



Distribution Solutions Group's Operating Company, TestEquity, Announces Strategic Acquisition

December 7, 2022

Expands Test Equipment Expertise and Capabilities in Continental Europe

CHICAGO--(BUSINESS WIRE)--Dec. 7, 2022-- **Distribution Solutions Group, Inc. (NASDAQ: DSGR) ("DSG" or the "Company")**, a best-in-class, specialty distribution company announced today that its operating company, TestEquity, completed its acquisition of Instrumex, a leading test and measurement provider of reconditioned test equipment based in Munich, Germany.

"I am excited to announce the acquisition of Instrumex, a leading provider of professionally refurbished general purpose test & measurement equipment based in Germany," said Russ Frazee, Chief Executive Officer of TestEquity. "This strategic acquisition expands our capabilities in the Continental European market and is expected to be accretive to earnings of TestEquity and our parent company, DSG."

"Joining TestEquity is an exciting next step for Instrumex, greatly expanding our resources and capabilities, while helping TestEquity grow its footprint and level of service in Europe," said Jill Nielsen, Managing Director of Instrumex.

Instrumex is expected to generate annual sales as part of TestEquity of more than \$6 million with annual Adjusted EBITDA of at least \$1 million. The acquisition is being funded through DSG's existing credit facility.

About Distribution Solutions Group, Inc.

Distribution Solutions Group ("DSG") is a best-in-class specialty distribution company providing high touch, value-added distribution solutions to the maintenance, repair & operations (MRO), original equipment manufacturer (OEM) and the industrial technologies markets. DSG was formed through the strategic combination of Lawson Products, a leader in MRO distribution of C-parts, Gexpro Services, a leading global supply chain services provider to manufacturing customers, and TestEquity, a leader in electronic test & measurement solutions.

Through its collective businesses, DSG is dedicated to helping customers lower their total cost of operation by increasing productivity and efficiency with the right products, expert technical support, and fast, reliable delivery to be a one-stop solution provider. DSG serves 120,000+ long-standing customers in several diverse end markets supported by more than 3,000 dedicated employees and strong vendor partnerships. DSG ships from strategically located distribution and service centers to customers in North America, Europe, Asia, South America and the Middle East.

For more information on Distribution Solutions Group please visit www.distributionsolutionsgroup.com.

About TestEquity

TestEquity® is a leading distributor focused on providing the largest and highest quality selection of test and measurement equipment and solutions, electronic production supplies, and tool kits from its leading manufacturer partners supporting the technology, aerospace, defense, automotive, electronics, education, and medical industries. TestEquity also designs a full line of the industry's highest-quality environmental test chambers. Serving electronic design and test engineers as well as maintenance technicians, industrial manufacturing assembly, and the telecommunication repair community, TestEquity features more than 200,000 products from over 600+ manufacturer brands. TestEquity continues to benefit from ubiquitous electrification of all types of products across most industries including IOT, EV, and 5G. For more information, visit www.testequity.com.

About Instrumex

Based in Munich, Germany, Instrumex is a quality source of professionally refurbished test and measurement equipment since 1986. Offering a wide selection of general equipment from most leading manufacturers, Instrumex provides the highest level of service to its customers including certified repair and calibration. Serving customers across Europe, North America, and Asia, Instrumex provides a highly consultative process to help customers find the right solution for their test and measurement needs. Learn more at www.instrumex.de.

Forward-Looking Statements

This Press Release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. The terms "aim," "anticipate," "believe," "contemplates," "continues," "could," "ensure," "estimate," "expect," "forecasts," "if," "intend," "likely," "may," "might," "objective," "outlook," "plan," "positioned," "potential," "predict," "probable," "project," "shall," "should," "strategy," "will," "would," and other words and terms of similar meaning and expression are intended to identify forward-looking statements. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks, uncertainties and assumptions, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations. Distribution Solutions Group, Inc. ("DSG") can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and DSG cautions readers not to place undue reliance on such statements, which speak only as of the date made. DSG undertakes no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Certain risks associated with DSG's business are also discussed from time to time in the reports DSG files with the SEC, including DSG's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, DSG's Quarterly Reports on Form 10-Q and DSG's Current Reports on Form 8-K. In addition, the following factors, among others, could cause actual outcomes and results to differ materially from those discussed in the forward-looking statements: (i) whether or not the terms of the earnout provisions in either of the merger agreements will be satisfied such that DSG would be required to issue additional shares of DSG common stock in connection with the mergers; (ii) unanticipated difficulties or expenditures relating to the mergers; (iii) the risk that stockholder litigation in connection with the mergers results in significant costs of defense, indemnification and liability; and (iv) any problems arising in combining the businesses of Lawson,

TestEquity and Gexpro Services, which may result in the combined company not operating as effectively and efficiently as expected.

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