

DALLAH ALBARAKA HOLDING COMPANY B.S.C.(c)

(Incorporated in the Kingdom of Bahrain)
Commercial Registration Number 23200

NOTIFICATION OF DALLAH ALBARAKA HOLDING COMPANY B.S.C.(c)'S (THE "OFFEROR" or "DALLAH") FIRM INTENTION TO MAKE A CONDITIONAL EXIT OFFER TO ACQUIRE UP TO 100% OF THE ISSUED AND PAID UP ORDINARY SHARES OF AL BARAKA GROUP B.S.C. WHICH, EXCLUDING THOSE (THE "OFFEREE" OR "ABG") SHARES HELD BY THE CONNECTED ABG SHAREHOLDERS (DEFINED BELOW), AMOUNT TO 22.62% OF THE ISSUED AND PAID UP ORDINARY SHARES OF AL BARAKA GROUP B.S.C. WITH THE INTENTION OF A SUBSEQUENT VOLUNTARY DELISTING OF AL BARAKA GROUP B.S.C. AND SUMMARY OF THE OFFER DOCUMENT PERTAINING TO THAT OFFER

OFFEROR'S ANNOUNCEMENT OF ITS FIRM INTENTION TO MAKE AN OFFER AND SUMMARY OF THE OFFER DOCUMENT AND NOTIFICATION OF ITS DISPATCH TO THE OFFEREE

THE OFFER DOCUMENT IS A COMPLEX DOCUMENT AND THE FOLLOWING IS AN ANNOUNCEMENT OF FIRM INTENTION TO MAKE AN OFFER AND ONLY A SUMMARY OF THE OFFER DOCUMENT AND IS NO SUBSTITUTION FOR READING THE OFFER DOCUMENT IN FULL

DISCLAIMER STATEMENT

THE CENTRAL BANK OF BAHRAIN, BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY AND COMMERCE IN THE KINGDOM OF BAHRAIN ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THE OFFER DOCUMENT OR THIS SUMMARY AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE OFFER DOCUMENT OR THIS SUMMARY.

DIRECTORS' STATEMENT

THE DIRECTORS OF DALLAH ALBARAKA HOLDING COMPANY B.S.C.(C) ISSUING THIS ANNOUNCEMENT, WHOSE NAMES APPEAR IN THE OFFER DOCUMENT JOINTLY AND SEVERALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THE OFFER DOCUMENT OR THIS SUMMARY. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THE OFFER DOCUMENT OR THIS SUMMARY IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE OFFER DOCUMENT OR THIS SUMMARY.

Pursuant to TMA 2.7.6 of the Central Bank of Bahrain ("**CBB**") Rulebook, Volume 6, Takeovers, Mergers and Acquisitions Module ("**TMA**"), the offer document must be sent to the offeree company by or on behalf of the offeror within 21 calendar days of the date of this announcement of the terms of the offer.

Capitalised terms not defined herein shall have the same meaning as defined in the Offer Document.

The Offer

Dallah's offer to acquire up to 100% of the issued and paid-up ordinary shares of ABG for cash of USD 0.30 per ABG share and is subject to the fulfilment, or waiver by Dallah (where applicable), of the conditions outlined below (the **Offer**).

Date of submission of the statement of firm intention and dispatch of the Offer Document

The Offeror notified the board of directors of the Offeree, that it has a firm intention to make an offer to acquire up to 22.62% of the issued and paid up ordinary shares of ABG for cash and dispatched the Offer Document to the board of directors of ABG on 3 October 2023.

Pursuant to TMA 2.7.7 of the CBB Rulebook, Volume 6, TMA, the Offer Document and the Offeree board circular must be sent to the Offeree shareholders by, or on behalf of, the Offeree within 21 calendar days of the date of receipt of the Offer Document by the Offeree.

The Offeror

Dallah AlBaraka Holding Company B.S.C.(c)
Flat 151, Building 1006, Road 2813, Block 428, Al Seef, Kingdom of Bahrain

Dallah is registered with the MOIC under commercial registration number 23200 as a closed Bahraini shareholding company.

Dallah was established to carry out the following activities:

1. to act as a holding company and to carry out all activities to achieve its purpose including but not limited to the following:
 - (a) managing its subsidiaries or participating in the management of other companies and providing the necessary support to them;
 - (b) owning real estate and movable property necessary to carry out its activities within the limits permitted in accordance with the law;
 - (c) providing loans, guarantees and credits to its subsidiaries;
 - (d) owning industrial property rights such as patents, trademarks, industrial rights, franchises and other intangible rights, and exploiting and or leasing them to its subsidiaries or others;
 - (e) owning and investing in bonds, shares, money, guarantees, securities, loan bonds, stock certificates and all debt claims (whatever they may be called) in all or any form;
 - (f) finding funds by borrowing, releasing and accepting negotiable papers, providing guarantees and mortgages over its property and assets (including demand capital), and guaranteeing its obligations or those of any subsidiary or associated company, investing its money; and
 - (g) promoting other companies, and selling any commitment it has in cash or in exchange for any other consideration, and distributing its assets to the partners, whether in cash or in kind; and
2. any other activities that are necessary to achieve its purposes, and in general to carry out any other business and transactions and to do all the things that the Dallah Board deems in its sole discretion necessary or desirable or useful in promoting the objectives of Dallah or to raise the value of or dispose of or rent any of Dallah's property, assets and rights, and pay all expenses that are incurred in the formation of Dallah.

Dallah's authorized share capital currently stands at USD 665,000 with an issued and paid-up share capital of USD 665,000 divided into 665,000 ordinary shares with a nominal value of USD 1.00 each.

Board of Directors of the Offeror	Position
Abdullah Saleh A Kamel	Chairman
Mohyedin Saleh A Kamel	Vice Chairman
Abdulaziz Mohammedabdo A Yamani	Member and CEO
Hadeel Saleh A Kamil	Member
Saleh Abdullah S Kamel	Member

Management of the Offeror	Position
Abdulaziz Mohammedabdo A Yamani	Chief Executive Officer
Khalid Abu Namous	Vice President, Finance and Treasury
Adel Saoud Dahlawi	Manager, Investment Department
Ahmad Abul Raheem Mashae	Governance Officer

Shareholders of the Offeror

The list of shareholdings in Dallah as of this date is given below:

Name of Shareholder	Percentage Held
Sadin Holding Company	33.33%
Abdullah Saleh A. Kamel	10.61%
Mohyedin Saleh A. Kamel	10.61%
Nadeer Saleh A. Kamil	6.69%
Aseel (أصيل) Saleh A Kamel	6.69%
Hadeel Saleh A. Kamil	6.69%
Aseel (أصيل) Saleh A Kamel	5.30%
Sadir Saleh A. Kamel	5.30%
Gadir Saleh A. Kamel	5.30%
Haneen Saleh A. Kamel	5.30%
Maede Mohyealddin M Nazer	4.17%

Connected ABG Shareholders

In addition to the Offeror, there are a group of shareholders that are connected to the Offeror who hold shares amounting to 22.63% in the issued capital of ABG, which will be listed in full in the Offer Document (the "**Connected ABG Shareholders**"). The Connected ABG Shareholders will not participate in the Offer.

The Offeree

Al Baraka Group B.S.C.
Building 370, Road 4611
Block 346, Manama
Kingdom of Bahrain

ABG is registered with the MOIC with commercial registration number 48915 as a public Bahraini shareholding company. Its shares are listed on the Bahrain Bourse.

ABG is licensed by the CBB as a locally incorporated Category 1 investment firm (Islamic Principles). ABG provides, through its banking subsidiaries and associate companies, retail, corporate, treasury and investment banking products and services strictly in accordance with the principles of Islamic Sharia. ABG operates regionally through its subsidiaries and associates in Jordan, Lebanon, Egypt, Tunisia, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Syria, and Germany, as well as two branches in Iraq and a representative office in Libya.

ABG has an issued and paid-up capital of USD 1,242,879,755 made up of 1,242,879,755 shares of USD 1.00 each.

Details of securities for which the voluntary conditional exit offer is made

The Offer is to acquire up to 281,141,331 ABG Shares which have a par value of USD 1.00 each in ABG, representing up to 22.62% of ABG's issued and paid-up share capital (the **ABG Shares**) following this Offer, Dallah's ownership in ABG may increase up to 100% including shares held by Dallah and the Connected ABG Shareholders.

Details of any relevant securities of ABG in which Dallah or any person acting in concert with it has an interest or has a right to subscribe.

Save as disclosed below, none of the Directors of Dallah have any direct or deemed interest in the ABG Shares as of the date of this firm intention:

Name of Shareholder	Number of Shares
Al Tawfeek Company for Investment Funds	240,173,054 (19.32%)
Jordan Islamic Bank	24,205,000 (1.95%)
Market Making Account – SICO	7,175,000 (0.58%)
Sadin Holding Company	5,400,110 (0.43%)
Mohyedin Saleh Kamel	3,087,987 (0.25%)
Al Tawfeek Development & Investment	771,342 (0.06%)
Abdulla Saleh Kamel	338,598 (0.03%)
Al Tawfeek Development House (Holding) Company	155,666 (0.01%)

ABG's market making activities were suspended on 18 September 2023.

Consideration for the Offer

The consideration for the Offer is USD 0.30 in cash per ABG Share provided that the Offer becomes unconditional after the fulfilment, or waiver by Dallah, of the Conditions Precedent. Assuming that all ABG Shareholders who are not Connected ABG Shareholders avail of the Offer, the total value of the Offer would be USD 84,342,399.30.

The Offer price was determined based on ABG Share's average closing market price on all trading days on the Bahrain Bourse during the three months between 1 June 2023 and 31 August 2023 (inclusive) rounded to two decimal places (see section 12 (Market Price and Historical Stock Trading Summary) of the Offer Document).

Rationale for the Conditional Exit Offer

Dallah believes, through its significant current shareholding in the Offeree, both directly and in combination with the other Connected ABG Shareholders, that further increasing its shareholding through the Offer, and an election by the board of ABG to convert ABG into a closed Bahraini shareholding company, will better serve ABG's long term objectives. The Offeror is of the view that the listing has not resulted in improved valuations for ABG nor has the listing promoted share trading liquidity as illustrated by the limited trading activity in ABG's shares on the Bahrain Bourse. The Offeror is of the view that converting ABG into a closed company would focus the restructuring of ABG's activities (if and when required) and would release ABG from the demanding requirements of being listed together with the additional costs of such listing.

Conditions to which the offer or the posting is subject

The implementation of the Offer will be subject to the fulfilment, or waiver by Dallah where applicable, of the following conditions precedent. For the avoidance of doubt, the Offer shall not become unconditional unless the below conditions precedent are fulfilled, or waived by Dallah:

1. no Material Adverse Effect having occurred prior to, and being continued as at, the date on which the Offer would have been declared unconditional in all respects but for the occurrence of a Material Adverse Effect;
2. the receipt of the following approvals or confirmations to the conversion of ABG into a closed Bahraini shareholding company and subsequent delisting of ABG from the Bahrain Bourse, in accordance with any in-principle approvals received from various regulatory authorities:
 - a. EGM approval from the ABG Shareholders (other than Dallah and the other Connected ABG Shareholders);
 - b. CBB approving Dallah's proposed increase in its shareholding in ABG as a controller of ABG;
 - c. CBB providing an exemption from Rule GR-5.3.3A of the General Requirements Module of CBB Rulebook Volume 4 "*The percentage of direct or indirect control of an*

unregulated legal person in a Bahraini investment firm licensee must not exceed 30% of the issued and paid up capital”;

- d. confirmation from the CBB that it has no objection to the conversion and delisting of ABG; and
 - e. confirmation from Bahrain Bourse that it has no objection to the conversion and delisting of ABG;
3. If the approvals or confirmations are obtained as set out in paragraph 2, ABG does not receive any objections from the creditors of the Company within the Objection Period which are not resolved within the Objection Period; and
4. ABG does not, from the date of this notification until the expiration of the Offer Period, do any of the following:
- a. issue any shares and /or distribute cash dividends;
 - b. create, issue or grant, or permit the creation, issue or grant of, any convertible securities, options or warrants in respect of shares of ABG;
 - c. other than in the normal course of business, sell, dispose of or acquire assets;
 - d. enter into contracts, including service contracts, other than in the ordinary course of business, including contracts or actions which may give rise to any contingent liability;
 - e. cause ABG or any subsidiary or associate of ABG to purchase or redeem any shares in ABG or provide financial assistance for any such purchase;
 - f. acquire any company, partnership, other business organisation or division thereof, or enter into any joint venture, or strategic alliance;
 - g. enter into any commitment, agreement or arrangement for assumption of third party financing or bank debt or any other loan or debt, nor obtain or procure any such financing for ABG, other than in the ordinary course of business;
 - h. make any changes in the memorandum and articles of association or in the nature of the bank licence or registered address of ABG;

- i. amend, waive, modify or consent to the termination of any contract or ABG's rights thereunder other than in the ordinary course of business consistent with past practice;
- j. enter into any contract which is not in the ordinary course of business with any related party;
- k. enter into any formal or informal agreement, or otherwise make a commitment to do any of the foregoing; or
- l. carry out any actions prohibited by the TMA.

ABG Shareholders and/or potential investors of ABG should note that the Offer is subject to the satisfaction or, with the exception of the Conditions Precedent set out in paragraphs 2 and 3 above, waiver by Dallah (where applicable), of the Conditions Precedent, and is conditional upon the Offer becoming or being declared unconditional in all respects. Accordingly, the Offer may or may not become unconditional. ABG Shareholders and / or potential investors of ABG should therefore exercise caution when dealing in the securities of ABG. Persons who are in doubt as to the action they should take should consult their licensed brokers, dealers, solicitors, professional accountants or other professional advisers.

In the event that the Conditions Precedent set out at paragraphs 2 and 3 are satisfied, and the other Conditions Precedent are not satisfied by the Initial Offer Closing Date, Dallah reserves the right to proceed to declaring the Offer unconditional in all respects (subject to the satisfaction or, where applicable, waiver of the other conditions), following the EGM approval, in which case Dallah will procure that ABG applies to the CBB for the delisting of ABG from the Bahrain Bourse and the conversion of ABG into a closed Bahraini shareholding company.

Offer expected timeline and key dates

The following dates will be publicly announced by ABG and/or Dallah in due course and will depend, among other things, on whether (and the dates on which) the Conditions Precedent are satisfied or waived (where applicable).

Event	Time and/or Date
Circulation of EGM Agenda	To be announced
Last Trading Date	To be announced
Suspension Date	To be announced
Record Date for ABG Shares	To be announced
Offer Opening Date	To be announced
EGM Date	To be announced
Publication of Conversion Notice	To be announced
Start of Objection Period to Conversion	To be announced
End of Objection Period to Conversion	To be announced
Initial Offer Closing Date	To be announced
Offer to be declared unconditional in all respects	To be announced
Sell-Out Notice to Dissenting Shareholders sent	To be announced
Final Offer Closing Date	To be announced
Effective Date	Effective Date
End of Sell-Out period	To be announced
Delisting Date	To be announced
Conversion Date	To be announced

Dallah Post Acquisition Strategy

Following the announcement that the Offer is unconditional in all respects, Dallah will procure that ABG applies to the CBB for the delisting of ABG from the Bahrain Bourse in accordance with the TMA Module and the conversion of ABG into a closed Bahraini shareholding company.

Dallah intends to maintain ABG's commercial registration and will continue to operate under its normal course of business.

Mechanism It is envisaged that the Offer will be implemented by way of an exit offer to the shareholders of ABG by Dallah in line with the provisions of the TMA.

Compulsory acquisition The Offeror confirms that, should the Offer achieve the threshold of valid acceptances representing at least 90% or more of the ABG Shares subject to the Offer ("**Threshold**"), and pursuant to Article 319 bis I of the Commercial Companies Law and article TMA 3.4.5 of the TMA Module, it will not be exercising its squeeze-out right to buy any ABG Shares owned by Dissenting Shareholders.

If the Offer achieves the Threshold, the Dissenting Shareholders shall be entitled to exercise their right to require the Offeror to acquire their shares in accordance with the TMA Module.

Procedures for accepting the Offer ABG Shareholders (other than the Connected ABG Shareholders) willing to accept the Offer will be required to submit the completed Acceptance and Transfer Form (along with the required documentation) to the Receiving Agent through the Participating Branch.

Copies of the Offer Document and a sample of the Acceptance and Transfer Form can be downloaded from www.sicobank.com. Physical copies of the Acceptance and Transfer Form will be available at the Participating Branch. Physical copies of the Acceptance and Transfer form will also be mailed out to the ABG Shareholders' last address recorded in ABG's share register with Bahrain Clear B.S.C.(c) (it is, and remains, the responsibility of each ABG Shareholder to ensure such address is up to date and to obtain a physical copy from the Participating Branch if such ABG Shareholder did not receive an Acceptance and Transfer Form in the mail).

Offer finance sources The cash for the Offer will be financed through Dallah's internal resources.

Confirmations

Details of any existing holding of ABG Shares and rights over the ABG Shares

Dallah holds 680,431,667 shares in ABG representing 54.75% of the issued share capital of ABG.

Dallah has not purchased or sold shares in ABG during the 12-month period prior to the date of this notification.

Details of any outstanding derivative in respect of the ABG Shares entered into by Dallah or any person acting in concert with it

None

Details of any arrangement (whether by way of option, indemnity or otherwise) in relation to the ABG Shares which

None

might be material to the Offer.

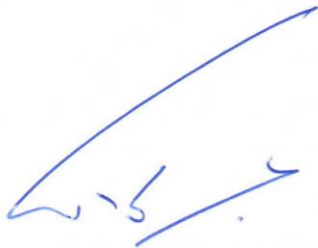
Details of any relevant securities of ABG which Dallah or any person acting in concert with it has borrowed or lent, excluding any borrowed shares which have been either on-lent or sold None

Details of any agreements or arrangements to which Dallah is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or the consequences of its doing so, including details of any break fees payable as a result None

Details of any arrangement for the payment of an inducement fee or similar arrangement None

Statement by Financial Advisor SICO B.S.C.(c), which is the financial advisor to Dallah for this transaction, confirms that it has carried out the necessary assessment using ordinary due diligence to confirm that sufficient resources are available to the Offeror to satisfy the full implementation and acceptance of the Offer.

On behalf of the Board of Dallah



Abdullah Saleh Abdullah Kamel

Chairman

Offeror

Dallah AlBaraka Holding Company B.S.C.(c)



Financial Advisor to the Offeror and Receiving Agent	Legal Advisors to the Offeror		Central Securities Depository	Participating Branch
	International Counsel	Bahrain Counsel		
SICO B.S.C.(c)	Trowers & Hamlins	Hassan Radhi & Associates	Bahrain Clear B.S.C.(c)	Al Baraka Islamic Bank B.S.C.(c)
				