

Dear valued supplier,

The extension of payment terms is a strategically important initiative, mandated by **Distell** to get payment terms in line with our competitors and ensure we remain competitive.

We understand that an extension of payment terms could have a big impact on your own working capital. That is why we have invested in a supply chain finance solution, which will give you the ability to get paid even sooner than current on all outstanding **Distell** invoices at a very competitive finance rate.

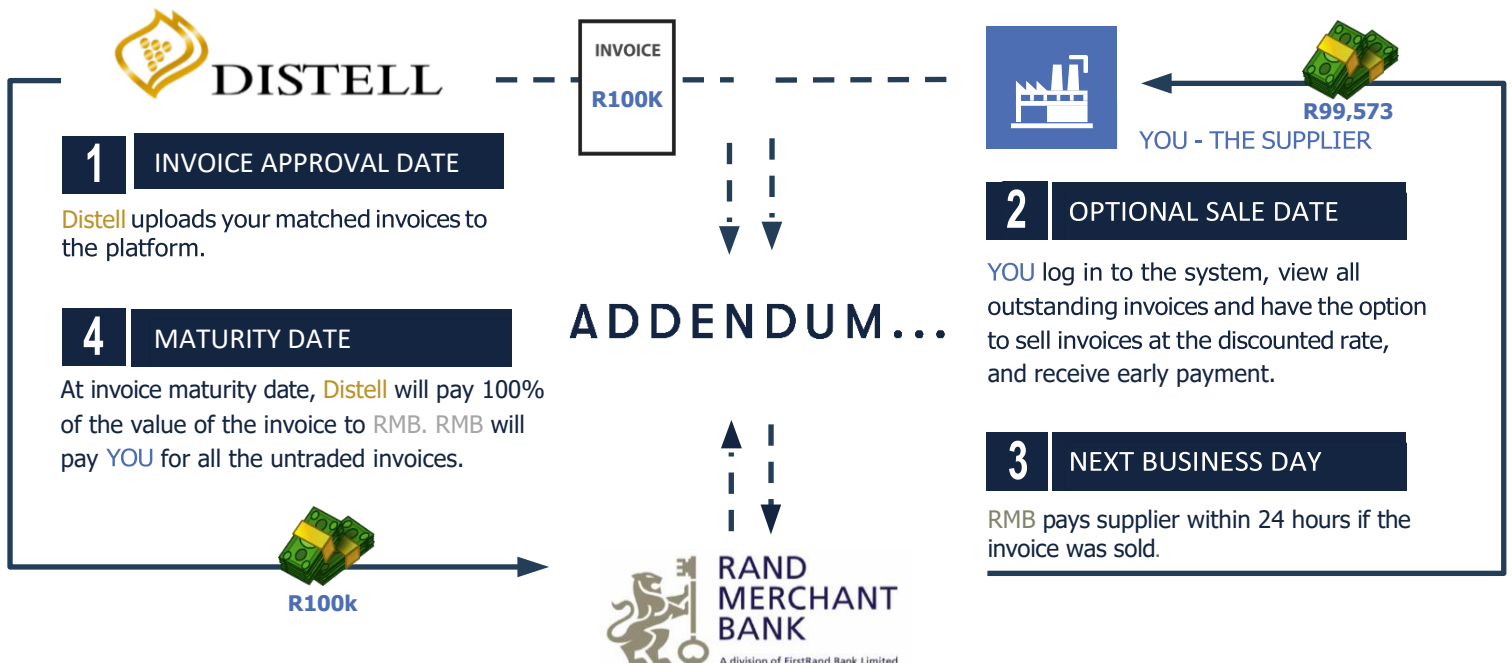
The registration and on-boarding process for Supply Chain Finance is very simple.

How do suppliers register for Supply Chain Finance?

Link: <https://sci-enable.primerevenue.com/register/DistellLimited>

By signing up to the supply chain finance solution you will receive the following benefits:

1. Suppliers can receive immediate payment on all outstanding **Distell** invoices at a discounted rate of **Prime – 1.8%** from **Rand Merchant Bank**
2. Suppliers can strengthen their financial position using this Distell facility through:
 - a. An increase in cash (i.e. a capital injection for suppliers) and
 - b. Significant reduction in debtor days
3. Suppliers can also improve profits through:
 - a. Obtain early settlement discounts from your suppliers and in the process improve your profit margins
 - b. Reduction in average ZAR funding costs
 - c. Reduction in credit insurance costs and
 - d. Reduction in FX hedging costs for foreign headquartered suppliers as a result of lower ZAR exposure
4. Suppliers get full transparency into all matched Distell invoices
5. Suppliers can receive payment within 24 hours
6. No platform-, facility-, transaction or any other costs
7. All transactions are executed on a web-based platform, no software required

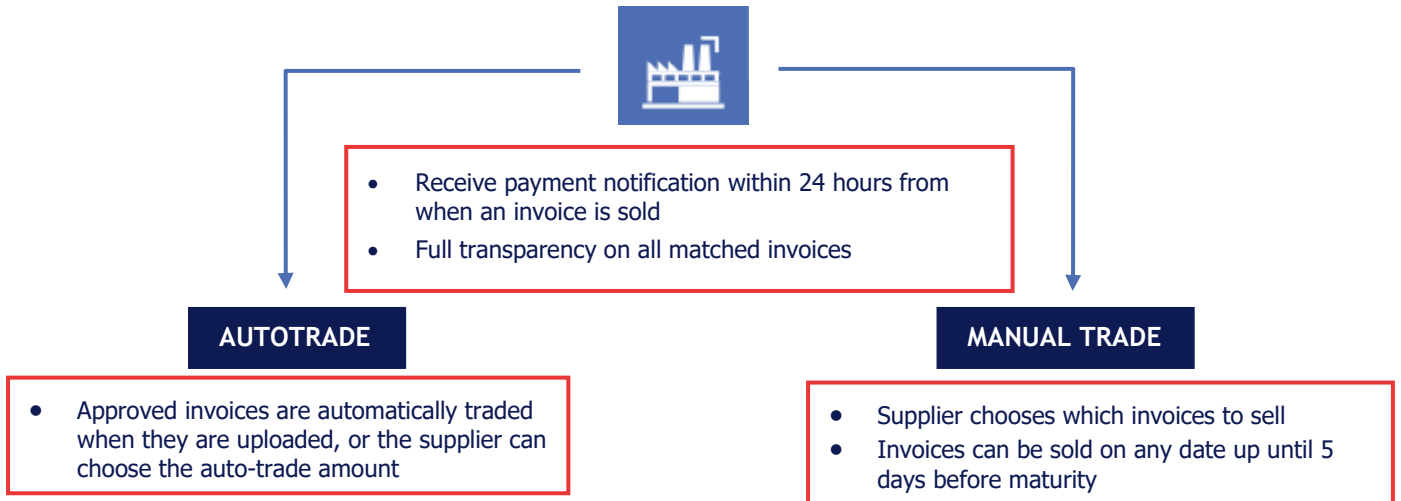


For example: The cost to receive money 30 days earlier than invoice maturity date is 0.427% ($30/365 \times 5.2\%$) for ZAR invoices. The cost of discounting a R100,000 invoice is R427 for 30 days. Supplier receives R99,573 immediately. No other costs.

For more information, contact us today at
enquiries@addendum.co.za or call 021 100 4301
www.addendum.co.za

ADDENDUM...
 Consider it possible.

INVOICE TRADING OPTIONS:



ADDED BENEFITS FROM SUPPLY CHAIN FINANCE:

- Suppliers can improve their gross margins by paying their own suppliers earlier and receive early settlement discounts. Average early settlement discounts in South Africa hover between 1,5% and 2,5% per month.
- Fees that the supplier pays to discount the invoices would be booked as interest and will not affect the supplier's gross margin.
- Unlike receivables finance, if you were to sell an invoice on the Addendum platform then it would be a 100% true sale of the debtor.

TESTIMONIALS FROM SOUTH AFRICAN SUPPLIERS:

"We would definitely recommend the Supply Chain Finance programme to all other suppliers, as you can decide on the time & the amount of your invoices that you trade. The platform is very transparent and user-friendly, as it allows you to draw monthly reports. This all is accompanied by the excellent supplier support from the Addendum team."

Suretha Henn, Managing Director, Vin De Cap



"Once we were live on the platform it was very quick and easy to sell all our approved invoices, with excellent service and support from Addendum. The platform is really very transparent and user friendly."

Karien Combrinck, Credit Manager, Denny Mushrooms

"Cash flow is a key component to any small business to operate sufficiently and being afforded an opportunity to get funds within 48 hours of delivery was a no brainer. The rate that is deducted for this service is minimal as it relieves so much pressure on our daily cash flow."

Steven Greef, Managing Director, Investin Brands

investin brands



"This is the solution for all suppliers to retail as it cuts back on all the cash flow issues, plus the angst of constantly chasing payments. It frees up more time to focus on more productive things, like sales."

Lee Anderson, Director, Green Bean Coffee

For more information, contact us today at
enquiries@addendum.co.za or call 021 100 4301
www.addendum.co.za

ADDENDUM...
Consider it possible.