Transnet SOC Ltd
Registration Number
1990/000900/30

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Transnet SOC Limited
(Incorporated in the Republic of South Africa)
(Registration Number: 1990/000900/30)
Issuer Bond Code: BITRA
("Transnet", "the Company" or the "Issuer")

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

In terms of paragraph 6.7 of the JSE Debt and Specialist Securities Listing Requirements, noteholders are advised that the Issuer's unaudited condensed consolidated financial results for the six months ended 30 September 2025, are available on the Issuer's website:
https://www.transnet.net/RenderPage.aspx?id=24939720

Salient features:

- Revenue increased by 8,8% from R41,5 billion to R45,2 billion.
- EBITDA increased by 15,4% from R13,6 billion to R15,7 billion
- The loss for the period is R1.8 billion compared to a loss of R2.2 billion in 2024, which is 17.7% improvement compared to prior year.
- Cash generated from operations after working capital changes decreased by 30,7% to R9,6 billion from R13.8 billion due to settlement of the Total and Sasol claim.
- Gearing is at 51,9%
- Rolling cash interest cover (including working capital changes) is 1,5 times
- Capital investment to sustain and expand operations is R11,0 billion, an increase of 5% compared to prior year

Financial performance for the interim reporting period was positive, driven by increased volumes throughout the business resulting in increased revenue, EBITDA and a reduced loss for the period.

The global economy remains resilient despite ongoing geopolitical tensions and trade disruptions. While the geopolitical environment remains difficult, and trade disruptions continue, growth is holding up and market volatility has subsided.

The Company continues to experience improvements in the operating environment, particularly the increase in revenue and improved volumes in the rail business owing to **implementation of the Recovery Plan**.

Revenue for the reporting period increased by 8,8% to R45,2 billion (2024: R41,5 billion), in line with an increase in rail, container and petroleum volumes and weighted average tariff increases in the port and pipeline businesses.

Rail volume performance is higher than the prior period, reflecting an increase of 4,4% to 81,4 mt (2024: 78,0 mt). Performance improvements are evident through increased tonnage throughput, with the financial month of September 2025 recording an **annual high of 14,8 mt**, the highest month achieved since the 2022 financial year, despite the annual maintenance shutdown affecting manganese volumes.

Theft, vandalism and security incidents continue to pose significant challenges, and Transnet, in collaboration with law enforcement agencies, will continue to address some of this matter.

Net operating expenses increased by 5,5% to R29,4 billion, (2024: R27,9 billion) due mainly to increased personnel (salary increases and bargaining council wage agreements), security (mainly rail related incidents) and maintenance and material costs (mainly for locomotives and wagons) compared to the prior period.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to R15,7 billion, a 15,6% increase from the prior period. The EBITDA margin at 34,8% is accordingly also above the prior period (32,8%), owing to volume improvements.

Net finance costs increased by 7,7% to R7,7 billion (2024: R7,1 billion), resulting mainly from the increase in total debt compared to the prior period.

This resulted in a 17.7% improvement in the reported net loss of **R1,8 billion (2024: R2.2 billion)**.

Material uncertainty related to going concern

The consolidated interim results are prepared on a going-concern basis. After performing a detailed assessment and considering all associated risks, the directors believe that material uncertainties relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern exist, but these are adequately mitigated. The Directors considered several material uncertainties, including persistent security incidents, vandalism, and derailments that adversely impact operational performance; the implications of government-led freight rail logistics reforms; and the challenge of fulfilling the funding mandate amid ongoing operational constraints.

After carefully reviewing Transnet continued recovery and the financial support from the government through guarantees, the Directors believe that the Group will continue to have access to sufficient resources and facilities to sustain its operations and fund the capital investment program for the foreseeable future as a going concern. Therefore, they continue to adopt the going concern assumption in preparing the consolidated interim results of Transnet SOC Ltd.

The Board strongly believes that these associated risks will be effectively managed through the mitigation strategies in place. The Directors will continue to prioritise managing and executing these strategies, as it is crucial that they succeed as intended.

PROSPECTS

Transnet's **volume performance** has been on an **upward trajectory** since the 2024 financial year (FY). In further improving volume performance, Transnet will leverage **private sector participation** (PSP) to improve efficiencies and fund capital investment requirements. **Government's financial support** will continue to be **required in the short term** to avail funding for capital investment to restore the overall financial health of the Company.

The **freight logistics sector is undergoing significant regulatory, policy and operational changes** which have a direct bearing on Transnet. These include the regulatory developments of the **National Rail Policy of 2022** (NRP), the **Economic Regulation of Transport Bill** (ERT Bill) passed in 2023; and The National Treasury Guarantee Support Framework Agreement (GSFA).
Transnet remains **committed to implementation** of these reforms as directed by the Shareholder, **while remaining a financially viable** Company. Key among these reforms are:

i. The **corporatisation of Transnet National Ports Authority** (TNPA), resulting in it becoming a wholly owned subsidiary of Transnet.

ii. The **operational separation of Transnet Freight Rail** (TFR) into Transnet Freight Rail Operating Company (TFR) and Transnet Rail Infrastructure Manager (TRIM) (which occurred effective 1 April 2025), with TRIM expected to become a wholly owned subsidiary of Transnet by 30 September 2026, overseeing the rail network quality and reliability while the focus of TFR would be to deliver the highest possible tonnage for the business.

The Board and management remain resolute in the implementation of the Reinvent for Growth Strategy and are directing significant focus on resolving operational challenges to ensure that the tangible gains made thus far are translated into sustainable profitability.

Projects focused on improving rolling stock availability and the rail infrastructure condition will be prioritised while building on improved efficiencies and customer projects that have aided improved volume performance on the general freight business and export coal lines.

The Board has noticed key performance improvements within the Port Business following delivery of key operational equipment. DCT Pier 1 has operationalised 9 rubber tyred gantry (RTG) cranes, with a further 7 planned for June 2026. The replacement of 20 straddle carriers at DCT has also had a positive impact on performance. An additional 16 straddle carriers are currently being procured. Four Ship-to-Shore (STS) cranes are being replaced at DCT Pier 2. They have already been delivered and are in the process of being assembled. CTCT have also operationalised 9 RTG cranes. A further 9 are in the commissioning phase and another 10 will be assembled before the end of the financial year.

12 December 2025

JSE Debt Sponsor

Absa Corporate and Investment Bank (a division of Absa Bank Limited)