



To Our Fellow Shareholders:

Over the past 100 days since Steve Oroho and I assumed our new roles at DLH, management has focused its efforts around three priorities: pursuing achievable growth opportunities, simplifying our operating structure, and empowering leaders with the resources they need to produce results. Together, these actions are intended to strengthen competitiveness, improve execution, and create sustainable value for our customers and shareholders.

While much hard work remains, we are encouraged by early progress and believe the actions taken position DLH to deliver stronger long-term performance.

Among our first actions, we streamlined our leadership team, instituted significant cost control measures by reducing indirect costs by approximately \$16 million on an annualized basis, and executed key leadership appointments. Our operations are now centralized within two business groups: **Defense + Security** and **Health**.

We were thrilled to appoint Brooke Pierce, an experienced executive with a track record of building high-performing health and technology organizations, to lead our Health group. Brooke and Billy Burnett, the President of our Defense + Security group, will be responsible for advancing the strategic direction and growth of their respective portfolios.



The new DLH executive team (L-R): Leslie Graves, Steve Oroho, Michael Virnig, Kathryn JohnBull, Billy Burnett, Brooke Pierce

Organic growth remains our number one corporate priority. Successful pursuits in the fourth quarter of fiscal 2026 added contracts valued at up to \$100 million to our backlog. These include:

- A new business task order with the National Institutes of Health Center for Information

Technology, worth up to \$19.1 million

- A new business task order with the National Institutes of Health for a data governance pilot project, worth \$2 million
- Expansion opportunities as a strategic subcontractor on programs with the U.S. Navy and Defense Health Agency
- The defense of a contract with the National Heart, Lung, and Blood Institute, won in a highly competitive environment, worth up to \$43.7 million
- The defense of a contract with the Centers for Disease Control and Prevention worth up to \$36.2 million, also won in a competitive bidding environment
- Additional growth channels through winning positions on several indefinite delivery/ indefinite quantity contracts

These recent successes position DLH to accelerate organic growth and deliver stronger returns. As such, we remain focused on generating cash flow, reducing leverage, and working constructively with our long-standing banking partners to maintain a capital structure that supports our operating and growth objectives.

As we enter fiscal 2027, our priorities are clear: convert our pipeline into sustainable organic growth, deliver consistently for our customers, and improve operating leverage. We believe disciplined execution against these priorities provides the clearest path to improving DLH's financial performance and creating long-term shareholder value.

Thank you for your continued support.



Kathryn JohnBull

President & CEO

DLH Holdings Corp.

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