

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)

TRANSNET RELEASES AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 WITH AN UNMODIFIED AUDIT OPINION

Noteholders are advised that the Company's unmodified audited annual financial statements for the year ended 31 March 2025 have been published and are available on Transnet's website at: <https://www.transnet.net/RenderPage.aspx?id=24923733>

The annual financial statements are available for inspection at the registered office of Transnet, 138 Eloff Street, Johannesburg, from 09:00 to 16:00 on business days.

Salient features of the financial performance compared to the prior financial year are as follows:

- **Revenue** increased by 7,8% to R82,7 billion
- **EBITDA** (Earnings before interest, taxation, depreciation and amortisation) increased by 39,4% to R30,6 billion
- **Loss for the year** improved by 74% to R1,9 billion
- **Cash generated** from operations after working capital changes decreased by 0,6% to R28,6 billion
- **Capital investment** increased by 44,2% to R24,0 billion
- **Rolling cash interest cover** (including working capital changes) is 1,8 times; and
- **Gearing at 49,6%**, is within debt covenant requirements of <60%.

Performance overview

The Company experienced a significant improvement in its operating environment, particularly in the rail business, owing to the **implementation of the recovery plan**. Transnet's revenue performance for the year ended 31 March 2025 **improved by 7,8%** when compared

to the prior year, driven by weighted average tariff increases as well **volume increases** in the automotive and rail businesses, partially offset by lower pipeline and container volumes.

This was achieved despite various challenges that continue to impact the rail and port businesses, including derailments, rail network challenges, theft and vandalism, declining reliability of the legacy fleet, adverse weather conditions, tippler breakdowns and equipment reliability issues.

The Company reported a R1,9 billion loss for the year despite the improved revenue performance, which is a 74,0% reduction in the loss from the prior year.

Audit opinion

The Auditor-General of South Africa, the Company's independent statutory external auditor, has expressed an unmodified audit opinion on the annual financial statements for the year ended 31 March 2025.

Emphasis of matter

Material uncertainty related to going concern

Without modifying their opinion, external audit has included an emphasis of matter pertaining to a material uncertainty related to going concern, as detailed in the going concern assessment in the 31 March 2025 annual financial statements.

The board of directors (Board) strongly believes that these associated risks will be satisfactorily addressed with the mitigation strategies in place and continues to manage these as a priority to ensure that they materialise as envisaged.

The Board further concluded, after carefully considering the progress of the recovery plan and the financial support from government through the provision of R94,8 billion additional guarantee support, that there is an expectation that the Group will continue to have access to adequate resources and facilities to be able to continue its operations as well as fund the capital investment programme for the foreseeable future, as a going concern. The government guarantee facilities have been a critical intervention, alleviating our substantial debt burden.

Operational outlook

As Transnet wraps up the tactical recovery plan and executes the reinvent for growth strategy, the focus will shift from operational recovery to transformation and long-term, sustainable growth. This is a shift in strategy and mindset and one that places our customers, partners and communities at the heart of everything we do.

Transnet customers rely on us to be a dependable partner for their growth. Transnet will invest in infrastructure, technology and people to ensure delivery of a reliable, responsive and world-class service that the local economy demands, and our customers deserve.

The Company is deeply committed to improving the turnaround times, reducing congestion and enhancing the predictability of our services across the rail, port and pipeline businesses. Investments in new equipment, digital systems and operational excellence are already yielding positive results.

Private sector participation will remain a cornerstone of our strategy. These partnerships will ensure that Transnet becomes more agile, competitive and customer-centric.

In conclusion, the road ahead: the 2025/26 financial year (FY) and beyond, our corporate plan is as follows:

- Deepen private sector participation in rail and port operations;
- Strengthen financial resilience and governance;
- Drive digital transformation and innovation; and
- Embed a culture of performance, safety and service excellence.

The National Logistics Crisis Committee, established by the Presidency in June 2023, has played a pivotal role in advancing reforms within South Africa's freight logistics sector. Transnet has made significant progress in implementing key initiatives aligned with the Freight Logistics Roadmap (FLR), which outlines the strategic direction for sector transformation.

Notable achievements include:

1. Establishment of the Transnet Rail Infrastructure Manager (TRIM)

In line with the FLR, several strategic initiatives were executed, most notably the creation of TRIM as an interim Operating Division. This marked a fundamental milestone in the reform process, formally separating infrastructure management from rail operations. This structural change enables the participation of private train operating companies (TOCs) in a fair and competitive market.

2. Publication of the final network statement

TRIM, working under expedited timelines, collaborated with the Independent Rail Economic Regulator Committee to publish the final network statement. This document is a critical enabler of a competitive multi-operator rail market, detailing access conditions, including fee structures, for the national freight rail network.

3. Launch of the slot application process



TRIM initiated a market-facing slot application process, inviting potential TOCs to apply for network access and operational slots. The initiative received strong market interest, and the evaluation of applications was ongoing at the close of the financial year.

4. Port infrastructure and equipment enhancements

Within the port environment, several short-term FLR initiatives were implemented to improve operational efficiency. These included the delivery and commissioning of landside and maritime equipment to support Transnet Port Terminals and Transnet National Ports Authority (TNPA). TNPA received several new tugboats, enhancing capacity at the strategic Durban port and renewing capabilities at support ports such as East London.

5. Private sector participation in container terminal development

In a landmark development, TNPA appointed the first private sector operator to develop and manage a fully-fledged container terminal in South Africa, located at the Port of Richards Bay. This initiative is expected to add 200,000 twenty-foot equivalent units (TEUs) of annual container capacity, fostering growth and competition in the ports network. The preferred bidder is a consortium comprising of a well-established local logistics firm with global reach, partnered with a regionally entrenched local entity.

Looking ahead, these initiatives are embedded within Transnet's reinvent for growth strategy, driving tactical recovery, transformative change and laying the foundation for expansionary growth. In the 2025/26FY, our focus will be on measurable improvements in rail volumes, port throughput and financial sustainability, while embedding accountability and performance monitoring to ensure delivery.

At the same time, we are committed to supporting South Africa's just energy transition by advancing climate-resilient infrastructure, enabling green fuels and integrating sustainability into our supply chains. We also recognise the importance of skills development, job preservation and transformation, ensuring that reform benefits employees, communities and the broader economy.

Finally, Transnet will deepen partnerships with industry and regional partners to unlock the potential of continental trade corridors such as the North-South Corridor and Maputo Corridor, positioning South Africa as a competitive and integrated trade gateway.

Johannesburg

5 September 2025

JSE Debt Sponsor

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