

MERGER DECISION NO 30:2025

Notice of Section 53(4) (a)(ii) of the Competition Act 2018

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF ALL ISSUED SHARE CAPITAL IN BARLOWORLD LIMITED BY GULF FALCON HOLDING LIMITED AND ENTSHA PROPRIETARY LIMITED (TOGETHER, THE CONSORTIUM), THROUGH K2024528179 (SOUTH AFRICA) PROPRIETARY LIMITED

Introduction of the Merging Parties

Pursuant to section 53(4)(a)(ii) of the Competition Act, 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in relation to the proposed acquisition of all issued share capital in Barloworld Limited (“Barloworld” or the “Target Enterprise”) other than those held by Barloworld subsidiaries (including any member of the Barloworld Group holding shares as “forfeitable shares” as an escrow agent), the Barloworld Empowerment Foundation Trust (“BEFT”), Zahid Tractor & Heavy Machinery Co. Ltd (“Zahid Tractor”), Mr. Dominic Sewela (“Mr. Sewela”) and the Katlego Le Masego Trust (the “Trust”) (collectively, the “Excluded Shareholders”) by Gulf Falcon Holding Limited (“Falcon Holding”) and Entsha (Pty) Ltd (“Entsha”) (together, the Consortium), through K2024528179 (South Africa) (Pty) Ltd (“NewCo”) (collectively the “Acquiring Enterprise”).

On completion of the Proposed Transaction, it is anticipated that NewCo will hold a majority of the issued share capital of Barloworld and, as a result, will control Barloworld. Falcon Holding and Entsha will indirectly and jointly control Barloworld.

The Primary Acquiring Enterprise, NewCo is a newly incorporated South African company established for the purpose of the Proposed Transaction. NewCo is jointly controlled by Entsha and Falcon Holding.

Entsha is a newly incorporated South African company that is wholly owned by DKMS Group Proprietary Limited (“DKMS HoldCo”), also a newly incorporated South African company. DKMS HoldCo, in turn, is wholly owned by the Trust, an inter vivos trust

established for the benefit of Mr. Sewela and his family. The Trust does not control any other enterprise. Mr. Sewela is both a Chief Executive Officer and shareholder in Barloworld. Entsha and DKMS HoldCo were established for the purposes of the Proposed Transaction.

Falcon Holding is a wholly owned subsidiary of Zahid Tractor. Falcon Holding and Zahid Tractor form part of the Zahid Group of Companies ("Zahid Group"). The Zahid Group is a multidisciplinary conglomerate headquartered in the Kingdom of Saudi Arabia (the Kingdom). The Zahid Group operates across 14 sectors throughout the Middle East, Europe, North America and Africa (including through its existing minority and noncontrolling interest and long-held stake in Barloworld). The Consortium and its affiliated entities, and NewCo are collectively referred to as the "Acquiring Group."

The Primary Target Enterprise, Barloworld, is a publicly listed company incorporated under the Laws of South Africa with a primary listing on the Johannesburg Stock Exchange ("JSE") and a secondary listing on the A2X Stock Exchange. The Trust is a minority shareholder in the Target Enterprise. Barloworld's Consumer Industries division operates through Barloworld Ingrain (Pty) Ltd ("Ingrain"), including Ingrain SA (Pty) Ltd ("Ingrain SA"), a wholly owned subsidiary of Barloworld. Ingrain has a physical presence in Australia and South Africa and has only made ad hoc de minimis sales to customers in Botswana.

In Botswana, Barloworld ultimately controls Barloworld Equipment Botswana (Pty) Ltd ("Barloworld Equipment Botswana"). Barloworld Equipment Botswana is a private company incorporated in Botswana. For completeness, Barloworld also holds a 50% shareholding interest in NMI Durban South Motors Botswana (Pty) Ltd ("NMI Botswana") through NMI Durban South Motors (Pty) Ltd ("NMI"). NMI is a private company incorporated in South Africa. NMI Botswana is a private company incorporated in Botswana. Barloworld and all firms directly or indirectly controlled by Barloworld are referred to as the "Target Group".

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigations have revealed that the Primary Acquiring Enterprise, NewCo, is not operational in any market in Botswana, however the Zahid Group, Mr. Sewela and the Trust which form part of the Acquiring Group, hold shares in Barloworld and are therefore indirectly involved in the supply and distribution of Caterpillar machinery and equipment through the Target Enterprise's subsidiaries in Botswana. The Target Enterprise is therefore involved in the supply and distribution of Caterpillar industrial machinery and equipment as well as the sale and rental of motor vehicles through Barloworld Equipment Botswana and NMI Botswana respectively. The transaction involves a management led internal shareholder restructuring. Therefore, the transaction under assessment is not expected to

substantially lessen competition or restrict trade or the provision of services or to endanger the continuity of supplies in the relevant market or in any market in Botswana.

The implementation of the Proposed Merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana as the Proposed Transaction will not result in any change or market share accretion in any relevant market as the Acquiring Enterprise will only assume the Target Enterprise's market share.

In terms of Public Interest considerations, the Authority does not foresee any detriment to public interest that will arise because of the transaction under consideration. The Merging Parties have tendered that the Proposed Transaction will not have any negative employment effects or involuntary retrenchments.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not going to change upon implementation of the proposed transaction as the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market under consideration. Furthermore, the proposed merger will not have any negative effects on public interest matters in Botswana as per the provisions of section 52(2) of the Act.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of all issued share capital in Barloworld Limited by Gulf Falcon Holding Limited and Entsha Proprietary Limited (together, the Consortium), through K2024528179 (South Africa) Proprietary Limited.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 25th day of August 2025.

Gideon G. Nkala, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013