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The Board Independent Committee

Al Baraka Group B.S.C.
Al Baraka Headquarters, Bahrain Bay
Manama, Kingdom of Bahrain
PO Box 1882
Manama, Kingdom of Bahrain

19 October 2023

Re: Fairness Opinion Letter

Dear Sirs,

Pursuant to the requirements of the Takeover, Mergers & Acquisition Module under Volume 6 of the Central Bank of Bahrain's ("CBB") Rulebook ("TMA Module"), Al Baraka Group B.S.C. ("ABG" or the "ABG Group" or the "Client") has engaged BDO Consulting W.L.L. ("BDO" or "we" or "us") as an independent professional advisor for the purpose of evaluating Dallah AlBaraka Holding Company B.S.C. (c) ("Dallah") offer (as described below) and advising ABG's board (the "Board") as to whether or not the offer is fair and reasonable.

The Offer

We understand that Dallah on 3 October 2023 has issued an Offer Document (the "Offer Document") in relation to its voluntary conditional exit Offer to acquire up to 100% of the issued and paid up ordinary shares of ABG (constituting voting rights), excluding those shares held by the Connected ABG Shareholders (as defined in the Offer Document), amounting to 281,141,331 (22.62% stake) of the issued and paid up ordinary shares of ABG by way of cash Offer of USD 0.30 per share at the discretion of each ABG Shareholder with the intention of a subsequent voluntary delisting of ABG (the "Offer" or the "Proposed Transaction" or the "Proposed Acquisition").

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 (as defined in the Offer Document). Assuming that all ABG Shareholders who are not Connected ABG Shareholders (as defined in the Offer Document) avail the Offer, the total value of the Offer would be USD 84,342,399.30.

We understand that the Offer will be implemented by way of a voluntary conditional offer to the ABG Shareholders who are not Connected ABG Shareholders (as defined in the Offer Document) by Dallah in line with the requirements of TMA Module. The implementation of the Offer will be subject to the fulfilment, or waiver by Dallah where applicable, of the Conditions Precedent (as defined in the Offer Document).

We understand that following the announcement that the Offer is unconditional in all respects, Dallah intends to finalize the delisting of ABG from the Bahrain Bourse in accordance with the TMA Module and the conversion of ABG into a Bahrain Shareholding Company (closed).

We further understand that following the successful implementation of the Offer and the acquisition, Dallah intends to maintain ABG's commercial registration. ABG will continue to operate in the normal course of business and maintain its operations. It is not expected that there will be any disruption to or cessation of any significant line of operations of ABG or the ABG Group as a result of the Proposed Acquisition of shares under the Offer.



Please note that we have outlined some pronouncements of the Offer in this letter, however the Offer is fully described in the Offer Document. Accordingly, the description of the Offer contained herein is subject to reference in the Offer Document. The terms that are not defined herein bear the meanings specified in the Offer Document.

Scope of Analyses

In developing our fairness opinion (the “Opinion”), our procedures included, but were not limited to, the following:

1. Reviewed Firm Intention to make the Offer and summary of Offer Document;
2. Reviewed Offer Document;
3. Participated in discussions with ABG’s management team (the “Management”) regarding ABG’s financial condition, business, expected future performance, and the Offer.
4. Reviewed the following documents:
 - a. Reviewed financial statements of ABG for the fiscal years ending 31 December 2020 through 31 December 2022 and for the six months period ending 30 June 2023;
 - b. Reviewed the forecast financial operating data for the fiscal years ending 31 December 2023 through 31 December 2027, for ABG, as prepared by the Management;
 - c. Other financial schedules where relevant.
5. Reviewed price history of ABG shares listed on the Bahrain Bourse.
6. Performed certain valuation and comparative analyses using generally accepted valuation and analytical techniques.
7. Took into account general economic, market, and financial conditions.
8. Conducted such other analyses and considered such factors as we deemed appropriate.

Assumptions and Limiting Conditions

This Opinion is subject to certain overall assumptions and limiting conditions, many of which may have a significant influence on the conclusion, including without limitation, the following:

1. In developing our Opinion, we have relied on information provided by ABG and have performed no independent verification of the information provided.
2. We have relied on information, data, and representations obtained from public sources or provided by private sources and have performed no independent verification of the information provided.
3. We have assumed the accuracy and completeness of all information provided and assume projections and forecasts have been prepared in good faith by the Management, upon reasonable estimates that represent ABG’s best judgment as to future performance.
4. We have assumed that there have been no material changes in the financial condition, business, or prospects of ABG since the date of the most recent financial statements and other information provided to us.
5. Our Opinion is necessarily based on economic, market, and other conditions as in effect on, and the information made available to us as of, the date hereof. Accordingly, it is important to understand that although subsequent developments may affect our Opinion, we do not have any obligation to further update, revise, or reaffirm our Opinion.
6. We express no opinion on matters of a legal, regulatory, tax, or accounting nature of the Proposed Transaction or the ability of the Proposed Transaction, as set forth in the Offer Document, to be consummated.
7. We have assumed the Proposed Transaction will be completed in accordance with the Offer Document and without any amendments thereto or any waivers of any terms or conditions thereof.



8. We have relied upon the fact that ABG has been advised by its counsel as to all legal matters with respect to the Proposed Transaction, including whether all procedures required by law to be taken in connection with the Proposed Transaction have been duly, validly, and timely taken.
9. No opinion is expressed as to whether any alternative transaction might be more favorable to holders of ABG shares than the Proposed Transaction.

Disclosures

We represent to the Client as follows:

- With respect to the Proposed Transaction, we have not acted as a financial adviser to any party involved.
- Our compensation is not contingent upon any action or event resulting from use of the Opinion, including the successful completion of the Proposed Transaction.
- We have had no material relationships in past years or that are mutually understood to be contemplated in which any compensation was received or is intended to be received as a result of the relationship between BDO and any party to the Proposed Transaction that is the subject of this Opinion.

Use of Opinion Letter

We are providing our Opinion to the Board Independent Committee who may use this document only in its entirety in the communication with the shareholders of ABG concerning the Offer.

Methodology and Valuation

To establish fair equity value per ABG ordinary share, we have deployed Comparable Companies Multiple (“CCM”) method under the Market Approach and Residual Income (“RI”) method under the Income Approach of valuation.

With the application of CCM and RI methods, the weighted average fair equity value per ABG ordinary share is arrived at USD 0.271 as of 30 June 2023 (the “Valuation Date”). Based on the Offer Document, Dallah will pay a cash consideration of USD 84,342,399.30 or USD 0.30 per ABG share against 281,141,331 shares of ABG, based on ABG’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, which is c.11% higher than the concluded weighted average fair equity value per ABG ordinary share as of the Valuation Date.



Conclusion

Subject to the foregoing, it is our opinion as of the date hereof that the Offer is Fair and Reasonable, from a financial point of view to the shareholders of the 281,141,331 ordinary and paid-up shares of ABG, not currently owned by Dallah, representing up to 22.62% stake of ABG's issued and paid-up share capital. Based on our Opinion, it is our advice to the Board Independent Committee that they recommend Acceptance of the Offer to the shareholders of ABG concerning the Offer.

This fairness opinion letter should read in conjunction with the ABG valuation report submitted to the Management on 19 October 2023.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Bipin Shete', written over a horizontal line.

Bipin Shete
Regional Partner, Advisory