

Company announcement
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DLH CHANGE STRATEGY AND PLAN PURCHASE OF OWN SHARES.

Status and Strategy

In December 2013 DLH's Board of Directors decided to divest the Group's activities. The process has been in progress since, but with the closure of DLH's French operations and the divestment of the company's assets in Sweden in 2016, the Board now regards the process as completed.

DLH Group is debt-free and its core business is now a Nordic wholesale company based in Denmark with sales in Scandinavia and the Baltic countries. The group has a few remaining foreign assets and liabilities. The foreign assets will either be retained or sold, and foreign liabilities will be settled. The Board will assess the opportunities for this on an ongoing basis.

The Board has decided to continue operation of the Danish activities, as it believes this will provide optimal value for shareholders. Thus, the strategy decided upon and announced back in 2013 has been brought to an end.

Finance

The Group's financial result for 2016 is settled, but not yet audited.

The consolidated result of the Group is expected to be DKK -6 million for 2016, which is an improvement compared to 2015 where the consolidated result was DKK -85 million.

The consolidated result for the Group was negatively impacted by an adjustment of equity in a former subsidiary of approximately DKK 3.5 million. This accounting entry has no effect on either liquidity or equity. Group profit after tax, but before this particular adjustment, is approximately DKK -3 million for the full year, which is the same as the result after the first half of 2016.

Revenue in the operating companies was approximately DKK 450 million with a profit after tax of approximately DKK 13 million.

The Group's total assets as of December 31st, 2016 amounted to DKK 99 million with a cash position of DKK 12 million. Total equity was DKK 66 million. The Group has no interest-bearing debt.

For 2017 a total turnover of around DKK 300 million is expected with earnings (EBIT) of approximately DKK 5 million for the Group.

The company is now well consolidated and has entered an agreement with a new bank, who has granted the financing to cover the usual seasonal fluctuations in the cash flow.

We are the committed
supplier of responsible
timber.

Share buyback

The company's cash reserves is higher than necessary after the settlement process and the sale of assets. The Board therefore intends to launch a share buyback programme following the authorization given at the last general assembly. Accordingly, the Company may purchase up to 10% of its shares at market price, and the payments may not deviate by more than 5% on the bid price quoted on NASDAQ Copenhagen on the date of acquisition.

The Board intends to implement the share buyback programme as soon as possible and within the following framework:

- A maximum repurchased of 5,356,649 shares of nominally DKK 0.50.
- The maximum amount that the company will buy back shares is DKK 6 million.
- The Board may at any time decide to terminate the share buyback, even if the maximum number is not bought back or the maximum amount not used.

Shareholders who wish to sell their shares should contact their own bank.

Annual General Meeting April 28, 2017

The Board expects to propose to the Annual General Meeting 28 April 2017 that any repurchased shares will be canceled through a capital reduction.

At the Annual General Meeting the Board will also give details regarding the executed process and its plans for the future operations.

Contact

Inquiries concerning this announcement can be made on telephone no. +45 41 95 38 29.