DISA Limited
(Company Registration Number: 197501110N)
(Incorporated in the Republic of Singapore)

PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

(1) AMENDMENT TO THE EXERCISE PERIOD OF THE WARRANTS
(2) ADDITIONAL INFORMATION ON THE RATIONALE OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE

Unless otherwise defined, capitalised terms herein shall bear the same meaning ascribed to them in the Announcement (as defined below).

The Board of Directors (the "**Board**" or **Directors**") of DISA Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcement dated 28 April 2025 in relation to the Proposed Rights Cum Warrants Issue (the "**Announcement**").

(1) AMENDMENT TO THE EXERCISE PERIOD OF WARRANTS

The Company wishes to announce that it has revised the structure of the Warrants, specifically in relation to the Exercise Period.

As stated in paragraph 2 of the Announcement, the Warrants were originally proposed to be exercisable at:

(a) S$0.005 per Warrant Share during the period from the date of issue of the Warrants up to the date immediately preceding the 1st anniversary of the date of issue of the Warrants ("**1st Exercise Period**"); and

(b) S$0.010 per Warrant Share during the period from and including the 1st anniversary of the date of issue of the Warrants and up to the date immediately preceding the 18th month from the date of issue of the Warrants ("**2nd Exercise Period**").

The revised 1st Exercise Period and 2nd Exercise Period of the Warrants are as follows:

(a) S$0.005 per Warrant Share during the period from the date of issue of the Warrants up to the date immediately preceding the 9th month from the date of issue of the Warrants ("**Revised 1st Exercise Period**"); and

(b) S$0.010 per Warrant Share during the period from and including the 9th month of the date of issue of the Warrants and up to the date immediately preceding the 18th month from the date of issue of the Warrants ("**Revised 2nd Exercise Period**").

(2) ADDITIONAL INFORMATION ON THE RATIONALE OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE

The Company wishes to provide additional information regarding the rationale of the Proposed Rights Cum Warrants Issue, specifically in relation to SSP.

As stated in paragraph 5 of the Announcement:

"The Group, through its wholly owned subsidiary, DiSa Digital Safety Pte. Ltd. ("**DiSa**"), has been actively advancing its Shared Savings Program ("**SSP**"), in addition to the sales of smart barcode, in collaboration with retail partners across the United States to combat return fraud. Under SSP, DiSa provides Single Scan Serialisation ("**3S**") Smart Barcodes to the retailers' vendors at no cost in exchange for a percentage of the savings retailers gain from each fraudulent return or claim prevented by the 3S solution. This arrangement allows retailers to incur no cost unless the fraudulent returns or claims are successfully prevented. The additional capital raised will facilitate the continued roll-out and scaling of the SSP, which is expected to drive growth and improve operational efficiencies."

The paragraph above shall be revised as follows:

"The Group, through its wholly owned subsidiary, DiSa Digital Safety Pte. Ltd. ("**DiSa**"), has been actively advancing its Shared Savings Program ("**SSP**"), in addition to the existing sales of Single-Scan-Serialization smart barcode ("**3S Smart Barcode**"), in collaboration with retail partners across the United States ("**US**") to combat return fraud.

Return fraud remains a significant challenge, with the retailers in the USA experiencing USD685 billion in merchandise returns in 2024, of which USD103 billion (13.21%) were attributed to fraudulent returns and claims, out of total retail sales of USD5.19 trillion[1].

DiSa launched its serialization program with a major retailer in the US in 2017 to combat return fraud. However, adoption has been slower than anticipated, primarily due to the absence of a mandate from the retailer requiring its vendors to adopt the 3S Smart Barcode. This necessitated the Group to approach the retailer's vendors individually, a process that is both time-consuming and challenging. The requirement for the retailer's vendors to bear the cost of the 3S Smart Barcode has further hindered broad-based adoption.

Since 2022, major retailers in the US have implemented an RFID mandate, requiring their vendors to tag their products with RFID technology. This initiative has enabled real-time visibility of inventory across the supply chain and in stores, leading to significantly improved inventory accuracy, enhanced operational efficiency, and increased customer satisfaction. The scope of this mandate has since expanded to cover a wider range of product categories.

Leveraging on this RFID mandate, DiSa is partnering with major RFID manufacturers in the US to offer the SSP, which integrates both RFID and 3S Smart Barcode technologies. This integrated solution delivers dual benefits: improved inventory management and effective fraud prevention, while aligning with vendors' existing RFID compliance obligations to ease adoption.

Under the SSP, DiSa provides 3S Smart Barcodes to the RFID manufacturers, instead of retailers' vendors, at no cost for integration onto their RFID tags to combat return fraud. In return, DiSa receives a share of the cost savings from fraudulent returns successfully prevented, payable by the retailers based on a pre-agreed percentage of the retail value of each intercepted item.

The additional capital from the Proposed Rights Cum Warrants Issue will support the continued roll-out and scaling of the SSP, which is expected to drive growth and improve operational efficiencies."

Save as disclosed above, all other terms and conditions of the Proposed Rights Cum Warrants Issue and the disclosure in the Announcement remain unchanged.

BY ORDER OF THE BOARD

Chng Weng Wah
Executive Chairman, Managing Director and Chief Executive Officer

7 May 2025

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[1]*https://apprissretail.com/news/appriss-retail-annual-research-fraudulent-returns-and-claims-cost-retailers-103b-in-2024/*