
EPRA NDV	9,607	8,589	9,091
EPRA NDV per share	71.7	64.1	67.8

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

> Financial KPIs, continued

	2021 3 mths Jan-Mar	2020 3 mths Jan-Mar	2020 12 mths Jan-Dec
OTHER KPIS			
Return on equity, %	5.5	2.2	10.4
Equity per share, SEK	72.1	64.5	68.2
Earnings per share, SEK	3.86	1.42	6.81
Cash flow per share, SEK			
Profit before tax	658	240	1,152
Reversal			
Unrealised change in value, properties	-418	-10	-198
Unrealised change in value, derivatives	-9	-1	0
Depreciation and amortisation	1	1	5
Current tax	-3	-18	-75
Total	229	212	884
Average number of shares ('000)	134,071	134,450	134,166
Cash flow per share, SEK	1.70	1.58	6.58
Net leasing, SEK million			
Newly signed contracts			
Terminated contracts			
Net leasing			
OTHER INFORMATION			
Contracted rental income, SEKm	475	471	1,834
Economic occupancy rate, %	90	91	89
Surplus ratio, %	61	62	66
Debt/equity ratio, times	1.4	1.5	1.4
EPRA vacancy rate			
Estimated market rent for vacant space	189	183	177
Annualised rental value for the whole portfolio	2,042	2,018	2,070
EPRA vacancy rate, %	9.3	9.0	8.6



Tenant Anders Nilsson, Nestorville, together with manager Emma Widegren, Östersund.

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 43 million (48) and the profit after tax was SEK 13 million (15). Income referred chiefly to services sold to the Group's subsidiaries. Cash and cash equivalents were SEK 0 million (13) at 31 March 2021 and drawn overdraft facilities were SEK 160 million (0). External interest-bearing liabilities, excluding

overdraft facilities, totalled SEK 3,794 million (2,791), of which SEK 2,222 million (1,973) referred to outstanding commercial paper. The average annual interest rate based on the situation at 31 March 2021 amounted to 1.2 per cent (1.3). 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, SEK million

	2021 3 months Jan-Mar	2020 3 months Jan-Mar	2020 12 months Jan-Dec
INCOME STATEMENT			
Revenue	43	48	181
Gross profit	43	48	181
Central administration	-49	-53	-217
Operating profit	-6	-5	-36
Income from interests in Group companies	0	0	154
Financial income	95	88	367
Financial costs	-76	-68	-296
Profit after financial items	13	15	189
Appropriations	-	-	-7
Profit after appropriations	13	15	182
Current tax	-	-	-5
Profit after tax	13	15	177
STATEMENT OF COMPREHENSIVE INCOME			
Profit after tax	13	15	177
Comprehensive income for the year	13	15	177

Condensed parent company balance sheet, SEK million

	2021 31 Mar	2020 31 Mar	2020 31 Dec
ASSETS			
Investments in Group companies	2,265	2,263	2,265
Receivables from Group companies	15,167	13,962	14,983
Other assets	24	23	17
Cash and cash equivalents	-	13	-
TOTAL ASSETS	17,456	16,261	17,265
EQUITY AND LIABILITIES			
Equity	2,954	3,000	2,941
Untaxed reserves	16	8	16
Provisions	1	-	1
Interest-bearing liabilities	3,794	2,791	3,401
Liabilities to Group companies	10,490	10,421	10,777
Overdraft facilities	160	-	83
Other liabilities	41	41	46
TOTAL EQUITY AND LIABILITIES	17,456	16,261	17,265



Other information

Employees and organisation

The number of employees on 31 March was 151 (159), of whom 65 were women (67). The majority of our employees, 100 people (104), work in our business units and the rest at our head office in Östersund. Our new Pick-Pack-Post concept currently employs four people (2), all women (2).

Risks and uncertainties

Effects of Covid-19

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

The effects of Covid-19 restrictions or measures can affect us in the following ways:

- Monthly rather than quarterly payments affect liquidity.
- Restrictions on gatherings and travel can have a negative impact on the tourism and hospitality industry. This could affect sales and therefore have an impact on turnover leases. Leases with a turnover-based element almost always have a base rent. The proportion of leases with a turnover-based element is around 6 per cent of contracted rental income.
- The Swedish Parliament decided to allow continued rental assistance for the period January to March 2021. No rental assistance was paid as rental assistance for the period cannot be applied for until 3 May 2021. It is assessed that this rental assistance will have a marginal effect on earnings.

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	23,440	25,340	27,241
Equity ratio, %	32.5	37.4	41.7
Loan-to-value ratio, %	58.0	53.7	49.9

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%	+/-18
Economic occupancy rate	+/- 1 percentage point	+/-20
Property costs	-/+ 1%	+/-7
Interest rate on interest-bearing liabilities	-/+ 1 percentage point	+/-141

¹ Annualised.

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

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

No material changes in the assessment of risks have been occurred since the publication of the annual report for 2020, except the risks relating to Covid-19 described above. For more information on risks and risk management, see Diös' annual report for 2020, pages 60-62, 76 and 80.

Related-party transactions

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

Seasonal variations

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

Accounting policies

Diös complies with EU-adopted IFRS standards and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The report for the parent company is prepared in accordance with RFR 2 Financial Reporting for Legal Entities and the Swedish Annual Accounts Act. All property-related transactions in the first quarter have been recognised based on calculations of the preliminary consideration. The final purchase consideration calculation will be obtained during the second quarter of 2021. 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 2020¹, 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 2020 is available at www.dios.se.

Summary of quarterly results

	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue, SEKm	483	472	478	450	478	468	464	464
Operating surplus, SEKm	290	295	335	299	290	292	312	315
Property management income, SEKm	231	229	271	229	229	231	252	257
Profit for the period, SEKm	522	438	229	57	189	258	299	263
Surplus ratio, %	61	63	72	69	62	64	68	69
Economic occupancy rate, %	90	90	90	84	91	90	90	90
Return on equity, %	5.5	4.8	2.6	0.7	2.2	3.1	3.6	3.3
Equity ratio, %	37.4	36.8	36.0	35.5	36.5	36.6	36.4	35.8
Property loan-to-value ratio, %	53.7	54.3	55.2	54.9	54.8	54.0	53.6	54.5
Average interest rate at end of period, % ¹	1.1	1.2	1.2	1.3	1.3	1.2	1.2	1.2
Interest coverage ratio, times	6.3	6.1	6.7	5.3	6.1	6.5	6.6	7.1
Property management income per share, SEK	1.72	1.70	2.02	1.71	1.70	1.72	1.87	1.91
Earnings per share after tax, SEK	3.86	3.26	1.72	0.42	1.42	1.92	2.19	1.93
Equity per share, SEK	72.1	68.2	65.0	63.3	64.5	63.1	61.1	58.9
Market price per share, SEK	71.8	76.8	63.5	62.3	66.3	85.8	85.9	68.7

¹ Includes expenses relating to commitment fees and derivatives.

Goal

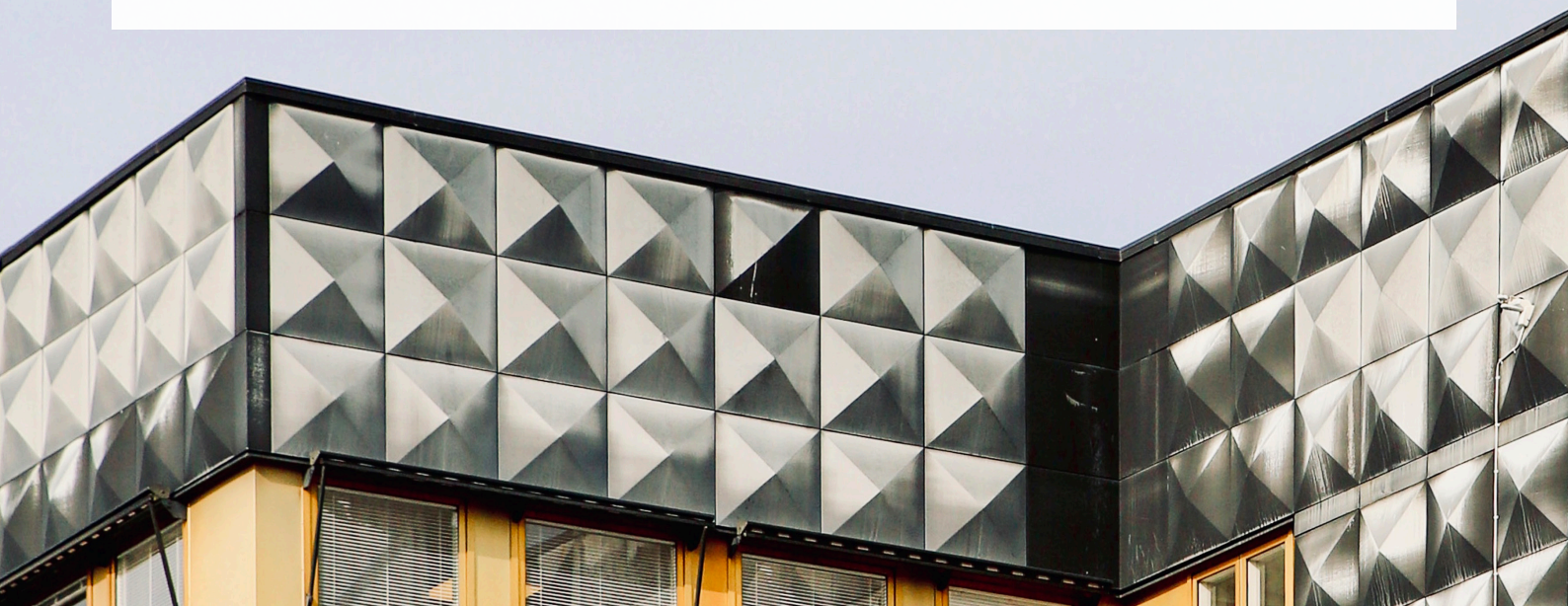
OPERATIONAL AND FINANCIAL TARGETS

	Outcome Q1 2021	Target 2021
Growth in property management income per share, %	-1 ¹	10 ²
Energy use, %	-6	-3
Return on equity, annualised, %	13.9 ¹	>12
Distribution of profit for the year ³ , %	50.3	~50
Loan-to-value ratio, %	53.7	<55
Equity ratio, %	37.4	>35

¹ Rolling 12 months

² The growth in property management income per share will be 10 per cent on average during the period 2021-2023.

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



Three reasons to invest in Diös



A unique position

We are the market-leading property owner in our cities. Our position gives us a unique opportunity to influence the development of the city. Together with the local authority and other players, we drive growth that increases occupancy rates, rental income and the value of our properties.



Strong and stable cash flows

Our well diversified portfolio, with a good mix of tenants, generates stable revenue streams. Of total revenues, 31 per cent comes from tax-funded activities and 8 per cent from residential properties. This ensures secure, stable revenues with a total yield of around 6 per cent.



A value-creating project portfolio

We develop new and existing commercial premises as well as housing. This increases the value of our properties, boosts cash flows and increases the flow of people in the city. This creates attractive spaces that have a positive impact on neighbouring businesses. We have 100,000 sq.m under construction and a further 200,000 sq.m in early stages of development.



Share information

Share performance

Diös' share price at the end of the period was SEK 71.8 (66.3), which represents a market capitalisation of SEK 9,658 million (8,918), and the return for the past 12 months was -16.3 per cent (13.1). If the dividend is included, the total return on the shares for the period was -14.1 per cent (-9.8). The graph on the preceding page shows share prices for the past 12 months for both Diös and the indexes. The return on the OMX Stockholm 30 Index was 23.8 per cent (-4.6) and the return on the OMX Stockholm Real Estate PI index was -6.7 per cent (3.8).

At 31 March, Diös had 17,597 shareholders (15,987). The share of foreign-owned shares was 22.5 per cent (24.1) while the total number of shares during the period remained unchanged at 134,512,438 (134,512,438). The single largest shareholder was AB Persson Invest, with 15.4 per cent (15.4) of the shares. The ten largest shareholders accounted for 53.1 per cent (54.4) of the total number of shares and voting rights.

The Annual General Meeting 2021 resolved to authorise the company to buy back ten per cent of the total number of outstanding shares of the company. In March 2020, 441,418 shares were bought back at an average price of SEK 64.60.

No new changes of ownership were flagged during the period. The table at right presents the ten single largest shareholders in Diös Fastigheter AB.

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 the risk-free rate plus 12 per cent. The return for the last 12 month was 13.9 per cent (12.1). Equity at the end of the year was SEK 9,669 million (8,646) and the long-term net asset value, EPRA NRV, was SEK 11,317 million (10,065). On a per share basis, EPRA NRV was SEK 84.4 (75.1), which means that the share price at 31 March represented 85 per cent (88) of long-term net asset value. The net asset value per share for the period, expressed as EPRA NTA, was SEK 82.1 (73.0).

Earnings

Earnings per share for the period were SEK 3.86 (1.42) while long-term earnings per share, expressed as EPRA EPS, were SEK 1.66 (1.55). EPRA EPS, which is designed to show an entity's long-term earnings per share, is calculated as property management income after deducting 20.6 per cent corporation tax attributable to property management income less minority share of earnings.

Largest shareholders

of Diös Fastigheter AB at 31 March 2021

SHAREHOLDER	No. of shares	Capital and votes, %
AB Persson Invest	20,699,443	15.4
Backahill Inter AB	14,095,354	10.5
Nordstjeman AB	13,574,748	10.1
Pensionskassan SHB Försäkringsförening	8,096,827	6.0
Avanza Pension	3,129,928	2.3
BlackRock	2,501,105	1.9
Swedbank Robur Fonder	2,422,700	1.8
Karl Hedin	2,358,274	1.8
PriorNilsson Fonder	2,310,795	1.7
Sten Dybeck, including company and family	2,165,997	1.6
Total, largest shareholders	71,355,171	53.1
Acquisition of own shares	441,418	0.3
Other shareholders	62,715,849	46.6
TOTAL	134,512,438	100.0

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



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, 23 April 2021

Bob Persson
Chairman

Peter Strand
Board member

Eva Nygren
Board member

Ragnhild Backman
Board member

Tobias Lönnevall
Board member

Anders Nelson
Board member

Tomas Mellberg
Board member
Employee representative

Knut Rost
Chief Executive Officer

Financial calendar

Q2 Interim Report January-June 2021	5 July 2021
Q3 Interim Report January-September 2021	22 October 2021

Events after the reporting period

At the 2021 Annual General Meeting on 13 April, a resolution was passed to approve the dividends according to the Board of Directors' proposal on the following dates:

First payment date, 20 April 2021	SEK 1.65 per share
Second payment date, 4 November 2021	SEK 1.65 per share

For further information, please contact

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

This constitutes information which Diös Fastigheter AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 23 April 2021, at 7:00 a.m. CEST.

Definitions

Definitions of key ratios were changed during the period.

Number of shares at end of period

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

Return on equity

Profit for the period, on a 12-month rolling basis, attributable to parent company shareholders divided by average equity attributable to parent company shareholders. Average equity is defined as the sum of the opening and closing balance divided by two.

Loan-to-value ratio, properties

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

Yield

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

EBITDA

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

Equity per share

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

Economic occupancy rate

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

ECONOMIC VACANCY RATE

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

EPRA EARNINGS

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

EPRA NRV/Net reinstatement value per share

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

EPRA NTA/Net tangible assets per share

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

EPRA NDV/Net disposal value per share

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

EPRA VACANCY RATE

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

Property management income

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

AVERAGE NUMBER OF SHARES

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

days in the period.

Contracted rental income

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

Rental value

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

Comparable properties

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

Cash flow per share

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

Net debt

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

Net leasing

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

Project properties **NEW DEFINITION**

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.

New build

Land and properties with on-going new production/total conversion.

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 customisation

Properties with on-going conversion or adaptation of premises that is of a minor nature.

Earnings per share

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

Interest coverage ratio

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

Service income

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

Debt/equity ratio

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

Equity ratio

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

SURPLUS RATIO

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

Presentation of the interim report

Diös will present the interim report for January-March to investors, analysts, the media and other stakeholders **on 23 April 2021 at 9:00 a.m.**

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

The details and a telephone number for the teleconference are available on: <https://investors.dios.se/English/reports-and-presentations/calendar/event-details/2021/Interim-report-Jan-Mar-2021/default.aspx>

The presentation can be viewed after the event.