



Distribution and IPO of Alcadon on Nasdaq First North

The board of DistIT AB (public) ("DistIT") has decided to propose an Extraordinary General Meeting of DistIT on September 5, 2016 to take the decision to distribute the shares in the subsidiary Alcadon Group AB (public) ("Alcadon" or the "Company") to the shareholders in DistIT. Alcadon has applied for the shares in the Company to be traded on Nasdaq First North in connection with the distribution.

Background and motive

Alcadon began operations in 1988 and since then has developed into a leading distributor of products and systems for data and telecommunications in the Nordic countries, with over 4,000 products for network infrastructure and with more than 3,000 active customers, including installation engineers, systems integrators and network owners.

Alcadon was acquired by DistIT in the autumn of 2012 and has since experienced strong sales and earnings. The company continues to see significant growth opportunities both organically in the existing market in the Nordic countries, as well as through strategic acquisitions that either complement or expand the business.

The Boards of DistIT and Alcadon consider that a distribution and IPO of Alcadon will provide optimum conditions for the Company's continued development and will generate added value for the shareholders.

A separate listing on Nasdaq First North represents a mark of quality that is expected to further strengthen Alcadon's position among both customers, suppliers and other partners, as well as in the recruitment of staff. It will also contribute to an increased interest in the Company on the stock market, in the media and among other stakeholders.

"Alcadon consistently continues to deliver solid sales results in our various branches in Sweden and Norway, entirely according to plan. Together with the other employees, I look forward with confidence to our IPO on Nasdaq First North. It is gratifying that everyone at ALCADON, who have worked together for a long time, can now take this step together, which has been made possible during the period with DistIT ", says Pierre Fors, CEO of ALCADON.

"The acquisition of Alcadon was a good business decision for DistIT" says Siamak Alian, CEO of DistIT. Since autumn 2012, the company has seen very good development. I am convinced that an IPO of Alcadon will give the company the ideal conditions and continued good development. Ultimately, we do this is to create shareholder value for DistIT's shareholders, in the same way as the division of IAR and DistIT in the spring of 2011 thus far has been a very successful structure for both companies as well as its shareholders."

Extraordinary General Meeting of DistIT

The distribution requires that the Extraordinary General Meeting of DistIT on September 5, 2016, in accordance with the Board's proposal, decides to distribute the shares in the subsidiary Alcadon Group AB



(public) to the shareholders of DistIT. The distribution will take place in accordance with the so-called Lex Asea rules, which means that the shares will be distributed pro rata to DistIT's shareholders and is tax-exempt in Sweden. For every DistIT share, one Alcadon share is obtained.

The distribution is subject to the Extraordinary General Meeting of DistIT approving, according to the so-called Leo rules, the decision proposed to be taken at the Extraordinary General Meeting of Alcadon Group AB (public) on September 5, 2016 regarding the acquisition of the remaining minority stake of 20 percent in the subsidiary Alcadon Intressenter AB from Alcadon Team Invest AB, which is a company jointly owned by the company management and other employees in Alcadon. Payment for the acquired shares shall be made through an issue in kind of 3,070,490 shares.

The transaction means that the operating business in the Alcadon Group will be 100 percent owned by the parent company Alcadon Group AB (public), and that the company management and other employees of Alcadon, through the jointly owned Alcadon Team Invest AB will, initially following a distribution from DistIT, be Alcadon's largest shareholder with 20 percent of the shares and the votes in the Company. After the issue in kind, the share capital in Alcadon will amount to 624, 999.99 SEK, divided into 15,352,451 shares.

For further information, see the notice to attend the Extraordinary General Meeting of DistIT, which has been announced separately.

Important dates

| | |
|--------------|--|
| 5 September | Extraordinary General Meeting of DistIT |
| 6 September | Final day of trading in DistIT shares including the right to receive shares in Alcadon |
| 7 September | First day of trading in DistIT shares excluding the right to receive shares in Alcadon |
| 8 September | Record day for the distribution of Alcadon shares |
| September 14 | Preliminary first day of trading in Alcadon shares on Nasdaq First North |

Record day

The record day for distribution is September 8, 2016. This means that anyone who, on the record date, is registered in the Euroclear Sweden AB ("Euroclear") shareholder register of DistIT shareholders will receive Alcadon shares. For each (1) DistIT share, one (1) Alcadon share is obtained. September 6 2016 is the final day of trading in DistIT shares, including the right to distribution. From September 7, 2016 shares traded in DistIT exclude the right to obtain Alcadon shares.

Receiving shares in Alcadon

If the Extraordinary General Meeting of DistIT decides to distribute the shares in Alcadon, DistIT shareholders do not need to take any action to receive shares in Alcadon.

Directly registered shareholders

Alcadon shares will be available at the shareholders' securities accounts, two banking days after the record day. Euroclear will send out a securities notification with information about the number of shares received.



Nominee shareholders

Shareholders who use a bank or other trustee as nominee shareholder for their holdings in DistIT will not receive a securities notification from Euroclear showing the number of shares received in Alcadon. Instead nominee shareholders receive a special notification in accordance with their respective procedures.

Distribution according to Lex Asea

The distribution of shares in Alcadon is intended to take place in accordance with the so-called Lex Asea rules. DistIT's view is that all conditions according to Lex Asea rules are met, which means that no immediate taxation will arise from the distribution. From a taxation perspective, the acquisition value of shares in DistIT eligible for the distribution should instead be allocated across DistIT shares and Alcadon shares. Distribution is based on the change in value of the shares in DistIT AB that the distribution gives rise to. DistIT intends to apply for a recommendation at Skatteverket (The Swedish Tax Agency) regarding the allocation of the acquisition value. Information about the allocation is expected to be available on each company's website as well as on Skatteverket's website, www.skatteverket.se.

Listing of Alcadon on Nasdaq First North

The Board of Alcadon has applied for admission to trade the Company's shares on Nasdaq First North. An approval from Nasdaq will be subject to the Extraordinary General Meeting of DistIT deciding on the distribution, and that the distribution requirement is fulfilled when trading begins. The first day of trading is planned for September 14, 2016. In accordance with Nasdaq First North's rules and regulations, a company description will be prepared prior to the listing. Alcadon's share has the ISIN code SE0008732218 and will be traded on Nasdaq First North under the abbreviation ALCA.

About Alcadon

Since the beginning of 1988, Alcadon AB has established itself as a leading supplier of data and telecommunications products in Scandinavia. The company offers a wide range of high quality products and components from leading brands and their own label ECS, European Cabling Systems. The strength of Alcadon's business concept lies in extensive expertise and experience in network solutions and the technical developments in the field, combined with a strong focus on quality and service. This enables Alcadon to offer efficient overall solutions for network infrastructure to a broad customer base of network installation engineers, systems integrators and network owners

Alcadon is a well-established company with branches and warehouses in Stockholm, Malmö, Gothenburg and Oslo in order to offer customers fast deliveries and high availability. Alcadon also has sales representatives in Helsinki and Copenhagen. Sweden is Alcadon's main market and accounted for 81 percent of the sales in 2015. In 2015, the Norwegian market accounted for 19 percent of the sales.

The product portfolio includes over 4,000 products and is divided into two main areas: *Passive products* (copper and fibre cables, sockets and connectors, test instruments and tools) and *active products* (switches, converters, SFP/XFPs and wireless products, as well as technical support and training). Their own label ECS (European Cabling Systems) is a structured cable system for passive infrastructure in properties as well as industrial estates, and has been supplied in more than two million systems since 1997. In 2015, ECS accounted for 39 percent of sales.



Alcadon has approximately 40 employees and a head office in Stockholm. The majority have been employed by Alcadon for a long time, and the members of the management team have been active in the group for 20 years on average. More than half of the employees, including the management team, are shareholders in Alcadon through the jointly-owned company Alcadon Team Invest AB, and consequently have a long-term incentive to continue to develop the business.

Group structure

The Alcadon Group AB (public) is the parent company of a group that since December 21, 2015 consists of the parent company and the subsidiaries Alcadon Intressenter AB, Alcadeltaco AB and Alcadon AB. The Alcadon Group AB owns 80 percent of the shares in Alcadon Intressenter AB, which in turn owns 100 percent of the shares in Alcadeltaco AB, which owns 100 percent of the shares in Alcadon AB. Alcadon AB also has a wholly-owned subsidiary in Norway, Alcadon AS. The operating companies in the Group are Alcadon AB and Alcadon AS. Other companies in the group conduct no operations.

The Extraordinary General Meeting of Alcadon Group AB (public), on September 5, 2016 proposes to decide on the acquisition of the remaining minority stake of 20 percent in the subsidiary Alcadon Intressenter AB from Alcadon Team Invest AB, which is a company that is jointly owned by the management and other employees of Alcadon. Payment for the acquired shares shall be made through an issue in kind of 3,070,490 shares. A decision on the acquisition and the issue in kind is subject to approval by the Extraordinary General Meeting of DistIT on September 5, 2016 in accordance with the so-called Leo rules. The transaction means that the operating business in the Alcadon Group will be 100 percent owned by the parent company Alcadon Group AB (public), and that the company management and other employees of Alcadon, through the jointly owned Alcadon Team Invest AB, initially following a distribution from DistIT, will be Alcadon's largest shareholder with 20 percent of the shares and votes in the Company.

Bond loan

On June 3, 2016 Alcadon issued an unsubordinated bond loan for an amount of up to MSEK 200 million. Currently, MSEK 140 is outstanding under the bond. The bond has a floating coupon rate that amounts to 3-month Stibor + 5.50 percent and matures in three years. The bond has been traded on the Corporate Bond List on NASDAQ Stockholm. In addition to the bond loan, Alcadon has no other interest bearing liabilities. At current market rates of interest, the annual cost of interest for the bond loan amounts to MSEK 7.7 (MSEK 6.0 million after tax. This cost does not encumber earnings per share in the financial information below (the impact on earnings per share will be approximately SEK -0.39 per share for the full year 2015).

The bond loan is issued in order to allow the distribution of Alcadon from DistIT. As part of the restructuring carried out in December 2015, the subsidiary Alcadon Intressenter AB acquired all shares in Alcadeltaco AB from DistIT for approximately MSEK 190 at the end of December 2015. In connection with this, DistIT lent approximately MSEK 160 to Alcadon Intressenter AB on market terms. During the period from December 2015 to May 2016, MSEK 20 was amortized on this loan. In connection with Alcadon Group AB receiving payment of MSEK 140 under the bond loan, Alcadon Intressenter AB's loan was repaid to DistIT with funds that Alcadon Intressenter AB borrowed from Alcadon Group AB. Consequently, as of this date there is a loan of approximately MSEK 140 outstanding from Alcadon Group AB to Alcadon Intressenter AB.



About DistIT

DistIT acquires, owns and develops niche distributors in IT, mobility, consumer electronics, networks and data communication within B2B as well as B2C in the Nordic and Baltic regions. Following the distribution of Alcadon, the remaining operation in DistIT consists of SweDeltaco and Aurora. SweDeltaco's business concept is to use short delivery times and competitive prices to offer an attractive selection of IT products in the Nordic region. Aurora is a leading distributor of accessories for the consumer electronics market in northern Europe, and is represented in 10 countries. In 2015, the remaining operations in SweDeltaco and Aurora represented just over 80 percent of DistIT Group's sales and the number of employees in the remaining operations amounted to 191. The DistIT Group will continue to develop its own-label goods in parallel with the distribution of recognised, well-established brands as well as other brands. DistIT continuously evaluates possible strategic and complementary acquisitions.

Financial information

Below you will find financial information for the remaining operations in DistIT (SweDeltaco and Aurora), as well as for the operation under distribution (Alcadon). For further information, see the interim report for the period January-June 2016 for DistIT, published as of this date.

| | HALF-YEAR | | Full year JAN - DEC |
|---|-----------|--------|------------------------|
| | 2016 | 2015 | 2015 |
| Operating income (Group), MSEK | 793.7. | 715.0. | 1,574.8. |
| - of which remaining operations (SweDeltaco, Aurora), MSEK | 651.8. | 562.1. | 1,293.8. |
| - of which operations under distribution (Alcadon), MSEK | 141.9. | 152.9. | 281.0. |
| Operating profit/loss before depreciation (EBITDA), MSEK | 39.3. | 29.4. | 80.3. |
| - of which remaining operations (EBITDA), MSEK | 20.8. | 12.4. | 48.4. |
| - of which operations under distribution (EBITDA), MSEK | 18.5. | 17.0. | 31.9. |
| Profit/loss for the period, MSEK | 23.4. | 14.9. | 48.9. |
| - of which remaining operations, MSEK | 10.3. | 2.0. | 24.5. |
| - of which operations under distribution, MSEK | 13.1. | 12.9. | 24.4. |
| Earnings per share, MSEK | 1.63. | 0.99. | 3.43. |
| - of which remaining operations, SEK | 0.78. | 0.14. | 1.84. |
| - of which operations under distribution, SEK | 0.85. | 0.85. | 1.59. |
| Assets in remaining operations (SweDeltaco, Aurora), MSEK | 813.4. | | |
| Assets in operations under distribution (Alcadon), MSEK | 100.6. | | |
| Liabilities in remaining operations, MSEK | 491.9. | | |
| Liabilities in operations under distribution MSEK | 196.3. | | |

Equity in the Alcadon Group, after distribution, amounts to approximately MSEK 50. Equity in remaining operations in the DistIT Group, after distribution, amounts to approximately MSEK 322.



Advisor

Erik Penser Bank is the financial advisor in connection with the distribution and IPO of Alcadon. The Lindahl legal firm acts as legal advisors.

For additional information, please

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About DistIT AB

DistIT shall acquire, own and develop niche distributors within IT, Mobility, Consumer electronics, Networks and Data communication in the Nordic and Baltic regions. Companies within the DistIT Group deliver both B2B and B2C products to the IT market in the Nordic and Baltic regions.

DistIT AB's shares are listed on First North under the abbreviation DIST, and the company's Certified Adviser is Remium Nordic AB.