



DISA Limited
(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)



NEWS RELEASE:

DiSa Broadens its Digital Safety Solutions within the United States of America (“USA”)’s Retail Industry to Reduce Retail Theft; Harnessing Opportunities with New Innovations for the Multi-Billion Dollar Retail Industry in the USA

- **Fraud and abuse accounted for nearly 14% of total retail returns in 2023, totaling a loss of \$101 billion in the USA, an increase of 20%, year-on-year¹**
- **The adoption of DiSa’s digital safety solutions has proven to reduce retail fraud for its customers in the USA**
- **DiSa’s new digital safety solution is being evaluated for deployment in smart devices such as smart car, smart home, video game systems, among others**
- **Currently in discussion with a leading RFID provider to jointly market an innovative tracking and inventory management solution to one of the largest retailers in the world**
- **DiSa has been granted a patent by the United States Patent and Trademark Office on 12 March 2024 for its Smart Case**

SINGAPORE – 15 April, 2024 — DISA Limited (“**DiSa**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to share the recent business updates of DiSa Digital Safety Pte. Ltd. (“**DiSa DS**”), a wholly-owned subsidiary of the Company, that specialises in anti-theft, anti-fraud digital safety solutions (“**Digital Safety Solutions**”) for the multi-billion dollar retail industry in the USA.

Fraud and abuse in retail returns continue to rise at a concerning pace in the USA, according to the annual 2023 Consumer Returns in the Retail Industry Report from the National Retail Federation (NRF) and Appriss Retail¹. This was evidenced in one of the world’s largest retailers that DiSa DS has been working with since 2014.

DiSa DS made its maiden foray into the USA retail market in 2014 with the pilot test of its Digital Safety Solutions at some of the stores of one of the largest retailers in the world. After rigorous testing by Loss Prevention Research Council, USA, DiSa DS rolled out this Digital Safety Solution to all of the stores in 2017 and also launched its Single-Scan Serialization (“**3S**”) Digital Safety Solution to prevent return fraud within the same retailer in the same year.

Demonstrating its technological capabilities in Digital Safety Solutions, DiSa DS introduced the Point-of-Sale Activation (“**PoSA**”) smart lock which is the first digital asset-protection solution that removes the benefit of stealing by making consumer electronic devices non-functional until the point of payment by the consumer at retail stores. For this Digital Safety Solution, DiSa DS was named first place winner for the 2017 (R) Tech Asset Protection: Innovation Award by the Retail Industry Leaders Association, USA for its PoSA solution in 2017.

¹ https://cdn.nrf.com/sites/default/files/2024-01/Customer_Returns_Report_2023_Final.pdf

To harness more opportunities targeting various segments within USA's retail industry, DiSa DS has been expanding and broadening its portfolio of Digital Safety Solutions to prevent and resolve the issues relating to retail theft, fraud and abuse.

Mr. Eddie Chng, the Managing Director and Chief Executive Officer of DiSa said, "With persistent inflationary environment and uncertain economic prospects, retail theft and fraud continue to be a widespread and growing concern within the retail industry in the USA.

With our Digital Safety Solutions that are proven and scalable, retailers can effectively prevent and deter retail theft and fraud, enhance their employee safety and improve their business performance consistently."

3S

The increase in retail theft and fraud has resulted in an increase in 3S-protected product categories over the past 12 months. The price points on new product categories range from as low as US\$20 to as high as US\$200 per item, where the low price point items are smaller and easier to steal and thus see a higher attempted theft and fraud rate, while the higher price point items are larger and harder to steal, but the high cost makes a larger impact to the retailer when stolen.

Supplier Serialized Service Activation ("3SA")

DiSa DS is also partnering with the brand owners in a new technological innovation to combat theft and fraud. When a consumer attempts to use a 3SA-protected item, it connects with the brand owner's server to verify the sales status of the item, which will validate the purchase via DiSa DS's sales data in real-time. If the item is verified as purchased, the item is activated remotely without the legitimate customer knowing what was happening behind the scenes. If the item is verified as unsold, the brand owner can remotely deactivate the item for usage until the consumer produces a valid sales receipt as proof of purchase.

This solution is currently being evaluated for deployment in the retailing of smart devices such as smart cars, smart home, and video game systems, among others.

"With the decrease in retail sales revenue resulting from increased retail theft, the interest for DiSa Digital Safety Solutions continues to increase progressively. When sales are down, retailers are realizing that an easier way to improve business performance is to decrease theft and returns fraud, Mr. Jacob Gulbransen, the Vice President of USA Sales and Operations of the Group stated, "In response to the needs of the retailers, DiSa has pioneered a new customer-friendly version of PoSA smart lock, known as 3SA, to help the retailers to combat return fraud."

FreshCounts

In addition, DiSa DS is working with one of the world's largest baby formula sellers to enhance the protection of baby formula using one of its Digital Safety Solutions, FreshCounts. After a successful test with the retailer, DiSa DS is working closely with every major US baby formula manufacturer to roll out and integrate FreshCounts within its system.

As the baby formula industry continues to face inventory challenges stemming from previous products recalls and increased FDA regulations, FreshCounts provides a more efficient and effective way for brand owners to enhance food safety for infants while improving inventory management and reducing product effects of recalls. As the brand owners continue to work towards integration, confidence is high that they will soon be able to serialize despite the continued inventory challenges slowing changes.

Radio Frequency Identification ("RFID") + DiSa Smart Barcode

DiSa DS is currently in discussion with a leading RFID provider to jointly market an innovative tracking and inventory management solution to one of the largest retailers in the world.

DiSa Smart Case

DiSa has been granted a patent by the United States Patent and Trademark Office for its Smart Case on 12 March 2024.

More recently, DiSa DS has debuted its DiSa Smart Case to help combat retail theft as retailers are facing increased retail theft. Designed for simplicity that facilitates the ease of use for both consumers and retailers, DiSa's Smart Case allows remote and programmable locking and unlocking on a 24/7 basis to keep merchandise protected and available with the push of a button.

This solution has generated significant interest within the convenience store market through partnerships with the Asian American Trade Associations Council ("**AATAC**") and regional convenience store chains, where it is currently being tested in several convenience stores across the USA.

In an announcement released by AATAC to its members last month, **Mr. Tony Patel, the Associate Director of AATAC, stated**, "**As positive reception to the DiSa Smart Case continues to grow within our network, we expect to soon be able to incorporate this device into hundreds of stores that belong to our Distribution Resolution and Integration Program ("DRIP"). This evolution would allow our delivery representatives to comfortably activate our DRIP sites with higher valued items for resale.**"

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Issued on behalf of DISA Limited by 8PR Asia Pte. Ltd.

Media & Investor Contacts:



Mr. Alex TAN
Mobile: +65 9451 5252
Email: alex.tan@8prasia.com

About DISA Limited (SGX Code - 532.SI / Bloomberg - DISA:SP / Reuters - DISA.SI)

DISA Limited, is a publicly traded company on the Singapore Catalist Stock Exchange. Together with our subsidiaries, the Group focuses on pioneering and adopting the latest technology innovations to enhance outcomes, reduce costs, and improve efficiencies within the healthcare and consumer industry.

Bringing scaled solutions that thrive in a changing world, DiSa leverages on our strong in-house R&D capabilities to continuously pursue new innovations and disruptive technology (such as Artificial Intelligence, Internet of Things, etc.) for the digitalisation of product and services that optimises efficiency and quality standards in our targeted markets.

More information is available at www.disa.sg.

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Lee Khai Yinn, Registered Professional, SAC Capital Private Limited.
Address: 1 Robinson Road, #21-00 AIA Tower, Singapore 048542
Telephone number: +65 6232 3210*