



MDR Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 200009059G)

ANNUAL GENERAL MEETING TO BE HELD ON 30 APRIL 2026 - RESPONSES TO QUESTIONS FROM SHAREHOLDERS

The board of directors (the “**Board**”) of mDR Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to thank shareholder(s) for submitting their questions in advance of the Company’s upcoming annual general meeting (“**AGM**”) to be held on 30 April 2026.

The following are the Company’s responses to the questions that were submitted by shareholder(s) in advance of the AGM:

- 1. The Group recorded a net loss after tax of S\$0.78 million in FY2025 despite a 6.95% increase in revenue. What specific strategic pivots are being implemented to address higher operating costs and return the Group to a net profit position for the next financial year?**

The Group has implemented various measures directed at improving its operating performance, including but not limited to, the rationalisation of underperforming retail outlets, reduced lease floor area at certain outlets, cost management initiatives, and enhancement of operational efficiencies. The Group will continue to monitor its cost structure and business performance and make adjustments where appropriate. The net loss of S\$0.78 million in FY2025 was primarily driven by non-cash items. Revenue itself grew encouragingly to S\$248.15 million, representing a 6.95% increase year-on-year. The Group’s EBITDA remained positive at S\$6.49 million, reflecting the underlying operating resilience of the core businesses.

With respect to strategic responses, the Group is pursuing several concurrent initiatives. Within the Distribution Management Solutions (“**DMS**”) division, the Group is investing in omni-channel capabilities to enhance both online and in-store performance, which is expected to support growth. ZYM Mobile, the Group’s Mobile Virtual Network Operator (“**MVNO**”) business has a growing subscribers base. The Group views this as an important revenue contributor within the DMS segment over time. Within the After-Market Solutions (“**AMS**”) division, cost optimisation remains the immediate priority given lower repair volumes. In the Digital Inkjet Printing for Out-Of-Home Advertising Solutions (“**DPAS**”) division, careful cost management is being applied. The Board is committed to disciplined cost management, operational flexibility, and pursuing growth opportunities that generate sustainable profitability.

- 2. Due to the losses incurred, no dividend was declared for FY2025. Given the Company's stated commitment to improve performance and pursue dividend growth, what are the primary financial milestones the Board needs to see before resuming dividend payments?**

The Board is committed to delivering sustainable shareholder returns and to resuming dividend payment as the financial position of the Group permits. The declaration of dividend will depend on, *inter alia*, the Group's profitability, cash flow position, working capital requirements and overall financial position. The Board will consider the declaration of dividends when it is appropriate to do so, having regard to the above factors.

- 3. Revenue growth was offset by non-cash items, including impairments of financial assets and right-of-use assets for underperforming retail outlets. Can the Board elaborate on the location of these underperforming outlets and the criteria being used to decide whether to further rationalize the Group's 11-store retail network?**

The impairments recognised relate to certain underperforming retail outlets within the Group's existing store network. The Group conducts periodic reviews of its retail outlets, taking into account factors such as sales performance, store-level profitability, rental costs, customers footfall and location dynamics. In line with its confidentiality obligations and for commercially sensitive reasons, the Group does not identify specific outlet locations in the context of impairment disclosures. The criteria applied by the Group in assessing potential further rationalisation include: (i) store-level revenue contribution; (ii) balance lease term and associated rental costs relative to revenue generation; (iii) strategic importance of the location to the Group's principal relationships and brand presence; and (iv) the cost of exit versus continuation. Rationalisation decisions are made in mutual consultation with the Group's principal partners.

- 4. DMS revenue rose by nearly 10% to S\$206.68 million, yet competitive pressures and tighter margins remain. How does the Board plan to leverage the "meaningful momentum" of ZYM Mobile to improve overall segment margins beyond traditional distribution?**

The Group will continue to focus on enhancing its product mix, optimising its sales channels, and improving operational efficiencies, including through the growth and expansion of ZYM Mobile which will help in recurring revenue.

The DMS segment, while benefiting from strong revenue growth year-on-year, continues to operate in an environment characterised by competitive pressures and tighter margins inherent to mobile device distribution. ZYM Mobile, the Group's MVNO business, represents a strategically important initiative. Unlike traditional handset distribution, the MVNO business generates recurring subscription revenue from its growing subscriber base and is positioned to benefit from rising 5G adoption and competitive product offerings. The Group seeks to establish and maintain its position as a complete mobile solutions provider, combining device distribution, retail, and connectivity services, which creates cross-selling opportunities and strengthens customer retention. ZYM Mobile's contribution is expected to improve as subscribers volumes scale. The Group is also investing in omni-channel capabilities, integrating online and in-store channels, to drive operational efficiency and improve overall segment margins.

- 5. The AMS division saw a 22.48% decline in revenue due to lower repair volumes. Apart from cost optimization, are there active plans to diversify the AMS client base beyond the current partnership with Samsung to mitigate this revenue headwind?**

AMS division's focus in the near term is on cost optimisation to protect margins and manage the revenue headwind from reduced repair volumes. The improvements in the newer phone models have contributed to a decline in repair volumes. Currently, there are no plans to diversify the AMS client base beyond the existing partnership with Samsung.

- 6. Revenue from DPAS decreased by 4.69% due to lower domestic demand in Malaysia. Given that rising operating costs in this segment require "careful management," what is the Board's long-term outlook for the viability of this division within the Group's diversified model?**

The DPAS segment was affected by lower demand in Malaysia. The Group has implemented measures to manage costs and improve operational efficiency within this segment. The Board's long-term outlook for the DPAS division recognises both its contribution to the Group's diversified revenue base and the structural challenges it faces, including rising operating costs, competition, and a dependence on demand from the Malaysian advertising sector. The Board's current assessment is that the DPAS division continues to have a role within the Group's diversified model as a stable, cash-generative business, provided that operating costs are managed with discipline.

- 7. The Group's equity investment portfolio achieved a 15.18% total return in 2025. With real estate making up nearly 39% of the quoted securities portfolio, how is the Board managing the concentration risk in light of shifting interest rates and macroeconomic volatility?**

The Group adopts a disciplined approach to portfolio management, including regular review and rebalancing where appropriate, taking into account market conditions and risk considerations. The Investment team will continue to monitor the portfolio and make adjustments as necessary. With respect to real estate concentration risk specifically, the allocation reflects a considered position based on the Investment team's assessment of long-term value, particularly in light of expectations around interest rate cycles. The portfolio is also diversified across geographies and asset types, encompassing commercial, hospitality and retail properties. The Group's overall investment strategy is anchored by a long-term, income-oriented approach, with dividend income expected to remain the primary revenue driver for the Investment division. The Investment team regularly monitors the portfolio's risk profile, including sector concentration, interest rate sensitivity, and macroeconomic developments, and will rebalance or adjust allocations as appropriate.

- 8. In the proposed Rights cum Warrants issue, one hundred percent of the net proceeds are earmarked for general corporate purposes, including "investments and/or acquisitions". Are there specific sectors or geographical regions the Group is currently evaluating for these opportunities, and how do they complement the existing business segments?**

The net proceeds are intended for, *inter alia*, general corporate and working capital requirements of the Group (including making of investments and/or acquisitions). Investing is fluid and the Investment team continues to monitor opportunities on a dynamic basis. The Board would only decide when the time is opportune having regard to, amongst other things, the receipt of the proceeds and prevailing market conditions. The Group has not at this stage identified specific geographical regions or acquisition targets.

- 9. In the Rights cum Warrants Issue, the issue price of S\$0.045 represents a 31.82% discount to the volume-weighted average price (VWAP) as of 31 October 2025. How did the Board determine that this specific discount level is the most effective balance between raising**

necessary capital and minimizing dilution for existing minority shareholders? The warrants tenure has been extended from 3 years to 5 years in the revised terms. What was the strategic reasoning behind providing a longer window for warrant holders to exercise their rights?

The issue price and discount were determined after taking into consideration, *inter alia*, prevailing market conditions, trading liquidity of the shares, and market precedents for similar exercises. The Board is of the view that the discount is appropriate in order to facilitate the successful completion of the fund raising exercise. The issue price was revised upward from the initial proposed price in response to market feedback, including the increase in the Company's share price and trading volume following the initial announcement. This revision demonstrates the Company's responsiveness to market conditions and its desire to set an issue price that is as fair as reasonably practicable to both the Company and its shareholders. The Board believes the revised fund raising target and rights and warrant price revision better align with prevailing investor appetite and current market conditions, optimise the funds to be raised at the highest price and lowest discount acceptable by the market.

The extension of the warrant tenure to 5 years was determined after taking into account the Group's business plans and the intention to provide flexibility to warrant holders by spreading the exercise window over a longer period. The extension is intended to enhance the value of the Warrants to existing shareholders by providing a longer period within which to assess whether exercising the Warrants is financially advantageous, depending on the Company's share price performance relative to the Exercise Price of S\$0.045 per Warrant Share. A longer tenure provides shareholders with greater optionality and reduces the risk of Warrants expiring unexercised due to short-term share price volatility rather than any fundamental assessment of the Company's prospects. From the Company's perspective, a longer exercise window broadens the potential period over which additional capital may be raised through the exercise of Warrants, which is consistent with the Company's objective of strengthening its balance sheet and supporting its investment and growth strategy over the long term.

10. It is noted that the Undertaking Shareholder's intention to apply for excess shares under the Rights cum Warrants Issue is not part of the Irrevocable Undertaking. What factors would influence the Undertaking Shareholder's decision to subscribe for these excess shares?

The Irrevocable Undertaking given by the Undertaking Shareholder commits him to subscribing in full for his *pro rata* entitlement of Rights Shares with Warrants under the Rights cum Warrants Issue. Any decision to subscribe for excess rights shares will depend on, *inter alia*, the availability of excess shares, public shareholdings thresholds under the Listing Manual, the terms and conditions of the Whitewash Waiver, and prevailing market conditions.

BY ORDER OF THE BOARD

Madan Mohan
Company Secretary

24 April 2026