

للإفصاح

بورصة عمان
الديوان

Date: 26 May 2020

التاريخ: 2020/5/26

M/S Jordan Securities Commission
M/S Amman Stock Exchange

السادة هيئة الأوراق المالية المحترمين.
السادة بورصة عمان المحترمين.

Greetings,

تحية طيبة وبعد ،،

RE: Disclosure Relating to Extra Ordinary
General Assembly Invitation

الموضوع / الإفصاح المتعلق بدعوة الهيئة العامة للشركة
لاجتماع غير عادي

Further to the disclosure made by the Company pursuant to the letter ref (42/9/3) dated 13 May 2020, Kindly be informed that Al-Eqbal Investments PLC ("EICO") has received late last night Monday May 25th the enclosed letter from United Brands of Shisha Bidco Limited, thereby informing us of increasing the acquisition price offered to the shareholders of EICO to be JD (14) per share instead of JD (12) per share.

لاحقاً لكتاب الإفصاح الصادر عن الشركة بالرقم (42/9/3) تاريخ 2020/5/13، نرجوا اعلامكم بأن شركة الاقبال للاستثمار قد استلمت مساء الامس الاثنين الموافق 2020/5/25 الكتاب المرفق الصادر عن الشركة مقدمة عرض الاستحواذ (شركة يوناييتد برانز أوف شيشا بيديو لمتد)، المتضمن اعلامنا بزيادة سعر الاستحواذ المعروض على أسهم مساهمي شركة الاقبال للاستثمار ليصبح بواقع (14) دينار للسهم الواحد بدلاً من (12) دينار للسهم الواحد.

In this context, given that the extra-ordinary general assembly meeting of EICO's shareholders will be held on Thursday 28 May 2020, the vote in this meeting will be made on the revised acquisition price of JD (14) per share.

وفي هذا السياق، وحيث أن اجتماع الهيئة العامة غير العادي لمساهمي شركة الاقبال للاستثمار سينعقد في يوم الخميس الموافق 2020/5/28، فإن التصويت في الاجتماع سيكون على سعر الاستحواذ المعدل البالغ (14) دينار للسهم الواحد.

Meanwhile, we will announce this revised acquisition price to the shareholders of EICO through EICO's website and the Jordan Television.

وبذات الوقت، سنقوم بالاعلان للمساهمين عن هذا السعر المعدل وذلك عن طريق الموقع الالكتروني للشركة ومن خلال التلفزيون الاردني.

We will arrange for a translation of the enclosed final revised offer, and provide you with same at the earliest.

هذا وسنعمل على اعداد ترجمة لكتاب العرض المعدل النهائي الى اللغة العربية، وتزويدكم به بالسرعة الممكنة.

واقبلوا وافر الاحترام ،،

Yours Sincerely,

Manuel Stotz

Manuel Stotz
Chairman

مانويل ستوتز

رئيس مجلس الإدارة



STRICTLY PRIVATE AND CONFIDENTIAL

From: United Brands of Shisha Bidco Limited
Eighth Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ
United Kingdom

To: The Directors
Al-Eqbal Investment Company (PLC)
Sa'ad Ibn Abi Waqqas Street - Building No. (39)
P.O. Box 911145
Amman 11191
Jordan

25 May 2020

Dear Sirs,

Final offer to acquire Al-Eqbal Investment Company Limited

We refer to our letter dated 12 May 2020 in which we, United Brands of Shisha Bidco Limited ("**Bidco**"), reduced the offer price of our conditional offer to acquire the entire issued and to be issued share capital of Al-Eqbal Investment Company Limited ("**EICO**") from JOD 16 (the "**Original Offer**") to JOD 12 (the "**Revised Offer**").

As stated in that letter, the Revised Offer is conditional (among other things) on completion by Bidco of its debt and equity financing arrangements in connection with the Revised Offer, and on the satisfaction of any conditions to drawdown and utilisation thereunder on or before the date falling two months after the Extraordinary General Meeting convened to consider the Revised Offer (or such later date as may be agreed by Bidco and the Board of EICO).

If the acquisition proceeds, Bidco and its subsidiaries will carry a higher level of debt, which will need to be serviced from the future cash flows expected to be generated by EICO within a margin of comfort acceptable to the lending banks.

Since Bidco made its Original Offer on 5 March 2020, the COVID-19 pandemic has caused unprecedented disruption to financial markets and adversely affected the terms and availability of bank financing to support acquisitions of this nature. The pandemic has also caused significant disruption to EICO's business that was unforeseeable at the time of Bidco's Original Offer. This disruption and the generally worse outlook for the global economy and the markets for EICO's products, has increased the risks inherent in EICO's business. In particular and as was disclosed by EICO on 9 May 2020, due to the COVID-19 pandemic and related government ordered business closures, shisha lounges have been closed since around mid-March in all of EICO's major markets, which has depressed demand for the company's products. Where EICO tracks

daily demand, sales are down between 20% and 80% since the lounge closures, with the exception of KSA. We also note that it is your working assumption that during the second quarter of 2020 volumes will be approximately 35% lower than they were in the same period of 2019.

As a result, Bidco concluded that EICO would no longer be able to generate the cash flows needed to support the level of bank debt it would have to assume in order to be able to proceed with the acquisition at the Original Offer price of JOD 16, with the result that Bidco was therefore forced to reduce its offer price to JOD 12.

Since making its Revised Offer on 12 May 2020, however, Bidco has been able to obtain limited additional equity financing commitments in connection with the acquisition, as a result of which we are pleased to be able to increase our offer from JOD 12 to JOD 14 per share (the "Final Offer"). We believe that the Revised Offer of JOD 12 already gave shareholders an opportunity to realise a fair and attractive cash price for their EICO shares today, and that the Final Offer therefore offers shareholders compelling value, especially at a time when similar transactions around the world are being abandoned as a result of the COVID-19 pandemic. We note that there can be no certainty that this opportunity will be available to shareholders again or as to the price at which EICO's shares will trade in the market if the acquisition does not proceed.

Bidco will not be able to secure any further equity or debt financing in connection with the acquisition and so this is Bidco's best and final offer. The Final Offer will not be increased.

1. Final Offer

Subject only to the conditions set out in section 3 below, we hereby confirm our binding offer to acquire 100% of the issued and to be issued share capital of EICO for cash consideration at a price of JOD 14 per share.

The Final Offer values the entire issued share capital of EICO at approximately JOD 840 million (USD 1,185 million) and implies an enterprise value of EICO of approximately JOD 1,019 million (USD 1,437 million).

2. Final Offer structure

The Final Offer is made pursuant to Article (222/b) of the Jordanian Companies Law (Law No. 22 of 1997). Bidco proposes to fund the acquisition through a combination of debt and equity financing.

3. Conditions

The Final Offer is made subject to the following conditions being satisfied:

- (A) approval of the Final Offer by EICO shareholders representing not less than 75% of the issued share capital of EICO at a quorate and validly convened Extraordinary General Meeting of EICO held on or before 28 May 2020 (or such later date as may be agreed by Bidco and the Board of EICO);
- (B) receipt of all requisite Jordanian regulatory consents (including approval of the Final Offer by the Companies Control Department and the Ministry of Industry and Trade) on or before

the date falling two months after the Extraordinary General Meeting convened to consider the Final Offer (or such later date as may be agreed by Bidco and the Board of EICO); and

- (C) completion by Bidco of the debt and equity financing arrangements needed to support the Final Offer, and the satisfaction of any conditions to drawdown and utilisation thereunder on or before the date falling two months after the Extraordinary General Meeting convened to consider the Final Offer (or such later date as may be agreed by Bidco and the Board of EICO).

4. Governing law

The Final Offer and this letter shall be governed by and interpreted in accordance with Jordanian law and the courts of Jordan shall have exclusive jurisdiction in respect of any disputes relating to it.

5. Timing

Subject to the satisfaction of the conditions set out in section 3 above, we would expect to complete the acquisition of EICO by the end of Q2 2020.

Yours sincerely,



UNITED BRANDS OF SHISHA BIDCO LIMITED

Date: 22 May 2020

التاريخ: 2020/5/22

M/S Jordan Securities Commission

FAO: Mr. Walid Al Abdallat

Greetings,

السادة هيئة الأوراق المالية المحترمين.

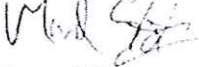
عناية / السيد وليد العبدلات المحترم.

تحية طيبة وبعد ،،


Further to your verbal request made over the phone earlier this day May 22nd to provide the justifications of reducing the acquisition price offered to the shareholders of EICO by United Brands of Shisha Bidco Limited from JD (16) to JD (12) per share, we have informed the offeror of such request, and their response is enclosed herewith.

بناءً على طلبكم الهاتفي ظهر يوم الجمعة الموافق 2020/5/22 بتزويدكم بمبررات تخفيض سعر الاستحواذ المعروض على أسهم مساهمي الشركة من قبل شركة يوناييتد براندرز أوف شيشا بيدكو لمتد من (16) الى (12) دينار للسهم الواحد، نعلمكم بأننا قد قمنا بمخاطبة الشركة مقدمة عرض الاستحواذ بهذا الخصوص، ونرفق لكم طيه الرد الوارد من قبلهم.

Yours Sincerely,


Manuel Stotz
Chairman

واقبلوا وافر الاحترام ،،


مانويل ستوتز

رئيس مجلس الإدارة



United Brands of Shisha Bidco Limited

Amman the 23/5/2020 عمان في

Messrs. Al-Eqbal Investment Co. Ltd.
Amman

السادة شركة الاقبال للاستثمار المساهمة العامة المحدودة
عمان

Greetings,

تحية طيبة وبعد

Subject: Offer to Purchase all of the shares of Al-Eqbal Investments PLC ("EICO") pursuant to Article 222(B) of the Companies Law by United Brands of Shisha Bidco Limited ("Bidco")

الموضوع: عرض شراء كامل اسهم شركة الاقبال للاستثمار ("شركة الاقبال") بموجب المادة ٢٢٢ (ب) من قانون الشركات من قبل شركة United Brands of Shisha Bidco Limited ("الشركة المشترية")

In reference to the request of the Jordan Securities Commission from you to provide the reason for the reduction on the offer price, please note the following:

بالإشارة الى طلب السادة هيئة الأوراق المالية في الأردن منكم بيان أسباب تخفيض سعر الشراء المعروض نرجو اعلامكم ما يلي:

Bidco is able to proceed with the acquisition of EICO only if bank financing is available to fund the acquisition. If the acquisition proceeds, Bidco and its subsidiaries will carry a higher level of debt, which will need to be serviced from the future cash flows expected to be generated by EICO within a margin of comfort acceptable to its lending banks. The COVID-19 pandemic has caused significant disruption to EICO's business that was unforeseeable at the time of the original offer. This disruption and the generally worse outlook for the global economy and the markets for EICO's products, has increased the risks inherent in EICO's business.

لا تستطيع الشركة المشترية المضي بعملية الشراء ما لم يكون التمويل البنكي متوفرا لذلك. فاذا تم تنفيذ عملية الشراء فان الشركة المشترية وشركاتها التابعة ستحمل كمية عالية من الديون والتي سيتم خدمتها عن طريق التدفقات النقدية المستقبلية المتوقع توليدها من قبل شركة الاقبال في المستقبل مع وجود هامش مريح مقبول للبنوك المقرضة. إن جائحة الكوفيد-١٩ قد أدت إلى اضطراب كبير في اعمال شركة الاقبال لم يكن متوقعا عند تقديمنا للعرض الأصلي. لقد أدى هذا الاضطراب وكذلك الترددي المتوقع العام للاقتصاد العالمي ولأسواق شركة الاقبال إلى زيادة المخاطر الكامنة في أعمال شركة الاقبال.

In particular and as was disclosed by EICO on 9 May 2020, due to the COVID-19 pandemic and related government ordered business closures, shisha lounges have been closed since around mid-March in all of EICO's major markets, which has depressed demand for the company's products. Where the company tracks daily demand, sales are down between 20% and 80% since the lounge closures, with the exception of KSA. Overall, EICO's working assumption is that during the second quarter of 2020, volumes will be approximately 35% lower than they were in the same period of 2019. At the same time, the general terms and availability of bank financing for acquisitions of this nature have also been adversely affected.

وعلى وجه الخصوص وكما تم الإفصاح عنه من قبل شركة الاقبال فانه ونظرا لجائحة الكوفيد-١٩ والاغلاقات الحكومية المتعلقة بها، فان صالات الشيشة مغلقة منذ منتصف شهر آذار في جميع أسواق شركة الاقبال الرئيسية مما أدى لانخفاض الطلب على منتجات الشركة. لقد انخفضت المبيعات في الأسواق التي تتابع فيها شركة الاقبال الطلب اليومي ما بين ٢٠٪ الى ٨٠٪ منذ اغلاق صالات الشيشة وذلك باستثناء المملكة العربية السعودية. وبالمجمل فان شركة الاقبال تفترض عمليا أن حجم المبيعات خلال الربع الثاني من عام ٢٠٢٠ سيكون أقل بـ ٣٥٪ مقارنة مع الفترة ذاتها من العام ٢٠١٩. وفي ذات الوقت فان الشروط العامة للتمويل البنكي المتوفر لعمليات الاستحواذ من هذا النوع قد تأثرت سلبيا كذلك.

As a result, Bidco no longer expects EICO to be able to generate the cash flows that would be needed to

وعليه فان الشركة المشترية لم تعد تتوقع لشركة الاقبال أن تولد لتدفقات النقدية اللازمة لدعم حجم الديون التي ستحملها من اجل دفع السعر المعروض الأصلي.

support the level of bank debt it would have to assume in order to be able to pay the original offer price.

At a time when similar transactions around the world are being abandoned as a result of the COVID-19 pandemic, Bidco is willing and able to propose the revised offer to EICO shareholders, giving them an opportunity to realise their investment now at a certain cash price of JOD12 per share. There can be no certainty that this opportunity will be available to shareholders again, or as to the price at which EICO's shares will trade in the market if the acquisition does not proceed. Bidco's offer has been proposed in accordance with all applicable legal requirements. It is for EICO shareholders to form their own view as to the merits of Bidco's offer and to express their view by voting at the extraordinary general meeting which has been convened to consider, and if thought fit approve, the offer.

Bidco believes that the revised offer is a good opportunity for the shareholders of EICO, most of who, Bidco believe wish for the transaction to proceed and should not be deprived of the opportunity to vote in favor of the offer

With respect,

For United Brands of Shisha Bidco Limited

ورغم أن عمليات مشابهة حول العالم قد تم إلغاؤها نتيجة جائحة الكوفيد-١٩، إلا أن الشركة المشترية ما زالت راغبة وقادرة على طرح العرض المعدل المقدم لمساهمي شركة الإقبال مانحة لهم فرصة تسهيل استثمارهم بسعر نقدي محدد يبلغ ١٢ ديناراً للسهم الواحد. لا يمكن أن يكون هناك يقين من توفر مثل هذه الفرصة للمساهمين مرة ثانية وليس من الممكن التكهّن ما سيكون سعر تداول الأسهم في السوق إن لم تستمر الصفقة. إن العرض المقدم من قبل الشركة المشترية قد تم تقديمه حسب كافة القوانين المرعية. ويعود الأمر لمساهمي شركة الإقبال لتشكيل رأيهم الخاص فيما يخص مزايا عرض الشركة المشترية ولهم بيان رأيهم من خلال التصويت في اجتماع الهيئة العامة غير العادية والذي تم دعوته للانعقاد لمناقشة العرض واتخاذ القرار المناسب بخصوص الموافقة عليه.

إن الشركة المشترية تعتقد أن العرض المعدل يمثل فرصة جيدة لمساهمي شركة الإقبال والذين – باعتقاد الشركة المشترية – يرغبون باستمرار الصفقة ويجب عدم منحهم الفرصة للتصويت للموافقة على العرض.

وتفضلوا بقبول فائق الاحترام

عن الشركة المشترية