

Disclosure of Material Information

To: Bahrain Bourse



Solidarity Bahrain B.S.C would like to announce the following material information:

الإفصاح عن معلومات جوهرية

السادة / بورصة البحرين

تعلن شركة سوليدرتي البحرين ش.م.ب عن الإفصاح عن معلومات جوهرية المبين تفاصيلها أدناه:

Date	8 August 2021	8 أغسطس 2021	التاريخ
Company Name	Solidarity Bahrain B.S.C.	سوليدرتي البحرين ش.م.ب.	إسم الشركة
Trading Code	SOLID	SOLID	رمز التداول
Subject	Progress update regarding the Merger of Solidarity Bahrain B.S.C ("Solidarity") with T'azur B.S.C. (c) ("T'azur")	التطورات المتعلقة باندماج سوليدرتي البحرين ش.م.ب ("سوليدرتي") مع شركة تآزر ش.م.ب (م) ("تآزر")	الموضوع
Material Information	Solidarity's announcement pertaining to T'azur's acceptance of the Letter of Firm Intention dated 18 th July 2021. Details on the announcement is enclosed below.	إفصاح سوليدرتي المتعلق بقبول تآزر لخطاب النية المؤكدة المؤرخ بتاريخ 18 يوليو 2021 ، وتفاصيل الإفصاح مرفقة ادناه.	المعلومات الجوهرية
Impact on Financial Position	As detailed in the enclosed announcement.	كما هو مبين في الإفصاح المرفق.	الأثر على المركز المالي

Previous relevant disclosures (if any)	25th July 2021	25 يوليو 2021	إفصاحات سابقة ذات صلة (إن وجدت)
	1st July 2021	1 يوليو 2021	
	1st June 2021	1 يونيو 2021	
	3rd May 2021	3 مايو 2021	
	4th April 2021	4 أبريل 2021	
	3rd March 2021	3 مارس 2021	
	2nd February 2021	2 فبراير 2021	
	1st February 2021	1 فبراير 2021	
	4th January 2021	4 يناير 2021	
	2nd December 2020	2 ديسمبر 2020	
	2nd November 2020	2 نوفمبر 2020	
	25th October 2020	25 أكتوبر 2020	
Name	Yaser Al Hammadi	ياسر الحمادي	الاسم
Title	Assistant General Manager - Compliance and Risk Management & MLRO	مساعد المدير العام - الالتزام وإدارة المخاطر ومسؤول مكافحة غسيل الأموال	المسمى الوظيفي
Company Seal ختم الشركة		Signature التوقيع	
 سوليدرتي SOLIDARITY CR 5091 CM 001			



Solidarity Bahrain B.S.C.

(Incorporated in the Kingdom of Bahrain under Commercial Registration No.: 5091)

Date: 05.08.2021

**ANNOUNCEMENT OF INITIAL ACCEPTANCE OF SOLIDARITY
BAHRAIN B.S.C.'S FIRM INTENTION TO MAKE AN OFFER TO
ACQUIRE 100% OF THE ASSETS, BUSINESS AND LIABILITIES OF
THE BAHRAIN OPERATIONS (INCLUDING QATAR BRANCH IN RUN-
OFF) OF T'AZUR COMPANY B.S.C. (C) AGAINST THE ISSUANCE OF
13,333,332 NEW ORDINARY SHARES IN SOLIDARITY BAHRAIN B.S.C.
(MERGER VIA TRANSFER OF BUSINESS, ASSETS AND LIABILITIES)**

DISCLAIMER STATEMENT

THE CENTRAL BANK OF BAHRAIN AND BAHRAIN BOURSE ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ANNOUNCEMENT. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR SECURITIES OF SOLIDARITY BAHRAIN B.S.C. ("SOLIDARITY" or the "OFFEROR").

DIRECTORS DECLARATION

THE BOARD OF DIRECTORS OF SOLIDARITY BAHRAIN B.S.C. ISSUING THIS ANNOUNCEMENT, JOINTLY AND SEVERALLY ACCEPTS FULL RESPONSIBILITY FOR THE ACCURACY OF INFORMATION CONTAINED IN THIS ANNOUNCEMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE BOARD, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THIS ANNOUNCEMENT.

Date of submission of the letter of firm intention	Solidarity Bahrain B.S.C. notified the board of directors of T'azur Company B.S.C. (c) through a letter dated July 18, 2021, after trading hours, that it has a firm intention to make an offer to acquire 100% of the assets, business, and liabilities of the Bahrain operations (including Qatar branch in run-off) of T'azur and excluding latter's ownership of 70% of the paid-up share capital of T'azur Takaful Insurance Company K.S.C. (Kuwait) ("Merger Offer").				
Date of Acceptance of the letter of firm intention	As of August 05, 2021, Solidarity Bahrain B.S.C. has received the letter of Firm Intention dated 18 th July 2021 ("Firm Intention") duly accepted and countersigned by T'azur Company B.S.C. (c) as authorized by latter's Board of Directors. The above constitutes T'azur Company B.S.C. (c)'s initial acceptance, as on date, of Solidarity's Merger Offer as submitted through the Firm Intention.				
Identity of the Offeror announcing the acceptance of firm intention to make an offer	<p>Solidarity Bahrain B.S.C. 7th Floor – Seef Tower Flat 71, Building 2080, Road 2825, Block 428 PO Box 5282 Seef Area, Manama – Kingdom of Bahrain Telephone: 17585222 Fax: 17585200 Website: www.Solidarity.com.bh</p> <p>Solidarity Bahrain B.S.C. (c) (the "Offeror" or "Solidarity") is registered with the Ministry of Industry and Commerce and Tourism ("MOICT") with Commercial Registration number 5091 as a public joint stock company incorporated under the laws of Bahrain. Solidarity is licensed & regulated by the Central Bank of Bahrain as a Locally Incorporated Takaful Firm - Category Four. Solidarity has an issued and paid-up capital of BHD 12,000,000 made up of 120,000,000 shares of BHD 0.100 each. The shares of Solidarity are publicly listed on Bahrain Bourse.</p>				
Shareholders of the Offeror	<p>The summary of principal shareholdings in Solidarity as of this date is given below:</p> <table border="1"> <thead> <tr> <th>Name of Shareholder</th><th>Holding</th></tr> </thead> <tbody> <tr> <td>Solidarity Group Holding B.S.C. (c)</td><td>84.17%</td></tr> </tbody> </table>	Name of Shareholder	Holding	Solidarity Group Holding B.S.C. (c)	84.17%
Name of Shareholder	Holding				
Solidarity Group Holding B.S.C. (c)	84.17%				
Intention to make an offer to acquire 100% of the assets, business and liabilities in-lieu of Merger of the Offeree - Identity of the Offeree	<p>T'azur Company B.S.C. (c) P.O. Box 31600, 12th Floor, Jeera 2, Building 2347, Road 2830, Block: 428, Seef Area, Manama - Kingdom of Bahrain Tel: (973) 17 561661 Fax: (973) 17 561669</p> <p>T'azur Company B.S.C. (c) (the "Offeree" or "T'azur") is registered with MOICT with Commercial Registration number 66941. T'azur is a Bahraini closed joint stock company Licensed as a Locally Incorporated Insurance Firm (Islamic Principles) by the CBB with an authorized capital of US\$ 500,000,000, of which US\$ 58,000,000 is issued and paid up.</p>				

Details of securities for which an offer has been made	<p>100% Of the Assets, Business and Liabilities of The Bahrain Operations (Including Qatar Branch in Run-Off) Of T'azur and excluding latter's ownership of 70% of the paid-up share capital of T'azur Takaful Insurance Company K.S.C. (Kuwait) ("Merger Assets and Liabilities"). Merger Assets and Liabilities to be acquired by Solidarity through a securities exchange between paid-up shares of T'azur and new shares to be issued by Solidarity.</p>
Consideration for the Transaction	<p>KPMG Fakhro ("KPMG") was appointed by Solidarity, as independent advisor to carry out financial due diligence on T'azur and to conduct a valuation of 100% of the equity of T'azur (Bahrain operations) as of 30th September 2020 ("Cut-off Date") and the report from KPMG on the outcome of this exercise was received and considered by the Board of Directors of Solidarity. KPMG was also assisted in this exercise by independent legal and actuarial due-diligence advisors, namely Hassan Radhi and Associates and Lux Actuaries and Consultants.</p> <p>PricewaterhouseCoopers ME Limited ("PwC") was appointed by T'azur, as independent advisor to carry out financial due diligence on Solidarity and to conduct a valuation of 100% of the equity of Solidarity as of 30th September 2020 and the report from PwC on the outcome of this exercise was received and considered by the Board of Directors of T'azur. PwC was also assisted in this exercise by Ma'awia T.El-Nayal & Associates latter being the legal advisor.</p> <p>Based on the consolidated reports and findings of the independent advisors the Board of Directors of both Solidarity and T'azur has authorized the joint execution of the Firm Intention dated 18th July 2021. The same constitutes initial acceptance by both Solidarity and T'azur, subject to EGM approval, of the fair value of net assets of shareholders' and participants' fund including accumulated (deficit)/surplus on a combined basis as at the Cutoff Date, as detailed in the Firm Intention.</p> <p>The consideration for the Merger Offer has been determined based on the above valuations as at the Cut-Off Date and is agreed to be 13,333,332 new ordinary shares to be issued by Solidarity to T'azur shareholders via increase of its paid-up capital and in-lieu of the Merger.</p> <p>Solidarity's Board of Directors shall further publish a circular to the shareholders containing more details on the final swap ratio on a per share basis as well as other details relating to the Merger Offer.</p>
Mechanism	<p>It is envisaged that the Merger Offer will be implemented by way of the shareholders of Solidarity and T'azur, considering for approval the Merger Offer and related items in an Extraordinary General Assembly of the shareholders of the respective company.</p>

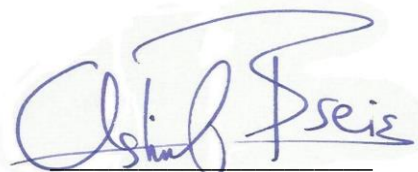
	<p>If Solidarity and T'azur shareholders in the respective EGMs approve the transfer of Merger Assets and Liabilities to Solidarity from T'azur, in-lieu of 13,333,332 new ordinary shares to be issued by Solidarity to T'azur shareholders, both companies shall apply to the Central Bank of Bahrain and any other regulatory authority, as may be applicable, to give effect to the said transfer of Merger Assets and Liabilities and the ensuing Merger.</p>
Offer finance sources	<p>The Merger Offer is a securities exchange offer and is non-cash.</p>
Conditions to which the offer or the posting is subject	<p>The implementation of the Merger Offer will be subject to the fulfilment or waiver, where applicable, of the following conditions precedent. For avoidance of doubt, the Merger Offer shall not materialize unless the below conditions precedent are fulfilled or waived as may be applicable:</p> <ol style="list-style-type: none"> 1. The T'azur EGM to approve the Merger Offer and related items to be held no later than 2 months from the date of the initial acceptance of the Firm Intention. 2. T'AZUR's ownership of 70% of the paid-up capital of T'azur Takaful Insurance Company K.S.C. (Kuwait) to be spun-off or separated from T'azur, via a suitable process and structure that is approved by the Central Bank of Bahrain ("CBB") and any other relevant regulatory authorities. 3. Receipt of all regulatory and statutory approvals in connection with the Merger Offer. 4. Solidarity and T'azur entering into the Agreement and Plan of Merger as applicable. <p>Shareholders and/or potential investors of Solidarity should note that the Merger Offer is subject to the satisfaction or waiver (where applicable) of the conditions to which the offer or the posting is subject. Accordingly, the Merger Offer may or may not materialize. Shareholders and/or potential investors of Solidarity should therefore exercise caution when dealing in the securities of Solidarity. Persons who are in doubt as to the action they should consult their licensed brokers, dealers, solicitors, professional accountants, or other professional advisers.</p>
Offeror's intention for the future of the company	<p>Solidarity has been exploring synergies with T'azur and believes that the Merger consisting of combining T'azur's Bahrain operations with itself would be beneficial for both parties. With the Merger between the Offeror and the Offeree deemed to be completed, in-lieu of the Merger Offer:</p> <ol style="list-style-type: none"> 1. T'azur shall cease and all tangible and intangible assets, properties, rights, privileges of T'azur shall be transferred to Solidarity;

	<p>2. Solidarity shall accept to carry out and to undertake all rights, obligations, and liabilities of T'azur in respect of any existing Takaful and re-Takaful services, products, clients, and business; and</p> <p>3. All liabilities and duties of T'azur shall be transferred to Solidarity and may be enforced against it to the same extent as if such liabilities and duties had been incurred or contracted by Solidarity.</p>
Details of any existing holding of T'AZUR Shares and rights over the T'AZUR Shares	None
Details of any outstanding derivative in respect of the T'AZUR shares entered into by Solidarity 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 Solidarity shares or T'AZUR Shares which might be material to the Offer.	None
Details of any relevant securities of T'AZUR in	None

which Solidarity or any person acting in concert with it has an interest or has a right to subscribe.	
Details of any relevant securities of T'AZUR which Solidarity 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 Solidarity 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
Previous relevant disclosures (if any)	<ol style="list-style-type: none"> 1. Solidarity issued a letter of intent to T'azur on 25th October 2020 to confirm Solidarity's interest in the merger of T'azur's Bahrain operations with Solidarity. 2. On 2nd November 2020 Solidarity announced that the Board of Directors of T'azur has provided its in-principle acceptance to the Letter of Intent 3. On 2nd December 2020, Solidarity announced that Solidarity has appointed financial, legal and actuarial advisors to undertake detailed due diligence in relation to the proposed merger with T'azur. 4. Progress update regarding the Merger of Solidarity with T'azur published on 4th January 2021. 5. On 1st February 2021, Solidarity Bahrain has confirmed the expected time for the completion of the proposed merger as mentioned in the interview published on Al Ayam newspaper with the CEO of Solidarity Bahrain B.S.C, Mr. Jawad Mohammed. 6. On 2nd February 2021, Solidarity Bahrain has announced that the due diligence process in relation to the proposed merger with T'azur have been started. 7. Progress update regarding the Merger of Solidarity with T'azur published on 3rd March 2021. 8. Progress update regarding the ongoing due diligence by the appointed advisors published on 4th April 2021. 9. On 3rd May 2021, Solidarity announced the completion of due-diligence process in relation to the proposed merger with T'azur. 10. On 1st June 2021, Solidarity announced that the reports that have been submitted by the financial, legal, and actuarial advisors were being under consideration. 11. On 1st July 2021, Solidarity announced that it has submitted the results of the due diligence study to T'azur Board of Directors on 23rd June 2021. 12. On 25th July 2021, Solidarity announced that it has submitted to T'azur a Firm Intention to Make an Offer dated 18 July 2021 ("Firm Intention") to effect the merger of T'azur's Bahrain operations with Solidarity.

On behalf of the Board of Solidarity



Ashraf Bseisu
Vice Chairman